

Co-ops & Condos Increase and So Do the Specialists

Think of it as the ripple effect. As co-op conversions boomed in the 1980s and then condo sales followed with a growth spurt of their own, a small army of professionals has marched in to provide specialized services to this growing, well-heeled sector of the city's populace.

"What's interesting is the genealogy of many of the companies now servicing co-ops and condos," says attorney Steve Wagner, a partner at Wagner Davis, who has specialized in co-op and condo law for the past 30 years. "Before, there was a core of companies doing this work. In the late '70s and '80s, when co-op [conversions] started going crazy, a lot of law firms broke up and spun off, and people started their own practices. It also happened in accounting, architecture and engineering, management, even construction companies."

The accountant Mark Shernicoff has definitely felt the ripple effect. His firm, Zucker & Shernicoff, a division of Metis Group, does the books for 130 co-op and condo boards. "The same thing that happened with lawyers happened with accountants," says Shernicoff, who has specialized in co-op and condo accounting for the past 20 years. There was not only a change in numbers, he says, but in emphasis. "You're dealing with boards of directors rather than property owners," he says of co-op work. "Landlords generally want to minimize expenses. Frequently, it's patch, patch, patch. Co-op boards want to minimize expenses – but not at the expense of service."

Beth Markowitz's Merlot Management is a good example of the new breed of specialist: the boutique managing agent. Her tiny firm works with buildings of 12 to 40 units. She had

worked for a landlord managing rentals and for a larger managing agency before breaking out on her own nine years ago. She sees her business rising as smaller buildings need smaller companies to manage them. "In a current two-week period, I met with four potential clients," she says.

There has also been a rise in the quality of professional services, notes Henry Krell, who was on the original board when Bell Owners went co-op in Bayside, Queens, in 1985. "Back then, everyone and his uncle were suddenly co-op experts," Krell says. "But a lot of them really didn't have the expertise. Those have shaken out, and now you've got a certain group of professionals whose main business is co-ops. And they know what they're doing."

—BM & SW