

[view from the top profiles of success]

Twenty years ago, Michael Rao and John Zappia could have been seen running around the schoolyard together, playing baseball, or getting into some type of mischief typical for little boys in elementary school. Fastforward to present day, and not only are the two Yonkers natives still the best of friends, but they've also become the best of business partners. Together, Rao, principal, and Zappia, associate, leasing/sales, comprise the New York Commercial Realty Group, based in White Plains.

Over the past year the "new kids on the block" have made quite an impression in the commercial real estate industry, which is typically dominated by men in their 40s and 50s. Rao, 25, and Zappia, 26, handle leasing deals for everything from office space to retail and industrial, for businesses ranging from mom-and-pop shops to major corporations. "Starting this kind of business at such a young age was unheard of in commercial real estate and many people tried to discourage me," said Rao. "But right now we don't mind being the small fish in the big pond. We have a lot of determination and a great work ethic. We're here on weekends and holidays, and we're always brainstorming."

The pair also relies on the knowledge and experience of two silent business partners and on Rao's experience with Cushman & Wakefield, one of the area's larger commercial real estate brokerages. "I watched the work ethic of those brokers who put in long hours to see success and I knew I could do the same if I worked as hard." Rao was a leasing associate with Cushman & Wakefield for two years before branching out on his own.

As for the two childhood friends ending up together in the same business, both agree it was a natural fit, since they attended college together in Florida and worked a series of retail jobs together. When Rao first started the New York Commercial Realty Group, Zappia was working as a carpenter on new residential developments throughout Westchester. "I was on one particular job, cleaning up after a fire and shoveling dirt around," he recalled. He took a break to call his friend and then learned about the new company. "After I hung up with Mike, I started thinking about going into real estate and just then my phone rang and it was Mike asking me to come work with him."

Since then, the two have been a team, representing both tenants and landlords and burning the midnight oil. "You have to realize that 75 percent of this business is knocking on doors and cold calling. The other 25 percent is getting referrals or just



[michael rao | john zappia]
New York Commercial Realty Group

pure luck," said Rao. "What sets us apart is that we offer more diversification than just office or retail. We handle industrial and warehousing as well and we also cater to the smaller tenants because we believe in their growth potential."

Most of their real estate transactions are in Westchester and Rockland counties, but when building owners seek out national retail chains or restaurants, they often expand their legwork far beyond the New York metro borders. "On average, a deal can take anywhere from four to eight months, but sometimes you can end up working on a deal for more than a year," said Rao.

The business partners also agree that tenants should be realistic in what they're looking for and what they can afford. "They have to make sure their financials are in order and they should also have a vision of what they want," said Zappia. "A lot of times new business owners will look at spaces that are available and get nervous because they can't envision the finished product."

In other cases, tenants often shy away from commercial real estate brokers, believing they will be responsible for paying their commissions. However, in the commercial real estate business, the building owner always pays the commissions.

Still, there are a lot of pitfalls for commercial real estate brokers. Often, something as simple as a parking requirement will kill a deal. "This business can be 95 percent disappointment, but it's that 5 percent success that keeps us going," said Rao. "You get addicted to it."

Currently, the firm employs four people, and is planning to expand to three more real estate agents. New York Commercial Realty Group is also pursuing purchases up to \$5 million.

Because of the nature of their business, their desire to accommodate clients and their rapidly expanding company, Rao and Zappia spend a lot of time together. "There are times when we don't see eye to eye, but it never becomes an issue," said Rao. "We're focused on the bigger picture and we see eye to eye on that," added Zappia.

what to look for in leasing:

Office/Medical Locations

- Pleasing physical appearance (both exterior and interior)
- Landscaping
- Work force commute
- Access to public transportation
- Responsive building management.

Retail Locations

- Good visibility
- High-volume location
- Demographics that match your market
- Good physical appearance (both exterior and interior)
- Ingress and egress
- Adequate parking
- Signage allowances
- Appropriate tenant mix for your market
- Effective property management.

Industrial/Warehouse Locations

- Office build-out percentages
- Clear height
- Truck court width and parking
- Truck access
- Dock door type and size.

New York Commercial
Realty Group
180 East Post Road,
White Plains 10601
Tel:914-287-6410
Fax:914-946-4411
www.nycrgroup.com

