

The Real Deal

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Q & A with Engel and Volkers Managing Partner Christian Volkers

The global managing partner talks about expansion in Florida and the future in New York December 19, 2011 12:00PM **By Alexander Britell**



Christian Volkers at the W South Beach

Christian Volkers has been the managing partner of Engel & Volkers worldwide since 1981, over which time he has helped lead the company into 36 countries. The firm is based on a franchising system by which it finds licensed partners who, in turn, implement a standard office structure and service style. The company first entered the South Florida market in 2004, and this summer, it announced the addition of three new locations in South Florida, with more in the pipeline. The Real Deal talked to Volkers, the firm's global managing partner, at the W South Beach about the firm's Florida expansion, a potential entrée into the Manhattan market and the impact of the global debt crisis both on real estate in Europe and the United States.

What are you seeing in the Florida market?

Europeans have made a move toward real estate, due to the crisis. People are not so confident in stocks anymore, so we see that, especially in Germany and other areas, people are saying, "okay, let's put our

money into real estate." That has a good impact on the market here in Florida. In Europe we have two main areas for winter/summer destinations -- the Middle East, and Florida. And we see that people are coming back to Florida -- they like to live here, like to stay here, and there's a mood that everything is stabilizing and slowly going back to normal.

How much has the debt crisis impacted real estate in Europe?

In Germany, we've never had such a market in real estate like this year -- transaction volume was up, prices were up, and people think real estate is the safest currency right now. We had a 30 percent increase [in sales] this year compared to the year before. Spain's market is very complicated, Italy is very complicated, Greece is even more complicated. So we have to pick and see the different regions and then see how it works.

How many referrals do you get from Europe to your American offices?

We're making about 20 percent of our turnover by referral business, and it's even more in the second-home markets [like Florida].

The firm saw a few New York-area offices shutter; do you plan on adding more offices there?

New York is a very interesting enigma. We realized that it's quite complicated if you don't have a presence in Manhattan. But we don't have any operations in Manhattan -- we just have our own small corporate head office in Manhattan. So I think that to be strong in that area of the country, we have to have a presence in Manhattan. And there are two ways to do that -- one is to go into a cooperation or a merger with one of the big guys there, which is something we are negotiating -- which is not finished yet, and which is not clear enough to talk about. But things are coming up. The other way is to start our own office, our own company, and go from there. Those are the two options we are going to decide next year.

Please talk about the expansion in Florida. You first came here in 2004, and the last year has seen a number of new branches open up.

Right now, I'm very happy about the development in Florida. We have big targeted aims for next year,.

The impact of Latin American buyers has been large in Florida. Will Europeans, who have already bought here, be the next big demographic?

I don't know. We, of course, see the whole Latin American market, and we are very strong in South America, and in Chile, where we have 16 offices. We see big movement coming up from there, from Brazil, from Venezuela. I don't think there will be a big boom from Europe, but we have constant interest from people who have come here and always will come here.

Do you foresee expansion into Asia?

We have a very concerted rollout plan. Right now, we have three target countries for 2012. In Europe, it's Italy, France and Spain, where we want to triple our presence. This will take about two years. At the same time, we're going to be rolling out very strongly in the United States. We could be going in to the Asian market for 2016.

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