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Marcum Brings Institutional and Family-Owned Real Estate Accounting Together

BY [MARCUM LLP](#) MARCH 6, 2023 8:00 AM

Marcum LLP was already a prominent name in the world of real estate accounting when they merged with Friedman LLP in September 2022, absorbing Friedman into Marcum. With that transaction – one of approximately 40 mergers and acquisitions deals it has closed since 2008 — Marcum became a Top 12 accounting firm with 43 offices around the country and 51 globally, more than \$1 billion in annual revenue and a staff of over 4,100. Partner Insights spoke with Daniel Vitulli, National Partner-in-Charge of Marcum’s Real Estate Group, and Marge Filippelli, Partner-in-Charge of the Firm’s New York Region Real Estate Group, about what this merger means for Marcum overall and for the firm’s real estate practice.

Commercial Observer: How does Marcum fit into the real estate sector?

Dan Vitulli: Marcum is a top-12 public accounting firm that has grown tremendously over the past 10 years. Marge and I joined the firm a decade ago, and we brought in real

estate experience from an institutional perspective. We saw an opportunity to expand our footprint synergistically with the leadership of Marcum Chairman & CEO Jeffrey Weiner, which has gotten us to where we are today. Our real estate group is one of the top real estate public accounting practices in the country. Our clients include some of the nation's most prominent real estate owners, REITs, institutional investors, and banks. We focus on assurance, tax, and advisory.

You joined Marcum together?

Marge Filippelli: Yes. We merged in from Cornerstone Accounting, which was a successor to The Schonbraun McCann Group, a boutique real estate firm that operated in New York and New Jersey.

Vitulli: We added to Marcum's existing footprint, and I became the leader of the firm's national real estate group. Because of the Marcum brand, we were able to scale the real estate business throughout the country, and we continue to expand.

How does Marcum work with real estate clients?

Filippelli: One of the things that distinguishes us is that the people who work on our real estate clients only work on real estate. They don't spend half their year working on manufacturing or other industries. They are real estate professionals 100 percent of the time. That's a big differentiator for us.

Vitulli: About 10% of Marcum's overall business is real estate – it's the firm's largest industry group. Our asset classes include self-storage, multifamily, office, malls, strip centers, small airports, marinas, industrial, and data centers. We also do work for hundreds of hotels across the country – high-end, boutique, limited service and

extended stay brands. These asset classes are typically in fund structures, joint ventures or wholly-owned entities.

Marcum recently merged with Friedman LLP. Talk about how that merger will benefit both your firm and your real estate clients.

Filippelli: Before the merger, our group did a lot of institutional clients, and Friedman did a lot of the top family-owned clients. So they brought a different client base to the firm.

Vitulli: These are large marquee names in the real estate world. And along with that, we got a plethora of dedicated real estate professionals who are just amazing, a great complement to our existing teams, partners, and staff.

Filippelli: In addition to a major expansion of our core talent pool across the country, this has also strengthened our ability to continue to hire good talent.

Is this helping the firm attract top talent?

Vitulli: A lot of accounting graduates coming out of college want to get into the real estate practice because it is such a vibrant, exciting industry. They know that if they come to Marcum, they will be dedicated to real estate, and will learn and grow by working on some of the largest clients in the country. We have excellent training programs for real estate accounting at every level, and we have people who came to Marcum right out of school and are now at the partner level.

There have been quite a few mergers recently in the accounting world, and they seem to be happening more and more frequently. Why do you think that is?

Vitulli: There are a lot of different reasons why, including market share, retiring partners, technology up-keep, plus infrastructure and overhead.

Filippelli: Plus, regulatory requirements are growing, so it's hard to be a middle-sized firm and keep up. Combining talent seems to be the way of the future.

What are some of the most important market considerations real estate companies will need to think about this year?

Vitulli: Cash flow. Operations. Debt maturing.

Filippelli: Inflation. Interest rates and what the Fed's going to do with them.

Vitulli: And on the flip side of that, our clients would also want to be looking for distressed opportunities, because there is still a lot of dry powder sitting on the sidelines.

What is on the horizon for Marcum's real estate group?

Vitulli: We will continue to expand and grow, and to attract great clients and top talent.

Filippelli: We're continuing to do what we're doing. As far as mergers or acquisitions, if there's a firm out there that we view as a complementary match, then we will explore that. And we'll continue to grow organically. We have a lot of markets covered around the country, but we're always looking for additional opportunities.