



Executive of the Month: Anthony Lolli, founder and CEO of rental brokerage Rapid Realty, sees rentals on the rise

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We recently sat down for a question and answer session with entrepreneur, investor, and developer Anthony Lolli, founder and CEO of rental brokerage Rapid Realty.

Q: Looking back, what was your biggest accomplishment in 2012?

A: 2012 was an extraordinary year for Rapid Realty. We started franchising in 2009, and since then we've gone from one office to 60, with more on the way. We started expanding outside of New York to cities like Boston and Philadelphia. We have over a dozen multi-unit franchisees and we've appointed several area developers, which is practically unheard of in a company this young.

But if I had to pinpoint a specific achievement, it would have to be Rapid Realty landing a spot on the Inc 5000, officially marking us as one of the fastest-growing companies in America. I've followed the Inc 5000 every year for as long as it's been around. Seeing Rapid Realty on that list was a big moment for me.

Q: How big of a factor do you think the decision to franchise has played in Rapid Realty's growth?

A: Huge. When I first started thinking about expanding back in 2007, 2008, I planned to follow the model that most New York real estate firms use, which is to open corporate-owned branches and install top agents as managers. I actually trained several of our best agents to manage our first new branches, and then, just before we were about to begin construction, they all left to go start their own companies. I had just trained my own competition.

That's when I realized that agents want the chance to run their own companies, just like I did. Franchising meant giving up some control, but it allowed me to offer our top people the kind of career growth they wanted while still keeping them in the family. And the results speak for themselves. There's no way we would have gotten to where we are so quickly if we hadn't franchised.

Q: You got your start in sales. What made you decide to focus on rentals when you started your own company?

A: I took a good look at what was happening in New York real estate and realized just how difficult it would be to be the little guy starting out in an overcrowded market. Everyone wanted to be in sales back then. But while there were all these huge, established firms fighting over sales listings, there really wasn't a company giving that same level of attention to rentals, especially in the outer boroughs.

I grew up in Brooklyn, I've lived there my entire life. Prices in Manhattan were shooting up, and I could see Brooklyn was going to be the next big destination for renters who couldn't afford to stay in the city. So that's where I put my focus. And sure enough, when renters started flocking to Brooklyn, we were ready for it, because we'd been putting Brooklyn rentals front and center since day one.

Q: What are your goals for 2013?

A: Obviously, I want to see Rapid Realty continue to grow. With Brooklyn rents rising, Queens is the next frontier. I'd like to open another five to seven franchises in Queens by the end of 2013, in addition to 10 in Manhattan. Outside New York, I'd like to have offices up and running in at least five new cities by the end of the year, ideally with multiple locations in each one. The ultimate goal is to be America's household name in rentals, and that will only happen if we work on really establishing ourselves in each new market, the way we've done here.

Q: How do you think the rental market will perform over the next year?

A: Rentals are only going up. We're starting to see the sales market make a slow recovery, but there's still a long way to go. The fact is, the demand for rentals is there, and it's not about to go away. Thanks to all the condo conversions and new rental developments that have gone up since the bubble burst, there are just a lot more attractive rental options out there. People who once had to buy a home to have a certain level of luxury are finding that's no longer the case. The days when renting was something you only did because you couldn't afford to buy are gone.

Q: What does it take to be a successful broker in rentals, as opposed to sales?

A: Success in rentals is all about volume. In sales, you may be working with one buyer for a month or more, and that's okay. In rentals, the commissions are much smaller and the turnover is much faster. A lot of the time, you're working with clients who need to move right now, or they'll be out on the street. It's just a faster pace. It's not for everyone. You need to have that hustler mentality, that drive that keeps you moving. I'm a high energy guy, I go crazy if I'm not moving, so rentals were a great fit for me. The people who do the best in this business are the ones who thrive on that momentum.

Q: You're currently developing a hotel in Downtown Brooklyn. What can you tell us about that?

A: We're still in the planning stages, so I don't want to go into too much detail just yet, but I'm very excited about the way this is taking shape. I've owned a multifamily rental property in Downtown Brooklyn for over a decade. A little while back, the owner of the lot next door contacted me out of the blue. We got to talking about how the neighborhood was evolving, and before you know it, we got it in our heads to combine our properties to make room for a hotel. From there, we spoke to some of the other neighbors, and soon we had about 300,000 s/f of buildable space.

Almost immediately, without us even really trying to spread the word, we started getting contacted by hotel developers, including some major chains. Several budget lodging options have opened in Brooklyn in the last few years, but there aren't many options for a more upscale stay in this part of the borough, so that's what I'm aiming for. The location is perfect for it. It's got quick access to Manhattan by car or public transportation, it's close to several parks and landmarks, and it's just up the road from the new Barclays Center, which is a huge draw.