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Reinvention, Through Creative Tension

A Father-Daughter Team Rebrand Warburg Realty
Clelia Warburg Peters and father Frederick Warburg Peters in Warburg Realty’s soon-to-open fourth office. ANDREW HINDERAKER FOR THE WALL STREET JOURNAL

By DOUGLAS FEIDEN
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Clelia Warburg Peters left her career in management consulting behind last year to try something completely different.

Several months later, she ended up joining her father’s 118-year-old residential brokerage firm.

It wasn’t long, though, before their differing styles—and what she calls “similar bullheadedness”—gently collided at Warburg Realty.

Ms. Peters ’s embrace of a tech-and-engineering ethos that proclaims “move fast and innovate” bumped up against the more cautious culture fostered by her father, Frederick Warburg Peters, 62 years old, who prefers to “move thoughtfully and protect things,” she said.

Mr. Peters agreed, stating it even more plainly: “I believe in moving slowly when
making big decisions.”

The result of their creative tension: The 115-agent firm is dramatically reinventing itself to boost its competitive edge even as new technology, marketing and branding tactics shake up the multibillion-dollar industry.

Many businesses are “all sizzle and no steak,” said the 36-year-old Ms. Peters, the firm’s director of strategy and innovation. Warburg, by contrast, has been “all steak and not much sizzle,” she said.

Since Ms. Peters came on board, the firm has moved to raise its profile, revamp its brand, overhaul its marketing and reboot its technology.

Early next year, Warburg will open a 5,000-square-foot office—its fourth—at 18 W. 21st St. in the Flatiron District.

Also on tap are plans for a near-doubling of the brokerage to 200 agents over the next few years. Focusing on luxury apartments, Warburg will broker more than $1 billion in deals in 2014.

As the firm’s president, Mr. Peters said he is the “last word” for all changes. But he acknowledged his daughter is “probably bolder” than he is and credited her with helping drive a major transformation of Warburg under his watch, which will cost more than $1 million, he said.

“Clelia is more the voice of change, I am more the voice of restraint,” he said. “We tend to meet in the middle and balance each other out.”

But transforming the firm hasn’t been easy. Earlier this year, they implemented a shake-up that forced three departures from the brokerage’s 12-member management team.

Before they engineered the exits, Ms. Peters said she confided her worst fear to her father, telling him, “Oh, my gosh, I just came into your company, and now I could run it into the ground, and undermine the value you created, and destroy our family’s most valuable asset.”

Mr. Peters assured her that wouldn’t happen, but said he, too, felt stressed as he faced a “terribly difficult series of conversations” with the departing executives.
Generational tension is a common theme at New York’s real estate dynasties, which often see sons and daughters taking over from their parents with brainstorms about business, culture and technology.

That’s particularly true in the residential brokerage business, where mainstream companies are being challenged by upstarts such as 2-year-old Urban Compass, with its advances in technology, and 4-year-old Town Residential, with its strides in marketing, prodding established rivals to rewire business models. Both Urban Compass and Town also transformed the landscape with hypercompetitive bidding for top talent.

Ms. Peters isn’t the only scion of a family-owned brokerage who quickly moved to rebrand a parent’s firm. Elizabeth Ann Stribling-Kivlan took similar steps at Stribling & Associates, building a new website and logo after her mother, company founder Elizabeth Stribling, named her president in January 2013.

Ms. Stribling-Kivlan, 35, said both firms strive to bridge the gap between long-established histories and a tech-transformed business.

“You have a fabulous name and you have to continue that legacy, but in a forward-looking way,” she said.

The Peterses have roots going back to the 19th century, German-Jewish aristocracy chronicled in Stephen Birmingham’s 1967 “Our Crowd.” Mr. Peters’s maternal great-great-grandfather was investment banker Jacob Schiff, whose daughter Frieda married financier Felix Warburg, his great-grandfather, and lived in the Fifth Avenue mansion that is now the Jewish Museum.

Legendary as bankers, plutocrats and philanthropists, the Schiffs and Warburgs prayed at Temple Emanu-El and ran the old-line investment banking house Kuhn, Loeb & Co. Mr. Peters’s grandfather ran Abraham & Straus. His father, Berlin-based New York Times reporter C. Brooks Peter, covered the Kristallnacht pogrom in 1938.

Mr. Peters was a literature major at Yale University who later studied to be a composer. But in 1980, with a young family to support, he became a broker and developed a reputation as a master salesman with business acumen. In 1991, he bought a controlling stake in the New York operations of venerable Albert B. Ashforth Inc., rebranding it with the Warburg name.

Ms. Peters, also a Yale literature major, said she never dreamed of going into real estate, preferring technology and consulting. She earned an M.B.A. from Columbia
Business School in 2009 and worked as a management consultant in London for the Boston Consulting Group.

About her style, she said she “manages more from the numbers,” while her father “manages more from the heart.”

On a family vacation in Sweden in 2013, during a stroll on the grounds of an old friend’s estate, Mr. Peters spoke of Warburg’s need to evolve to remain successful and asked Ms. Peters’s advice on approaches to innovation. She saw the firm and its challenges in a new light; a month later, she began consulting for her father.

In one instance, Ms. Peters said she was repeatedly rebuffed when she pushed her father to invest more in a marketing budget. When she asked one too many times, he snapped, “How many times do I have to tell you? No!”

Mr. Peters said he can be “short and bary.” Ms. Peters said she must remember: “He’s not only my father, he’s also my boss.”

“Fred manages from the bottom up and looks more at deals,” said Wendy Greenbaum, Warburg’s top sales agent in 2013. “Clelia manages from the top down, looking over the whole company.”

Together, father and daughter are creating a chic visual identity for the brokerage with Mucca Design Corp., a Soho-based branding strategy firm that counts hotelier André Balazs and restaurateur Keith McNally among its clients.

Mucca will roll out print and digital advertising campaigns early next year, as well as other visual storytelling, to reintroduce Warburg as a “hidden gem in the often demonized New York brokerage market,” said Roberta Ronsivalle, Mucca’s managing partner.

Mr. Peters, with no plans to retire soon, said positioning his daughter on the company’s business side is a piece of his succession plan, along with a yet-to-be-determined manager on the brokerage side.

“The apple doesn’t fall far from the tree,” said Hall F. Willkie, the president of Brown Harris Stevens, a high-end residential firm that often brokers deals with Warburg. “They’re a powerful combination.”