

Real estate landscape shifts...

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Real estate landscape shifts as CPS joins Cassidy Turley

BY KATHERINE CONRAD

Santa Clara-based CPS CORFAC International has joined BT Commercial to jump aboard a newly formed national commercial real estate powerhouse, Cassidy Turley.

Mike Kamm, the new CEO of Cassidy Turley BT Commercial, and Todd Beatty, former president of CPS and now executive vice president and managing partner for Cassidy Turley CPS, announced the merger to their agents Jan. 13.



Mike Kamm

The new company will have two names: Cassidy Turley CPS in Silicon Valley and Cassidy Turley BT Commercial elsewhere. The new operation of 280 agents across 16 offices is scheduled to launch March 1.

None of BT's 15 Bay Area offices, including San Jose, Palo Alto and Burlingame, will close. The Santa Clara office of CPS will also remain open. Beatty explained that CPS is merging with BT Commercial and partnering with Cassidy Turley.

Familiar names join

CPS and BT, both local firms with deep Silicon Valley roots, provide Cassidy Turley with a Northern California presence, while Cassidy Turley offers Midwest and East Coast reach.

The move is a sign of more to come as real estate expands beyond its local emphasis to the national and international stage. The ability to deal with the high number of distressed properties coming to market also played a role.

"The landscape of the industry has changed dramatically and has become a more regional, national and global marketplace," said Beatty, who will report to Kamm. "This move isn't just about getting bigger."

The announcement comes on the heels of BT Commercial's announcement Jan. 6 that it was breaking its partnership with NAI and joining Cassidy Turley.

"The way we view it, there are certain services that require a national delivery capability," Kamm said. "In

order for local companies to be a contender, we need to scale up."

Numbers make them tops

In the Bay Area, the creation of Cassidy Turley CPS and Cassidy Turley BT Commercial will make it the largest commercial real estate firm in the Silicon Valley and peninsula markets with 280 brokers and 120 staffers for a total of 400 people.

Kamm said clients today require more from brokers than simply showing property and signing leases. Firms require asset and property management, corporations that outsource real estate needs and the capital markets. He noted that CB Richard Ellis and Jones Lang LaSalle have captured a significant amount of work from corporations seeking help with their portfolios.

"There is no question that CBRE and Jones Lang have done a good job in capturing the bulk of the corporate outsourcing," Kamm said. "Yes, our move is in part a reaction to that."

Partnership that fit

Beatty said his firm, which was founded in 1977, has been looking for an opportunity to merge with a partner for greater geographic reach.

While Kamm said discussions for a merger began in earnest in early December, in reality talks began about two years ago. Kamm said he is well acquainted with his counterparts at BRE San Diego and BRE Phoenix, both former Grubb & Ellis affiliates, and they discussed a possible partnership.

"They were concerned about certain dynamics taking place within the Grubb system, and we were concerned about certain dynamics in NAI. I don't not want to be specific — we both value the relationships with those organizations."

Kamm, who will head the Bay Area operation, said a financial commitment was made by BT and CPS, but he would not disclose details. He emphasized that the firm is privately held, an aspect BT found quite appealing.



Todd Beatty

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