

Shallit: Venture by broker Hefner is puzzle to rivals



BILL PALMER

He plans to move his real estate operation to David Taylor's emerging office high-rise at Sixth and Capitol.

► **FROM PAGE D1** showing the certain consequence of a "no" vote in November: a big Sacramento Kings moving van quickly leaving town.

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Going for brokers: In a move that has some competitors scratching their heads, top local commercial broker **Mark Hefner** is becoming a franchisee with Irvine-based **Sperry Van Ness**.

The deal is a coup for Sperry, which is seeking a higher profile in the still-hot Sacramento commercial real estate market.

But what's in it for Hefner, who will have to share commissions with the parent firm?

Plenty, he says.

For one thing, he gets access to a national referral network. It's already paying off, he says, with deals under way in Missouri and North Carolina. "We would not have been able to do that on our own," Hefner says. Plus, he's getting access to Sperry's proprietary software system that makes it easy for brokers to churn out brochures, postcards and client pitches.

"It's much more cost effective than going through third-party

vendors," says the broker, who will retain 100 percent ownership of his Hefner Realty Corp. "That math is simple."

Although not well-known here, Sperry has been on a national expansion campaign over the past few years and now has 800 brokers in 36 states.

The company maintains it operates a lot differently from competitors. For example, while most brokerages initially market their clients' properties only to their own contacts – and thus try to get commissions from both sides – Sperry always posts its listings with competitors to expand the universe of potential buyers.

"Everything is geared toward putting clients' interests first," says **Kevin Maggiacomo**, the Sperry's VP of organization development.

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Moving up: Speaking of commercial real estate, the independent – and very successful – **Palmer Team** has become the fourth tenant to commit to **David Taylor's** new office high-rise under construction at Sixth and Capitol.

The firm will take most of the 21st floor of the building after

it's completed in spring 2008.

Company founder **Bill Palmer** says he'll be paying some of the highest lease rates in the downtown core – "pushing \$3.50 a square foot." But he says it'll be worth it to provide first-class work space for employees known to routinely put in 12-hour days.

The space, with grand views of the Capitol and the Sacramento River, also will "show Sacramento in a good light" when prospective clients visit, says Palmer, whose company now occupies the second floor at 555 Capitol Mall.

The Palmer Team, which split off from **CB Richard Ellis** 18 months ago, is on pace to do more than 50 transactions this year, valued at \$3.5 billion to \$4 billion, Palmer says.

The company joins the **Downey Brand** law firm, **U.S. Bank** and the **California Restaurant Association** as signed tenants at the 25-story Taylor project. The four are taking about 40 percent of the building's space, says Taylor spokeswoman **Marika Rose**.

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Sacramento project

"He didn't have any entourage with him. You could just go up and talk to him."

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Din down: **Tom McCarthy** is happy to report that the last construction piles have been driven for the new office building going up at Sixth and Capitol Mall. "The worst of the noise is over," he says.

McCarthy is operations director for the **Downey Brand LLP** law firm, whose offices are right across the street from the construction zone.

Lawyers usually come to him when they have problems with

their work space. But during the ear-splitting pile driving, none did.

Maybe that's because **Downey Brand** will be an anchor tenant in the 25-story building that's to be completed in early 2008. Without the law firm's commitment, construction might not have begun.

DB's lawyers, McCarthy says, realized the racket was "partly our doing."

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