



Marc Kotler of FirstService Residential is laser-focused on assuring their managed properties in New York City thrive

February 08, 2022 - Owners Developers & Managers



New York, NY The New York Real Estate Journal (NYREJ) sat down with Marc Kotler for a question and answer session.

Kotler is senior vice president of the New Development Group at FirstService Residential New York, a division of North America's largest residential management company that specializes in developer consulting and management of new and young properties. Over the last decade, he has successfully built the division into an industry leader by providing developers with services that are essential to successfully opening new properties—either from the ground up or via conversion. FirstService Residential has made an imprint on the New York City skyline by advising on the opening of more than 100 luxury condominiums, multifamily rental buildings and hotel/condo properties, including many of the new supertalls.

NYREJ: How did you get your start in the industry?

Kotler: My father was in property management, so that was my introduction to the business. During high school and college summers, I worked at One Lincoln Plaza as a porter and a short order cook in the building's health club. I also worked as a laborer for Normandie Court.

After my college graduation, I took a job as a project manager for Time Equities at Tudor City during the conversion from rental to cooperative ownership. Time Equities later spun off management of the complex under Tudor Realty. That job turned into a 14-year career with Tudor Realty—the last seven as director of management.

I eventually joined FirstService Residential (formerly Cooper Square Realty) as a senior property manager in 2004.

NYREJ: What has your career been like at FirstService Residential? Tell us about your team.

Kotler: I was promoted to vice president after one year with FirstService Residential and formed the New Development Consulting & Property Management Group in 2005. Today the division comprises more than 50 associates. The incredibly talented property managers and general managers who oversee the properties we manage have held hospitality and management positions at the world's finest hotels—think Waldorf Astoria, Ritz-Carlton, The Regency, The Four Seasons and The Delano.

Division leadership oversees training for both our property managers and the building staff to continuously exceed residents' expectations by adopting hospitality principles exclusive to the world's most upscale hotels.

NYREJ: What projects are you working on?

Kotler: Hotel to condo conversions are big right now in New York, and we're working on two premier projects—the conversions of the former Le Parker Meriden and Waldorf Astoria hotels. We're also providing pre-development consulting for some exceptional ground-up condo and multifamily rental projects—Front & York, Madison House, the conversion of Robert A.M. Stern's One Wall St., One Huron in Greenpoint, and Howard Hughes' 250 Water St. at South St. Seaport, to name a few.

Over the past decade, we've opened several iconic supertall properties including New York by Gehry, 53 West 53, 432 Park, and most recently Madison House. Our current projects include 430 East 58th St., a 62-story residential tower in Midtown East.

NYREJ: Do supertalls require a specific type of expertise?

Kotler: Absolutely. The building's mechanical systems must be designed to provide standard services at much higher elevations—everything from elevators, windows, heating and ventilation systems, the façade and so on. All of these integral components are impacted by the building's height and inherent movement.

As consultants, we step in to help the development team implement building systems, maintenance and operations in ways that will minimally impact building residents. For instance, garbage collection

and transportation from the 62nd floor to the cellar level, dedicated lifts and entrances for contractors and freight delivery, or even the installation of remote detection systems to quickly identify the origin of a leak anywhere in the building. Everything is much more challenging in a vertical environment.

NYREJ: What do your pre-development consulting services entail?

Kotler: Our consulting services focus on recommendations and strategies that will bring each developer's vision to life, with an eye toward maximizing value, marketability and streamlining building operations. Our goal is to create a luxury lifestyle experience that remains desirable to residents even when new options enter the market.

We typically partner with our clients before the preliminary renderings and design drawings are even drafted, and then collaborate throughout the entire project lifecycle with the design, architectural, amenities, construction, legal and sales teams. For example, we offer recommendations and cost analysis on the design and location of amenities, ways to maximize front- and back-of-house operational efficiency, enhance curb appeal, loading dock design, trash and recycling systems, security, and AI-driven products. We project operating expenses, analyze areas for potential cost savings, recommend a budget and review the offering plan to prevent any time-consuming, costly amendments. The list goes on.

Our involvement continues through pre-opening management, and we also have a solid track record of seamlessly facilitating the transition from sponsor to residential board. It's a testament to our success that more than 95% of condo boards retain us as their managing agent after the transition.

NYREJ: What is the unique value FirstService Residential brings developers?

Kotler: What's unique is for a residential management company to have a division dedicated exclusively to providing services to developers, property owners and board members of new and young developments. But it makes sense for us to do so because we have so much knowledge and so many resources at our fingertips.

First, we can tap into the knowledge gained from opening over 100 of the city's finest new properties. Second, we've been in business 40 years and manage over 500 condos, co-ops and rental buildings of every size and complexity across the city. Third, FirstService Residential manages more than 8,500 residential communities across North America which affords us yet another avenue of experience to use. Fourth, we continuously invest in hiring and developing the best managers in the industry, as well as in proprietary resources, new technologies, and systems that streamline operations.

We are the only company that can draw upon local experience and national resources to solve our clients' challenges. So, whether we're consulting on a boutique 50-unit condo, a 500-unit mixed-use development or a 1,000-unit supertall, our breadth of experience gives us many roadmaps, lessons learned and best practices to draw upon. We can make customized recommendations based on each building's specific needs and challenges which helps our clients to make smart, informed decisions.

It's also important to note that unlike competitors, FirstService Residential is strictly a third-party management company. We don't develop properties or have an ownership stake in competing buildings. Our sole focus is on helping our managed properties thrive.

NYREJ: What's a unique challenge your team recently helped solve?

Kotler: One Wall St. – with 48 stories, 566 condo residences and 1.2 million s/f – is the city's largest-ever office-to-residential conversion. At its base will be a large supermarket and other retail stores. Given the building's proximity to the high security zone surrounding New York Stock Exchange, we had to strategize with multiple parties to overcome several challenges – from traffic flow and delivery impediments, to adjusting loading dock bays to meet commercial truck dimensions, to optimizing delivery schedules to accommodate normal residential access.

NYREJ: What are some of the most important challenges facing the new development sector now?

Kotler: Even for luxury properties where sales price points are extremely high, construction costs are just as much of a concern when planning and developing these buildings. Beyond construction costs, the cost of everything from utilities to cleaning supplies continues to rise. Developers must also contend with a bevy of local laws aimed at reducing energy use, establishing greener standards and curbing carbon emissions. The challenge is balancing compliance and making the building as efficient as possible while also delivering a product that is attractive to buyers and on-par with the competition.

The new prevailing wage and benefit laws as they relate to tax abatements is another challenge when we create budgets for our managed properties. Our goal is to always keep common charges as low as possible to induce sales, and we've had to find creative solutions to do so.

Insurance has seen one of the largest year-over-year increases with no sign of slowing down. There's also a significant labor shortage and finding quality people to staff your building can be difficult.

NYREJ: What advice do you have for professionals just starting out in the business?

Kotler: Always be curious and try to learn as much as you can about how buildings run. Think beyond property management and familiarize yourself with building design and development, the construction process and building operations. The more you know about how buildings operate, the better you'll be at doing your job across all areas of the industry.

NYREJ: What do you enjoy in your spare time?

Kotler: Most of all I'm an avid skier. Second-up would be golfing and cycling. I also love traveling to Colorado, particularly all the rugged terrain and mountain ranges there.