

REAL ESTATE WEEKLY

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Poster boy for boom-time excess, Shvo has some advice for Academy class ...

By [Orlando Rodriguez](#)



Michael Shvo and Esther Muller

Nothing. Nada. Zilch.

That's exactly what one-time superstar broker-turned-developer, Michael Shvo, gave the audience about his personal life and future business plans when he appeared for the first time in a long time at the New York Athletic Club last week.

But besides keeping mute on his own personal endeavors, Shvo had a whole lot to say, offering strategy and insight to anyone who cared to listen beyond what their obligatory 22.5 hours of continuing education required of them.

"Nobody wakes up and says: 'I want to be a real estate broker'," he said. "We are all here by mistake. So how do you take that mistake and make money from it?"

Shvo, who was there to teach a session of Esther Muller's Academy for Continuing Education, recycled some Shvo-isms from his infamous 2006 ABC Nightline interview throughout the hour-and-a-half class, all to say that a broker can succeed if they work hard, because much of the competition in the business is incompetent.

"It is harder to become a taxi driver than it is to become a real estate broker," he said. "I say 'I am a giant among midgets' because the competition at the entry level of real estate is very low."

But the low barriers to entry are where the easy part ends, he said.

"The only thing you have to offer is information, experience and knowledge," he said. "If you are a smart broker, you know how to hone in on the property for the client. Understanding the product and knowing the product is the most important thing one can have. If you told me #2A at Trump Tower, I'd tell you exactly what the unit looked like. I knew exactly the square footage. I knew the kitchen was on the left, the bathroom on the right. I made it a point to know my product, to be on top of every listing."

The challenge, Shvo said, is that in the era of StreetEasy and Trulia, consumers have access to all of the information that many residential salespeople have. That means the salesperson has to know and understand their product intimately, or risk losing the sale.

"Like a dog knows if you are scared of him, a client knows if you know what you are talking about," he said. "They use the same tools. They don't need you. You have to create value if you want to stay relevant in the marketplace today."

That Manhattan marketplace, Shvo said, is ever-changing into one continuous and interconnected area, with less pricing distinction than in the past, a nod to prices that developers are currently achieving for properties well beyond the traditional luxury Central Park corridors or on Park Avenue.

"Who the hell thought that 57th street would be at \$7,000 per square foot?" he said. "57th Street was always a shit street. Yet some people are paying an unbelievable amount of money there. New York is becoming one neighborhood, mostly because there is no supply of land."

Even so, Shvo still believes that brokers have to be committed to the business 100 percent. In his view, real estate sales is not something someone should do part time, or because they heard a rumor that they can make a lot of money.

Real estate is not a business in which people can afford to be mediocre, he said. His advice: If you plan to just get by, you should get out.

"If you are not willing to commit your life to do this, don't," he said. "Don't do it because you have nothing else to do, because you are going to be another average person. Go get a job at a normal place and get yourself a salary."