

Filling Philadelphia

Legend Properties makes its home in the Philadelphia market, where it concentrates on retail brokerage from the shore to the Lehigh Valley.

Randall Shearin

Legend Properties is one company that is happy its home base of Philadelphia has never been a market that broke any growth records. Since its inception in 1990, the company has sold retailers on the fact that Philadelphia — and its strong, silent, slow-growth, yet affluent suburbs — was one of the most stable markets for retail in the country. The past few years have proven it correct. While retailers have pulled back in most markets, many are still keeping an eye, if not a foot, in Philadelphia. Today, Legend is pushing ahead, making deals in a difficult time through a unique approach to the brokerage business.

Shopping Center Business recently spoke with Jim DePetris, CEO; Maria Rita Aristone, president; and Hal Vasvari, partner, to see how Legend Properties is operating a different model for brokerage.

The foundations of Legend Properties began in the early 1980s, when Jim DePetris founded DePetris Realty with his brother Michael. The company fo-



Legend Properties is a family company at heart. Pictured are (left to right) Steve DePetris, David DePetris, Jim DePetris, Michael DePetris.

cused almost solely on retail brokerage, which was unheard of at the time in the market.

"The company was the pioneering retail brokerage in the Philadelphia market," says Jim DePetris. "We were a small boutique operation, but we grew quickly."

In the mid-1980s, Jim DePetris switched gears to become a retail developer, leaving his brother to run the brokerage company. He built about 2 million square feet of shopping centers over the nearly 5 years he was in development. In 1990, the DePetris family launched Legend Properties. Initial members of that fledgling company included Jim and Mike DePetris, their brothers Steve and David, sister Donna, Maria Rita Aristone and Jean Bialoskorski. The company's first office, serving the Philadelphia area, was in Mount Laurel, New Jersey.

"Our goal was to refocus on the business of brokerage," says Jim DePetris. "It was difficult for us to be a dominant broker and dominant developer. The focus of Legend from the

start was to provide outstanding brokerage services."

The company's business rapidly expanded. It opened a second office in Plymouth Meeting, Pennsylvania. Currently, the company has five offices spread throughout the area. While it may be unheard of for retail brokers to have multiple offices spread across a single market, Legend sees this as a distinct advantage since Eastern Pennsylvania, Delaware, and Southern and Central New Jersey are the only markets it serves. The company's offices cover an area that spans from the coastline of New Jersey, west to the Harrisburg, Pennsylvania, market—about a 150-mile distance. While Legend's headquarters are in Conshohocken, Pennsylvania, today, its brokers are spread throughout its offices, which include Lehigh Valley and Center City Philadelphia in Pennsylvania, and Mount Laurel and Middlesex in New Jersey.

"It is important when you are servicing your clients that you are able to get to your properties quickly," says Aristone. "That led to our multi-office program. Not only are we doing mainstream shopping center business, we are also getting local listings from local owners. In order to do that

correctly, we needed to have small, territorial offices. We like to live where we work and work where we live."

DePetris cites a turning point for the company that came in 1999. Together with his brothers Jim DePetris decided to expand Legend Properties beyond being the boutique business that it was. As a result, an evolution took place that changed the company from a family business to a family controlled business. Many changes were made at the company as part of the "team" philosophy. This included profit sharing and equity participation programs to retain the talented individuals already on board and attract new talent to the company. "As someone who started his career as a coach and teacher, and who spent many years as COO of Federal Realty, I find that Legend has a true team approach to brokerage," says Vasvari. "That is something that is incredibly hard to accomplish in the brokerage world, and it is very apparent that it's one of the attributes of Legend's successes."

"Legend's growth relied on family values," says Aristone, who started as secretary to Jim and Mike DePetris 27 years ago, became a top leasing agent and Legend Properties' first partner, and then was named president 3 years ago. Family characteristics like loyalty, commitment and trust were translated into the relationship between the DePetris family and Legend's employees.

"It was a family business, but now we have a family culture," Aristone says. "That factors in with how we do business and how we work as a team. It is the mainstay of our business."

"We've now been in business 20 years," adds Jim DePetris. "and we are more than just four brothers working together. We have developed many people who have become partners and profit sharers with the company, and we have hired agents from top real estate companies such as Grubb & Ellis and Colliers."

The company has a mentoring program for new brokerage employees. It takes into account personalities and work habits of both the mentor and new hire.

"New hires have to feel that being part of Legend is something bigger than just being an independent contractor," says Aristone.

Among those who have completed the program are Matt Ryan and Josh Hunsberger, who have moved to the

forefront of the commercial brokers in the area. "The team mentality that Legend fosters really helped me" says Ryan.

"Teams work better than individuals, and that's how we get more business done at Legend," added Hunsberger. "The senior executives are always accessible to us and they've really helped to further my career."

Legend's business lines have also grown over the years. The company is one of the largest full service commercial brokerage firms in the Philadelphia market. It also does tenant representation, retail leasing

(landlord representation), commercial property sales, property management and consulting. Legend's tenant representation has launched many retailers in the Philadelphia market. It brought Michael's stores into the market in the 1990s, and Legend has done 39 deals for the retailer throughout New Jersey and Pennsylvania over the last 12 years. Great Clips, Old Country Buffet, Mande's, Chili's, Modell's Sporting Goods, TD Bank and Dollar General are some of the retailers that Legend Properties represents in the market.

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(Left to right) Josh Hunsberger, Hal Vasvari, Maria Rita Aristone, and Matt Ryan.

"One attribute to this company is that we are very diverse," says Jim DePetris. "We are just as comfortable leasing a big box center as we are a 20,000-square-foot strip center. We are just as happy representing a 1,500-square-foot tenant as we are a 50,000-square-foot tenant. We also do a lot of work with franchisors and a lot of independent retailers."

On the landlord side, the company has a loyal following as well. Clients include some of the top national companies such as Developers Diversified Realty, Regen-

cy Centers, Kravco/Simon, and large local owners like Dranoff Properties, the Robbins family, J Loew & Associates, Hankin Management and the Zamias family.

"We represent a lot of owners who have strong leasing staffs themselves," says Jim DePetris. "They choose Legend because they know our sales force will augment theirs. We work well with internal staffs as local representation and most important we canvas and cold call relentlessly for prospects."

Because of its expertise in the Phila-

delphia market, Legend is often called by owners to lease specialty properties. It was recently hired to lease a new power center being developed on the site of the former Frankford Arsenal in northeast Philadelphia. In this property and others, Jim DePetris' development background and expertise has been an invaluable asset to the property owner. A burgeoning market for the company is Center City Philadelphia, where it shows retailers properties regularly, and represents a number of landlords. Another specialty market is urban leasing, where the company has enjoyed great success.

Legend recently joined TCN Worldwide (The Commercial Network) to further its reach and help extend its business to other markets. "We felt a brokerage network like TCN, with its 1,200-plus brokers, could help us better service our retail and property owner clients," says Vasvari. "Exchanging leads and referrals has added to our scope of business."

While many markets complain of a lack of activity, Philadelphia's economy has not been as hard hit as other cities in the nation. As an area that has had relatively slow growth, the market has not taken as steep a downturn as others. As such, retailers are still looking at the market as incredibly viable in these times.

"We are fortunate to be in the Philadelphia market today, in this economic time," says Aristone. "We have diverse employment in our market, and unemployment levels are lower here. While it looked like there was a lot of development going on here over the past 10 years, it was still much less than other parts of the country. This isn't a boom-or-bust market."

Legend has taken many steps to survive and thrive during the recession. Its sister company, Legend Management, has been actively gaining property management contracts. The company has also been working with banks on distressed assets that need leasing and management services. Legend views itself as uniquely qualified to handle REO work because of its ability to lease, sell, manage and provide construction management services.

Summarized DePetris, "I am proud of Legend Properties' 20 years in business and of our tremendous group of talented, committed and loyal agents and employees. Legend's story is one that will continue to unfold with future successes."

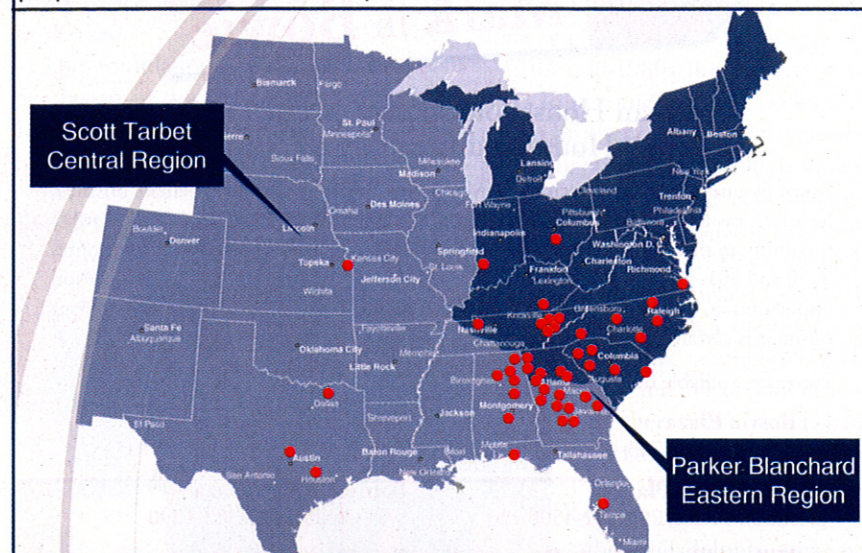
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