

IN PERSON

Using Information To Make The Right Choice

BY COLLEEN M. SULLIVAN | BANKER & TRADESMAN STAFF WRITER

Tina Bacci gave up an academic career when she was bitten by the real estate bug. She's now devoting her research skills to her role as a principal of data-driven real estate consultancy RESIS, which helped devise the recent marketing plan for Boston high rise 45 Province.



Tina Bacci

Q: One of the ways you stand out in terms of your marketing approach is that everything you do is really research-driven.

A: Yes, that's definitely one thing we try to do. From our perspective, it doesn't matter if it's a good or a bad market, you should just try and do the right thing in the context of that market. I think you'll find most real estate agents will try and convince people, "It's a great market, you should sell." Well, if it's a great market, I don't really need you. It will sell. My background is as a teacher anyway, and so I think I come from [the attitude of], let me give you the information you need to make an educated decision. Whether you're a buyer, a renter, or a real estate developer, you need to have the right information to make the right decision. If it's a good market, you want to maximize your profitability; if it's a bad market, you want to minimize your risk.

For example, here [at 45 Province] we looked at the kind of inventory we had, and we wanted to capture a big segment of the million-dollar sales [in Boston] and we really needed to push to over \$1,000 per square foot. Looking back over two or three years – these days, everybody seems to think, "Oh well, of course, everything's over \$1,000 per square foot these days." But we were in Midtown in a time when people didn't understand what Midtown was or what it was going to be, and we needed to get those prices. And so we took a look and thought, "How deep is the market here?" And we said, "We don't think it's going to be as deep as we needed to be," so we needed to figure out, OK, where are we going? How will we get the market capture we need? Where are these buyers going to come from? So we really did target outside of Boston, outside of New England, outside the U.S., even. There are some projects that you work on and you'll see them as a neighborhood project. This was not that kind of project.

[It's also about understanding], what's the message that's going to resonate with our target buyer? Sometimes there's a buyer psychology part you need to look at too. If they're

seeing buyers now that have maybe lost out on a bunch of bidding wars, or a couple years ago maybe you were seeing buyers who had made an offer on a new development and couldn't get financing to close there. So you need to know what they're dealing with, and that's a different kind of research.

Q: In many ways, 2010 feels like a very long time ago, compared to what's going on in the market right now. What are your thoughts on the future of the Boston market?

A: Well, there's been a lot of hype lately. You know, you can't build under \$1,000 a square foot, and everything that's coming online is going to be that high. And I sort of want to raise my hand and tell people to relax a little bit. It's 5 percent of the market. There are thousands of units under \$1,000 per square foot and there will continue to be. Even in a single building where they have to average \$1,000 [per square foot] or \$1,200 [per square foot], don't forget you're still going to have gross prices from \$500,000 to \$3 million or more. It's not like Boston is all of a sudden this ultra-luxury market and everybody else needs to move out. We're far from that.

Q: Tell me a little about your own background. I understand you were an academic, before becoming a real estate analyst?

A: Well, not quite before, during. In parallel. I went to Holy Cross for undergrad, and when I graduated I got right into real estate. I took a year off between my undergrad and my masters, and took a job and it was in real estate – relocation. And through that I really got into the title field, working with the legal teams. Well, I was doing that and at the same time coming into Boston to do my masters, which was in composition and rhetoric, at Northeastern. When I moved up here, I ended up working with lawyers I had known through the relocation company, and then for a time I owned my own title company [researching titles for title insurers]. So again, all research-based stuff. I was working with Craig Gilmartin for a long time, he was doing a number of projects in the city, and I ended up working with him on that end for a long time. I actually met Wayne [Lopez],

who's my business partner now, while I was at Craig's firm. Throughout all that I was teaching as well ... [I returned to school to do my PhD] and when I was done Wayne had left Otis and Ahearn and started RESIS. And he said, why don't you come do this? At the time I was thinking I'd be a professor ... but I somehow got dragged back in [to real estate].

Q: Tell me more about the psychographic profiling you do.

A: Well, that's sort of the overlap with my PhD and concentration in language theory and rhetoric – it's about, what's going to be the message that attracts this person? We often look at not only what is the target demographic, but what's the personality type, what's the psychographic, too? If you're a Beacon Hill person, and you're used to traditional architecture, and you're used to your private entry, [a high-rise like 45 Province] is foreign to you. It's less foreign to someone coming from Hong Kong than someone coming from Beacon Hill, in many ways.

Right now, there are different kinds of demographic-targeted communities – you've got your 55-plus, and your young professional, your micro-units, and that's demographic. But there are also certain neighborhoods that appeal to certain kinds of lifestyles. I think the Seaport is a fantastic market to appeal to all those Wellesley, Weston, MetroWest people. We get a lot of those people looking in Downtown Boston, but I think the Seaport is going to be the neighborhood that ends up appealing most to them. Because you have that very new [feeling], not just your building, but your entire surroundings. You have that relationship with the environment – the park, the ocean, harbor area there, but you're so close to the city. Now, for someone who's been living downtown, [the Seaport] feels a little more removed. But if you're [used to] coming in from Wellesley or Weston [it feels like] you're right there. So if I were working on a [Seaport] project, I'd be looking at that sort of thing: are your buyers going to be urbanites? Are they going to be suburbanites? Are they going to be attracted to cultural offerings?

TOP 5 CRITERIA TO EXAMINE WHEN MARKETING A BUILDING:

- 1 The state of the overall market.
- 2 What are the building's distinguishing features?
- 3 What do you want to sell first, and what do you want to sell last? You want a good mix available at the end, and you want to build value as you go.
- 4 How deep is the local market? Do you need to pull in buyers from around the country? Around the world?
- 5 Psychographics. What's the personality type that's attracted to this neighborhood and this building?