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Real estate pros carve own niche during recession

Phoenix Business Journal - by [Jan Buchholz](#)

When the music stopped during the first several months of the recession, commercial real estate professionals across the board found themselves scrambling for the remaining jobs.

People with years of experience suddenly couldn't find an open door.

Some went into business for themselves. Others set their sights on different aspects of the business that evolved out of the economic downturn. At the same time, recent college graduates discovered that a degree did not earn them automatic employment.

The Phoenix Business Journal talked with several commercial real estate people who have discovered how to survive and thrive in a different world.

Office condo bust

Ross Guttler was brokering office condos at [Logan Commercial Advisors](#) in 2006.

"The market was still really good then, but residential sales had slowed. I realized then that the office condo craze could not continue," said Guttler, who now handles commercial acquisitions and dispositions for [ROI Properties](#) in Phoenix.

Phoenix is widely credited as being the birthplace of the office condo concept in the late 1990s and early 2000s, but its early success launched dozens of new projects. Eventually, the market was saturated. Add to that the economic downturn, and brokers specializing in that market segment were hit hard.

The connection between residential and office condos was obvious to Guttler. Buyers were financing their office condos with home equity loans. The residential market was retracting, prices were falling and office condo sales suffered as a result.

"I realized I couldn't stay (at Logan) because we were branded as an office condo broker," he said.

But while he was still there, Guttler took on some side deals working with banks that had taken back real estate as a result of loan defaults. That was 2008, which Guttler describes as "my worst year."

Through a get-together sponsored by the Urban Land Institute's Arizona Chapter, Guttler met up with Beth Jo Zeitzer, president of ROI, which specialized in bank-owned properties long before it was fashionable.

"She thought I'd be a good fit. I knew she already had a great platform set up," Guttler said.

He started in June 2009, and he's on track for the best year of his career.

Terri Tobey also specialized in office condos as senior vice president of marketing at [Utaz Real Estate Corp.](#) in Gilbert.

"Everything was going gangbusters when I started in September 2006," she said. "A year into it, I realized we were having to get more aggressive. Then the banks stopped lending in 2008, and the party was over."

Tobey left Utaz in April 2009 and was recruited by CB Richard Ellis for its health care team. A few months later, she left to start her own business, Arizona Development & Consulting Brokerage Service.

"I was too pigeonholed with all my contacts to just do health care. I tell people I specialize in whatever's hot," Tobey said.

Now she works seven days a week, and recently spent a day showing a developer from Utah around the Valley.

Adventures in retail

Marc Grayson and Summer Katzenbach were firmly entrenched in the retail development business with one of the Valley's largest shopping center developers, [Vestar Development Co.](#) Grayson was a construction manager and Katzenbach was a marketing director.

Both were closely involved in one of Vestar's premier projects, Tempe Marketplace, which opened in September 2007. Both were laid off in late 2008 when the economy cratered.

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"I saw it coming," Grayson said. "You go through these stages of first, no way this is happening. Then the writing is on the wall. Then there's a lot of senior management meetings, and then you read the bad news in the paper."

Katzenbach was quite surprised when she was laid off, but "now I look at it as a huge blessing."

In October 2009, Katzenbach and partner Emily Bond created **ShopTalk Marketing** LLC, which develops marketing strategies for retail owners and developers.

In three months, they've secured three large clients: Scottsdale Pavilions, Oakville Grocery Co. and Luhr's City Center.

Grayson spent some time reflecting on the possibilities and started Grayson Consulting Group in January 2009. While trying to find his niche as a real estate entrepreneur, Grayson met Charlie Dunlap and his son, Boots.

A veteran Phoenix home builder, Dunlap created **Realty Resolution Advisors** to help banks and investors deal with the massive numbers of foreclosures and distressed residential projects. He took on Grayson as a partner to focus on analyzing commercial real estate properties.

Business is brisk for the Scottsdale company.

"We're not a brokerage firm trying to get a listing. We're distinguishing ourselves from that," Grayson said.

Realty Resolution now has clients across the U.S.

Finding the first job

If the workplace is tough for seasoned veterans, it's especially tough for recent college graduates.

Viktor Morozov, an immigrant from the Ukraine who graduated from Arizona State University in December, had started forging his career path early in 2009. He started as an unpaid intern for **ViaWest Properties** LLC, working 15 to 20 hours a week there while holding down a paying job and taking 12 credit hours. In the summer, he worked full time for ViaWest analyzing data — also without pay.

"I thought it would pay off in the future. It was like an investment for me," Morozov said.

He was right. When he received his bachelor's degree in finance, ViaWest Principal Gary Linhart brought him on as a full-time employee, citing his commitment.

"You have to prove your value in a shrinking real estate market," Linhart said.

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ROI Properties: www.roipropertiesaz.com

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