

COMMERCIAL OBSERVER

Owners Magazine 2019: Talking With the Top Developers and Owners of NYC



Scott Galin

President and CEO, Handler Real Estate Organization

Which commercial lease was your biggest win this year? It's difficult to choose one. We've completed many leases this year for prominent tech, not-for-profit, and law firm tenants, both in our owned properties and third-party leases on behalf of both tenants and landlords.

Do you think we're heading into a downturn? Why or why not? Actually, I believe we entered a modest downturn about 18 months ago, but it's category- and location-specific. The residential rent regulations are still playing out, so it's a bit unclear right now what that will mean longer term. The commercial leasing market is still strong, but the economy has become a bit more challenging for small- and mid-sized tenants. Transacting with them has required a little more effort this year, but the deals are still getting done. On a macro level, however, I do not foresee a major downturn.

What do you think the future looks like for WeWork and other coworking operators if the economy slows down? There's been enough press about that in the last 30 days.

Is New York City losing its shine? Are property investors starting to look elsewhere? New York City is as desirable a market as it has ever been. That said, multifamily investors are definitely looking at other markets right now both in the tri-state region and around the U.S., while other investors, specifically international investors, are on the sidelines for various geopolitical and economic reasons. The desire to invest here remains unabated. Once the investment sales market makes it way through this current cycle, I anticipate another round of heavy activity.

How have you adjusted your business plan since the new rent laws were passed? We are passive limited investors in several multifamily properties, so we are far less involved on a day-to-day basis, but I know that many of our general partners have adjusted their business plans accordingly or are in the process of doing so.

Do the new rent laws present any opportunities for savvy owners? 100 percent, yes. Any time there is disruption in the market, new opportunities emerge. Cap rates are going up, yet interest rates are still low. Some investors will come out of this cycle having made very opportunistic deals.

Is REBNY in need of a revamp? What needs to happen? REBNY still plays an important role in our industry. I'm looking forward to seeing what ideas Jim Whelan will put into place.

What's the biggest headache in your job that no one knows about? Me dealing with me. I put an extraordinary amount of pressure on myself.

What's more important: having the best lawyer or having the best accountant? Owning properties in the best locations!

Most underrated neighborhood in the city? Garment District.

If you could pick the Republican and Democratic nominees for President, who would they be? Lincoln and FDR.

LIGHTNING ROUND:

Favorite book? "Grant" by Ron Chernow

Favorite restaurant? Il Postino

Favorite vacation spot? Ana Capri, Paris, Bermuda

Favorite TV show? "Call My Agent" (French show on Netflix)

Favorite movie? "The Graduate"

Favorite sport? Baseball