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# Stepping aside as CEO, G&E's Lewinger reflects on market's changes

**Building a legacy**New Mexico Business Weekly - by [Steve Ginsberg](#) Special to NMBW

John Lewinger has had a front row seat to the development of New Mexico's commercial real estate market over the past 35 years.

As founder and part owner of the state's largest commercial real estate brokerage, **Grubb & Ellis New Mexico**, he has a unique perspective on the recession and how it compares to downturns in the 1970s and 1980s.

Lewinger kept G&E debt-free and worked assiduously to build relationships to keep it diversified enough that it could weather the storm. At a time when most brokerages have seen their volume cut in half, G&E has created enough revenue streams to maintain its market share and most of its staff. At 65, Lewinger is stepping aside, and mentoring former **SunCal New Mexico** President Will Steadman, G&E's new leader.

By the end of 2010, Lewinger will cut back his day-to-day involvement in G&E, founded in 1996. He will continue to work on business development for the private firm, and plans to retain his 20 percent interest.

Before Lewinger goes part time and spends more time with his wife Jamie and his racing cars, the New Mexico Business Weekly sat down with the CEO.

**NMBW:** You have seen economic upheavals before. Where does this one rank?

**JL:** This is the worst I have seen in my 40 years in real estate. I remember the 1974 downturn in New York. It was terrible, but there were deals. In the late 1980s, we had the [Resolution Trust Corp.] and it was different, because it was organized, and [the government] made decisions. In 1991, we [Lewinger-Hamilton, his previous firm] were appointed to do the New Mexico RTC auction, and we sold 702 properties in New Mexico. We started at 6:30 [a.m.] and went to 1:30 a.m. The average sale took a minute, and in between [there was] a jazz band. Back then, you could buy an acre in North Albuquerque for \$14,000. That acre today is worth \$250,000.

**NMBW:** What are some of the major changes over the decades impacting the business?

**JL:** Since the 1980s, regulatory changes have made this a complex business. Issues that were once commonplace are now major. Closings used to take an hour. Now they take four, and if you make a change in the documents, it could take three days. The environmental aspects of ownership and liability are not what they were 20 years ago. Banks are not foreclosing on properties today, because if you have the deed in your name, there could be environmental consequences.

**NMBW:** How has technology changed things?

**JL:** The market has been totally changed by electronic technology. Today we get leads from the Internet from people we never met, and that's a huge change. We are evolving to a paperless future where most of our marketing is through the Internet. Most of our clients are mature men and many don't use the Internet, but in the next 10 years, we will be increasingly Internet-based.

**NMBW:** Has the Albuquerque market grown in sophistication?

**JL:** From the 1970s into the 1980s, the Albuquerque market was relatively unsophisticated. Leases I did in 1974 in New York are far more sophisticated than leases done here in 2010, because buildings there were profit centers generating their own steam and electricity, and leases reflected that. Albuquerque has grown in sophistication, but is still light years behind New York. I find that refreshing.

**MEDIA**

**NMBW:** Describe the Albuquerque real estate landscape as you found it in the 1970s.

**JL:** In 1974, the city ended at Montgomery Boulevard, and there was no development on the Westside. Purchase agreements were done on one 8 1/2-by-11 piece of paper, with most deals conducted through owner carry-back financing. There were no exclusively commercial real estate brokerages, as residential firms did both. All the firms were locally owned, and the first national to open was [**Coldwell Banker**] in 1982. They started with three brokers in a rented house, and those brokers they stole from me.

**NMBW:** How has a commercial real estate CEO's role changed over the years?

**JL:** You still have to be good at business development, and that means serving on boards and being visible in the community. The knowledge base has changed, and you must be technologically savvy. This is the toughest time to run a commercial real estate firm, because you need to develop other revenue streams. You have to have litigation support, tax protestation and property management groups, the full spectrum. If all you relied on were sales of property and leases, your business would be substantially off.

**NMBW:** You've been spending time mentoring Will Steadman lately. What is his biggest challenge?

**JL:** Will's biggest challenge will be the care and feeding of the brokers. As nonsalaried employees without health insurance, it takes huge psychological discipline to earn a livelihood that is impacted by everything. This has always been a difficult business, but it has become psychologically harder.

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