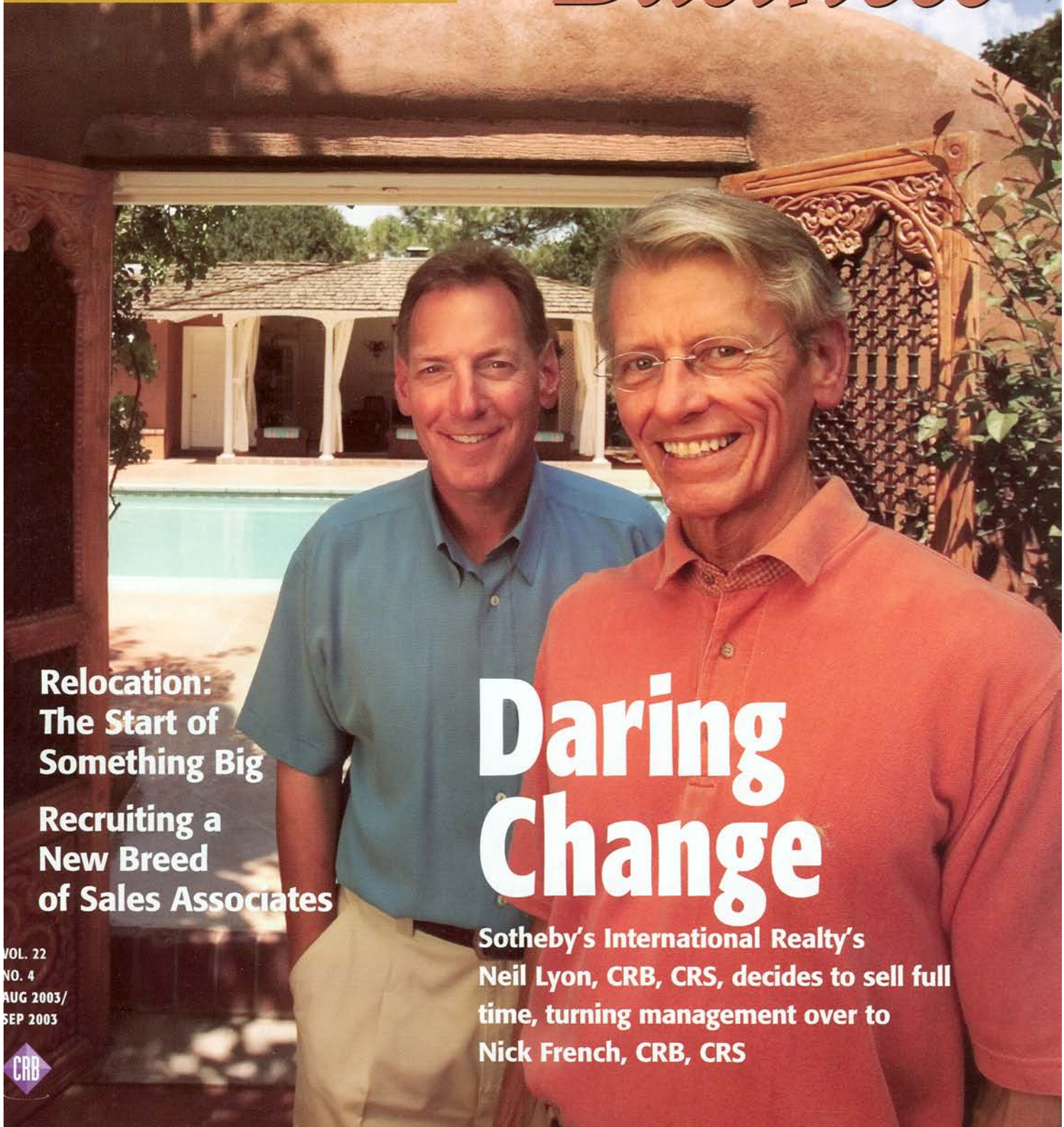


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# REAL ESTATE

## *Business*

For Brokers, Owners and Managers



**Relocation:  
The Start of  
Something Big**

**Recruiting a  
New Breed  
of Sales Associates**

## **Daring Change**

**Sotheby's International Realty's  
Neil Lyon, CRB, CRS, decides to sell full  
time, turning management over to  
Nick French, CRB, CRS**

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# DARING CHANGE

*Lift the sails, and catch the winds of destiny,  
wherever they drive the boat.*

EDGAR LEE MASTERS, SPOON RIVER ANTHOLOGY

## TWO REMARKABLE THINGS HAPPENED

at Sotheby's International Realty, Santa Fe, in October 2002. After 23 years of managing brokerages coast to coast—and nearly 10 years at Sotheby's Santa Fe office—**Neil D. Lyon, CRB, CRS, GRI**, resigned as managing broker to devote all his energy to selling real estate. 🌸 Into his place stepped **Nick French, CRB, CRS, GRI**—not someone from within the brokerage, or from another Sotheby's office, or even someone from Santa Fe, but *that* Nick French, the one many CRB Designees know as the co-owner of French & Co., Memphis, Tenn. With hugs, kisses and a few tears from his Memphis friends, and his wife Gail's blessing (more about this later), he packed his bags and moved to Santa Fe. 🌸 This is their story about how and why they did it.

BY NANCY M. PETERSEN

PHOTOS BY JAMEY STILLINGS

# LEAVING MANAGEMENT

Sotheby's International Realty, Santa Fe, had a very good year in 2002. With 22 agents, average agent production of 16 transactions and average agent gross sales volume of over \$7 million (average home sale price, \$500,000), the brokerage sold \$174 million in real estate—commanding a 14% market share with just 2.5% of the agents in town.

Selling manager *Neil Lyon, CRB, CRS, GRI*, did well, too—really well, actually. Spurred by a personal-best year in 2001—\$18 million in gross sales and the honor of being named Santa Fe's REALTOR® of the Year—Lyon was again headed toward 30-plus transactions, 7 times the average production of a Santa Fe sales associate. (In 2002, there were 832 licensed agents in Santa Fe, doing about 3,660 transaction sides.) His success was supported by the rapid growth of a new development, Las Campanas, planned to have 1,700 homes on 4,700 acres with an average sale price of \$1 million. Lyon and his family live there, and that's where he generates one-third to one-half of his business.

But like many selling managers, Lyon was stretched thin and torn between the two roles. "I had been both selling and managing since September 1995 when the firm was Christopher Webster Real Estate [it sold to Sotheby's in 1998]," he says. "I started selling as a necessity because the recession of 1994 was a difficult year. After Chris and co-owner Patti Webster sold their Taos and Albuquerque offices, the compensation I was receiving as a manager didn't make sense. I was underutilized as a manager. So I took a 50% pay cut

and started selling."

It worked out. In his first 12 months, Lyon sold enough to boost his compensation 15% above what he was earning as a manager. "Over the years, my personal production has grown substantially," Lyon explains, "from about \$5 million in 1995 to nearly \$25 million today. I never took advantage of my position as manager; I never took floor calls or kept office referrals. I just did what any top producer would do: Built a database from scratch, mailed a very effective newsletter to my sphere quarterly, advertised, and kept doing it until my past-client base was strong enough to generate continuous referrals."

But the high-touch nature of high-end sales meant that his own listings were taking up increasing amounts of his time. "Santa Fe is a unique market," Lyon says. "Many of my clients are purchasing second or third homes. A fair number of them I've never even met, because I am working with their CFO instead of them directly. You can imagine that the level of service and responsibility is quite high."

The selling demands were taking over—everything. "I was able to juggle both selling and managing for so long only because my colleagues are talented and experienced people," he says. "But the amount of selling I was doing certainly began to impact the brokerage. For example, I only recruited seasoned people, because I didn't want people I had to train." Especially after the brokerage was sold to Sotheby's in 1998, the question of whether to sell full time or manage full time was always on Lyon's mind. By June 2002, Lyon had two full-time jobs. Family time was being compromised, and Sotheby's CEO Stuart Siegel gave him a nudge, saying, "It's time." Lyon had been at the crossroads like this before; it's what brought him to Santa Fe in the first place.

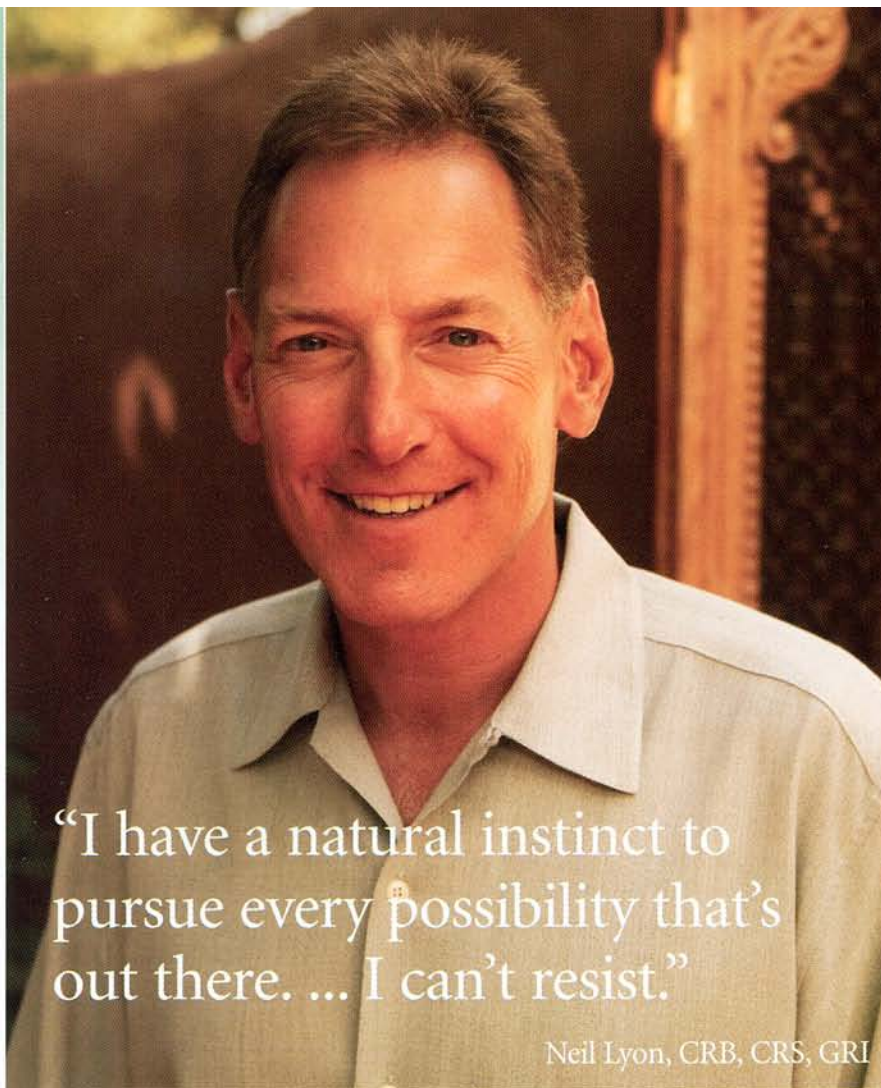
## Finding Balance

Like many top people in real estate, Neil Lyon is all energy, slightly camou-

flaged by that laid-back Santa Fe style. Don't be fooled by the relaxed look. By 10 a.m. on the morning of this interview, Lyon already had hit his stationary bike for 12 miles (He bikes 70 miles a week, including 10 or more miles each weekend on his mountain bike.); previewed a listing with a buyer's agent whose clients were expected in town in 2 weeks; escorted another agent who was lost to a lot; met his partner to list a small office building and talked to a client about a home-tender (professionally staged home) agreement. Not counting the interview or the 50-odd phone calls he receives daily, the plan for the rest of the day included meeting with a tenant regarding a complaint, conferring with a client to settle on price, and proofing 25 property ads and 3 brochures. The day was to culminate with 4 guests for dinner at home—from which he expected to excuse himself for an hour to close a contract.

This kind of pace is old hat for Lyon, who grew up in the real estate business. His father, Victor Lyon, founded Tacoma Realty in 1948. When Neil joined the firm in May 1975, it had become Victor L. Lyon REALTORS®, a Better Homes & Gardens franchise, and Neil, at 18 years and 5 months, was the youngest person ever to earn a real estate license in Washington state. He worked summers while earning a B.S. in real estate finance from the University of Oregon, then joined the firm after graduation.

By 1982, at 27, he was president of the brokerage. Then he moved clear across the country to Boston, feeling, as many sons of owners do, "a strong need *not* to work in the family business, to blaze my own trail." The next 10 years were marked by increasingly responsible management positions in the New York–New England area's top firms. Lyon started out as a manager of Hunneman & Company's Newton and Brookline offices. Within five years, he was senior vice president and general manager, overseeing 35 offices, 5 regional managers and 9 broker



“I have a natural instinct to pursue every possibility that’s out there. ... I can’t resist.”

Neil Lyon, CRB, CRS, GRI

managers. In 1989 he accepted an offer to be president and CEO of a smaller firm, Realtec REALTORS® in Wilton, Conn., with 15 offices and 245 sales associates. When the company was sold just a year later, Lyon decided to take a few months off to be with his ailing father, who died in December 1990. While in Tacoma, he was invited to join Sotheby’s New York office as vice president of major-market affiliates, beginning in February 1991.

Lyon was thrilled about joining Sotheby’s. “I came to the job with a great appreciation for the company culture,” he says. “This is a company that is intensely quality-oriented, very aware of the niche they serve and committed to excelling in it. The company is proud and protective of its reputation for dealing with the finest objects in the world, whether they are homes or paintings.” From his office at 76th and Madison Avenue, Lyon oversaw Sotheby’s affiliates in the western two-thirds of the United

States and Canada.

But that meant a lot of travel, and in March 1993, Neil Lyon missed his daughter Victoria’s second birthday. That was a big catalyst for change; it launched a 7-day discussion with his wife, Cindy, about finding balance.

The couple talked about moving someplace where the family could really *live*—Maui, Aspen and Seattle were on the list. But Neil Lyon had met Christopher Webster of Christopher Webster Real Estate while teaching a CRB Course in Albuquerque. They had gotten along famously, and that gave Santa Fe an edge. By July 1993, Lyon was managing Webster’s Santa Fe office and overseeing the firm’s two other offices.

#### Trading Management for Sales

Nearly 10 years later, family is still a priority for Neil Lyon, and one of the reasons why he decided to relinquish his management role at the

Santa Fe office. “My kids, Victoria, 12, and Jake, 8, are growing up,” he says. “I don’t want to miss out on that.”

But it wasn’t the only reason. Lyon thought sales associates at Sotheby’s deserved more attention. “There’s so much potential in the Santa Fe area and so much talent in this brokerage. With the right leadership, there will be no stopping us.” Lyon also believes that a selling manager—while sometimes a necessity—can hold a brokerage back. “I think some top producers won’t join firms where they have to compete with the head guy,” he says. Some clients also may be concerned about how much a selling broker has going on.

Giving up management wasn’t easy for Lyon, though. “After 23 years of management—more or less being ‘in charge’—I really feared losing control,” Lyon says. Lyon also was concerned that his clients would consider him “less worthy” of their business when he wasn’t the boss any more, and he was a little nervous about the loss of guaranteed compensation.

But offsetting those fears was newfound freedom, even though Lyon is still working at the same pace. “I gave up the weight of the job,” he says. “There’s freedom in that. A typical day for me now is 8 a.m. to 6:30 p.m., and I work anywhere from 2 hours to 20 hours on the weekend, depending on client needs. But if I want to say ‘no,’ I can, and only I bear the consequences. I’m not letting anyone down.”

Another key decision Lyon made was forming a listing and selling partnership with Dianne Eschman in February 2003. “Dianne is smart, strong, hard-working and has a wonderful sense of humor,” Lyon says. Together the two have created a very effective team and “raised the fun quotient.” They are on track to close 60 transactions in 2003.

The only danger that lies ahead? “Because I have a natural instinct to pursue every possibility that’s out there, my real estate world has the potential to get bigger and bigger as time goes on,” Lyon says, with a laugh. “I have no trouble saying ‘no’ to the bad business. But when a great opportunity comes along, I can’t resist.”

Whoops. There goes that balance. ■