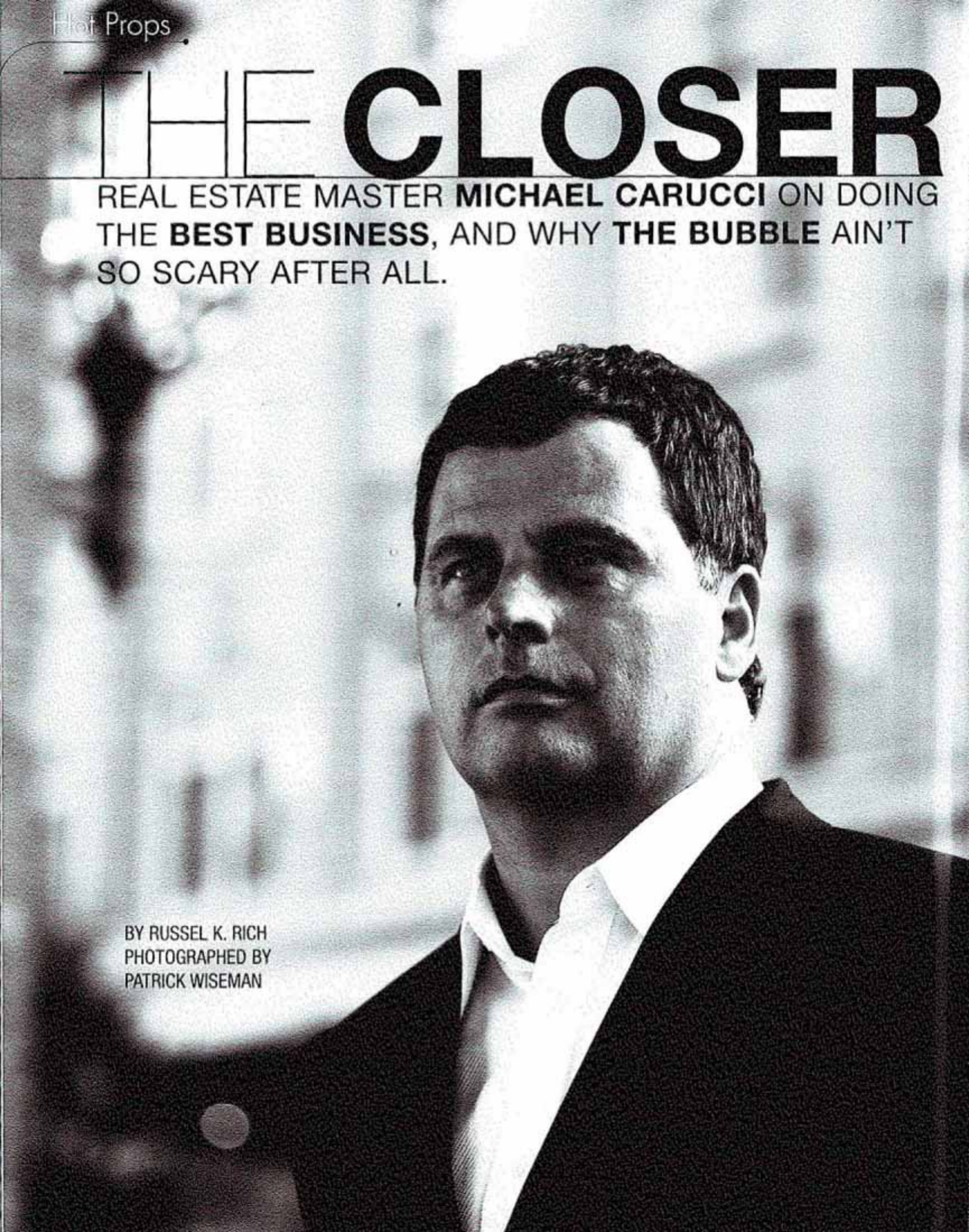


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THE CLOSER

REAL ESTATE MASTER **MICHAEL CARUCCI** ON DOING THE **BEST BUSINESS**, AND WHY THE **BUBBLE** AIN'T SO SCARY AFTER ALL.

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Everybody's worried about The Bubble. Now, what's got bubbles? Chocolate milk, bathtubs, champagne...*the real estate market*, such a benevolent little word for what could spell disaster not only for millions of American homeowners, but for the American economy itself. If real estate values keep swelling in proportion to the income of those in the market to buy, we may be sitting on a veritable crash (or should I say, *pop?*) waiting to happen, with many destructive, far-reaching tentacles. What could happen if The Bubble burst? People could be forced into paying beyond their means just to *live*, and spending would decrease in nearly every other area of consumption: food, retail, cars, etc. Or, those who believed that "starter home" they bought for tens of thousands of dollars *above* asking price, may find themselves stuck—unable to sell and move on, therefore tightening the amount of houses on the market. Then, all of a sudden, the values of real estate will drop, and drop...and drop.

It almost sounds like a comic book villain or monster from a campy 1950's horror movie: The Bubble! grabbing occasional headlines but otherwise lurking in the backs of our minds, ready to strike. Sort of the way we worry about The Bomb; the bursting of this Bubble we are tentatively sitting on that is getting, perhaps, too fat and delicate to sustain us all, is just too horrible to think about.

But I've got some encouraging news for those of you with the minds and stomachs to fear The Bubble; those of you that decided long ago that the stock market was just too volatile, houses were the way to go.

"There is no bubble," according to Boston real estate powerhouse Michael Carucci, the President/CEO of ERA Boston Real Estate Group. Carucci simply sees a problem with affordability, though he also concedes that "affordable is a relative term." In a world where gas prices regularly exceed \$3.00 per gallon, and a bottle of water is sometimes \$4.00, what's a little absurdity when it comes to where you live? Especially if you live in one of the coolest, richest (historically AND monetarily) urban centers of the country? "People will *always* want to live in Boston. There's too much here to keep people away," says Carucci. Things like new technology, new jobs, cultural demand, economic diversity and an ever-changing demographic population will most definitely keep a place like Boston afloat. "That's not the problem." So the worst that can happen, it seems, (according to Carucci) is that sellers won't get the appreciation on property they may have ten years ago; an appreciation that has consistently increased since The Great Depression. Still, anyone with experience searching for a home or apartment in Boston is sure of one thing; it ain't cheap. Even for a single renter, finding a high quality flat in a convenient or otherwise desirable neighborhood is a significant step; let alone a new family purchasing a home where the children will be reared. Boston usually hovers in the top three of the most expensive cities in America. So what's the prognosis for a region where housing costs have already begun to slip a little? "If we all keep talking about it (The Bubble), it could become a self-fulfilling prophecy," says Carucci. In that case, maybe we better not mention The Bubble again and it will leave us all alone...

The world of buying and selling real estate is not only a monetary market, after all. Its stakes go beyond the everyday business dealings that make and break bank accounts, sending certain people to the penthouse, others to the unemployment office and a whole lotta people to the places in between. Real estate is unique, because it not only revolves around the rules and predictions of economics, but also the hopes and dreams of human beings. Buying a home is, probably, the largest and most emotional buy you will ever make. That is, in part, what has set Carucci apart from some of his contemporaries in this world of The Bubble. I mean, the world of real estate. His commitment to

human beings leads not only to financial success ("Money is just a by-product of loving what you do," says Carucci), but a sort of philanthropic success that cannot be underestimated in this businessman.

"When you're at a closing," Carucci says, "and you see the elation in the buyers' eyes, and they're saying how they never thought it was possible...we take it very seriously. We are creating lives in homes."

"Passion," Carucci repeats over and over, "is the most important aspect of what we do. If you don't believe in it, don't do it."

His passion does go beyond real estate, though; he is involved in a number of charity organizations such as The East End House in Cambridge, Walter McCarty's "I Love Music Foundation," The "Music Drives Us Foundation," and "Hot Stove Cool Music," (a concert in support of the Jimmy Fund). He is also teaming up with Mark Drago (Massachusetts Sports and Entertainment Commission), Ernie Boch Jr. and John Walsh, Carucci's long time mentor and the chairman of Elizabeth Grady (one of the most dominant lines of skin care products in the country), to bring two new Elizabeth Grady stores to Boston. "This is a brand to watch," says Carucci. And, considering his track record, he'll probably be right.



The Scandinavian waiter is overly friendly. A double-decker grin is plastered on his face as he crouches to Carucci and I, sitting around a low table at the Four Seasons' Bristol Lounge, and asks us what we may drink in a heavy accent. Carucci orders a Earl Gray tea with sugar and a wedge of lemon, and all of a sudden I'm dubious. I don't think the Scandinavian heard the lemon wedge part. Does Carucci think he did? And, sure enough, the drink returns sans lemon, and I cringe in anticipation of a little scene. Not that I take Carucci for a volatile or pompous man. But, I do know his wealth and breadth of power, and more often than not, men in Carucci's position have little patience for the grinning Scandinavian who messes up their tea. But, pleasantly, Carucci informs the Scandinavian that the lemon is missing, and could he please come back with some. Even the Scandinavian seems a little relieved at this little display of patience and cordiality.

Then Carucci sits back, peering over Gipetto-style glasses that have slipped to the tip of his nose. He talks with affability and energy, ("no one ever accused me of being shy," he comments) like we are sitting around a campfire and he's spinning yarns, without losing the command you expect him to have in a social situation.

Carucci got started in the real estate biz on somewhat of a lark. He grew up in the projects of Somerville, the son of a police officer and a homemaker, and the brother to three girls. In the early eighties he was living on Commonwealth Avenue, trying to make it as a model and an actor (he does, by the way, have a well-formed countenance and a charming way about him, seemingly comfortable telling stories and pulling jokes the way an actor may), when he up and decided to get a real estate license, seeing it as a good way to make some money. His father wanted Michael to be a lawyer, though, and his decision to break ground in the world of real estate disappointed him more than anything. But it didn't take much to assuage the old man. After Michael turned his dad on to a few prosperous investments, he changed his tune, and all of a sudden, real estate was all right. Clearly, Carucci showed early on not only an innate impulse toward the profitable, but also a method of diplomacy that would linger throughout his future business successes. Then, Michael felt free to learn via trial and error in real estate.

Unfortunately, there was more error than anything else in Carucci's early real estate career. He struggled with his first gig at Century 21

Commonwealth, then located at 69 Newbury Street. "I couldn't sell a stick of property," he says. "My first few months, not a single solitary thing." Then in a spontaneous burst of ingenuity and gall, the young broker made a move that impressed Zena Nemetz, President of Back Bay Restorations. He, on behalf of his company, made an offer on a new piece of property ("I'm just gonna wing this," he said to himself. "I'm gonna make an offer.") then owned by Back Bay; a space that was the 2nd most expensive city development at the time (\$200 a square-foot), and Nemetz saw something in him. "I like how you close," she said, and in a matter of time, asked Carucci to be the Director of Marketing for her company. This would turn out to be Carucci's first project for Nemetz and he never looked back. He continued to do a variety of condo conversions in Boston's Back Bay and elsewhere. Now, keep in mind, this was the beginning of the great 'condo-conversion' movement in real estate (back in 1984, with the "yuppies" on the move), and Carucci was stepping in to a market on the verge of a very lush revitalization. His position as Director of Marketing fast-tracked him to the market in a way his primary struggles may have taken years to do. His first real job also offered him innumerable lessons in something never to die in his business methodology: common sense.

Two years later (and, only two years after "not selling a stick"), Carucci found himself in the position to branch out on his own and start his own company. Ironically, he ended up newly occupying the space where he once worked at Century 21. After remaining there for two years, he moved to 53 Hereford Street, where he remains today (a rare amount of spacial longevity for any business owner). That company became Boston Real Estate Group.

The thing about Carucci is that he buys intelligently. I don't necessarily mean in terms of property, though there is a real intuition built in to what he does. But, rather, he puts great thought and creative consideration in the more abstract investments that he knows will contribute to a lasting success with BREG (Boston Real Estate Group).

The first thing Carucci bought was a variety of urls (over 150 in total—the most valuable as they pertain to Boston real estate). Now, the foresight in this cannot be understated. In the late eighties and early nineties, the internet was still an anomalous piece of technology, resigned to the fringes of common use and still misunderstood as a tool for social networking, business dealing, and the gathering of information. In fact, it was sort of lucky, Carucci admits, that they bothered to dabble in the web at all. It very easily could have gone in another direction, remaining the terrain of government and military and never reaching the public sector. Or, Carucci could have waited around for another five years until the web really dug its heels into our culture, then tried to pick up an appropriate piece of the superhighway (which, very well, may have been gone). But, as we all know, the internet became the sole foundation of modern technological culture and communication, and Carucci called it, earning a space that is now on the top ten web searches for "Boston Real Estate" (out of a total nearing thirty-six million) on Google, Yahoo and other search engines. ERA's site itself gathers around 100,000 unique visitors every month.

The second was a brand. Carucci purchased a *name* when he purchased ERA, which was one company in a brokerage quartet which also included Caldwell Banker, Century 21 and Sotheby's. Carucci estimated that ERA was the most undervalued of that ascendant family, and recognizing that real estate (like other industries) was entering a consolidation phase, he bought it. In doing so, he lost no agents, and he profited from a new, recognizable identity that people could bank on,



offering their interest, their cash and, most importantly, their trust. So now, ERA and BREG are synonymous; and one company, if you will, washes the other.

The third thing that Carucci bought was people. Yes, it sounds strange, but Carucci puts great value in those individuals that will go on to surround him in his business, putting great stake in their skills; even if those skills are unorthodox for what their future tasks at ERA will be. The best example is Anthony Segrich (one of 10+ agents now working for ERA BREG), a former tech-guy from Cambridge that Carucci brought on to work as a Chief Technology Officer. Everyone questioned the choice, wondering what a guy with experience in web and computer graphics could offer to a real estate brokerage. But, as Carucci says, "it's easier to teach a tech guy business than it is to teach a businessman technology." The decision has paid off tremendously, as Segrich has turned ERA BREG's web presence into the most extensive online real estate marketing tool in greater Boston. Another example is Will Montero, who was working as a bar tender at Sonsie when he joined ERA BREG. Since joining ERA, Montero has become the number one ERA broker in Massachusetts, and is now in the top 1% of brokers across the nation. Makes you wanna get a job at Sonsie, right? You never know who could walk in and "like how you close" an order for an Earl Gray and sugar with a wedge of lemon.

So what's the secret to building a company like this? A company that revolves around a decent, respectable standard of "building lives"; a company considered one of the most profitable and fastest growing real estate brokerages in the state? "Give up control," says Carucci. "Take a leap of faith that they (his brokers) will do the right thing, and let them grow. The best thing I ever did was learn how to get out of my own way." ☺

Carucci's Up-and-Coming Boston Neighborhoods
Charlestown
East Boston
South End-Washington Street, SOWA

For more information on Michael Carucci
and his projects, visit www.bostorealestate.net
And www.elizabethgrady.com