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2<sup>nd</sup> QUARTER 2012

SALES | RETAIL LEASING | FINANCING

# BUILDING SALES JOURNAL

**MASSEY  
KNAKAL**

Realty Services



# A Message

## from the Chairman



### If You Think the Distressed Asset Cycle is Over, Think Again

Recently, I heard a panel of four sales brokers speaking about the sale of distressed assets and they were basically saying that as an investment strategy it was over. Clearly, appropriately leveraged assets are doing well, but over-leverage is still with us.

Private lenders, banks and special servicers have been aggressive sellers of distressed loans and REO properties that they had foreclosed on. In 2009, and more so in 2010, there were hundreds of these distressed assets sold. The activity began to slow in 2011 as banks had dealt with, what were, the majority of their problem loans. Servicers were focusing on workouts and, while they have asked for hundreds of broker opinion of values, “BOV”, they were not selling as aggressively as the banks had.

However, the pace of distressed sales is picking up again and this should come as no surprise.

Let’s face it; the economy is lumbering along at a very sluggish pace. With the amount of fiscal and monetary stimulus the government has pumped into the economy, GDP growth should be around 7 percent to 8 percent and it is moving at only about 2 percent. Job growth, on a national basis, is still disappointing. In fact, everyone who was so excited about the 200,000 jobs “created” in January clearly do not know how that number was derived. The government projected that 2.9 million people lost their jobs in January of 2011 (an annual post holiday phenomenon) and projected that only 2.7 million people lost their jobs in January of 2012. Their conclusion, based upon these projections, was that 200,000 jobs were “created”. Not exactly confidence inspiring.

True, the rental markets for both commercial space and residential units is getting much healthier and we are seeing tangible increases in these rental levels. However, in New York, the real estate tax policy has been so abused that taxes are rising at about the same rate that revenue is increasing. I have many clients complaining that the top line has grown by 10 percent to 15 percent over the past couple of years but net operating incomes are essentially flat. This dynamic does not provide additional cash flow to cover the debt service which would be necessary to refinance over-leveraged assets.

Our real estate tax problem also seems to be, remarkably, limited to New York. Last week, I attended a great commercial real estate conference in Miami which was organized by my friends at Bisnow. I met several of the top commercial real estate owners from across the U.S., each of whom own millions of square feet within their portfolios. These portfolios consisted of a wide range of property types including office, retail, residential and hotel. I conveyed the dilemma here of a relatively healthy market (compared with other cities across the nation) but a tax burden that is really beginning to take its toll.

The owners from across the country described various states of positive trends in fundamentals, however, none pointed to real estate tax policy as a cause for concern. An exception was one owner from Texas, who complained that taxes were skyrocketing in Houston as real estate taxes had risen to about 10 percent of gross revenue in some cases. When I told him the percentage in New York was approaching 30 percent, he almost fell over.

The New York market currently has a fairly high rate of shadow distress, in which properties have negative equity positions, yet positive cash flow. Moreover, the most distressed loans were made in 2007 when values were the highest and loan-to-value ratios were at their most aggressive. These loans are now maturing and the early feedback has been startling. Of the 5-year January 2007 loans which matured in January of 2012, just 29 percent were paid off. The balance of these loans, 71 percent, are in one form of default or another. The February numbers are not in yet but the expectation is for similar performance and these trends are expected to continue throughout the year.

We are also seeing banks which told us six months ago that all of their problems were behind them, calling for BOVs on loans that have slipped into distress. Servicers have also been increasing their request for BOVs recently as some of the loans that have been in default for years are beginning to turn into REO. All of this leads to one conclusion; distressed assets have been with us for years, are with us now and will continue to be with us for at least another year or two.

Please see page 6 herein for more information about Massey Knakal Special Asset Services.

*You can read Mr. Knakal’s “Concrete Thoughts” articles for the Commercial Observer at [www.commercialobserver.com/topics/concrete-thoughts](http://www.commercialobserver.com/topics/concrete-thoughts).*



## MASSEY KNAKAL SELLS DEVELOPMENT PROPERTY IN THE HEART OF HERALD SQUARE

A development property at 1205-1225 Broadway, located on the northwest corner of Broadway and West 29th Street in the heart of Herald Square, was sold in an all cash transaction valued at \$71,900,000, or approximately \$290 per buildable square foot in August 2011.

1205-1213 Broadway is a three-story commercial office building is approximately 33,189 gross square feet with 78,561 square feet of unused air rights. The total developable footage of this property is approximately 111,750 square feet.

1215-1225 Broadway is a nine-story commercial office building with approximately 91,936 gross square feet and 46,314 square feet of unused air rights. The total developable footage of this property is approximately 138,250 square feet.

Given the approximately 25,000 square foot combined footprint, 10.0 FAR, and approximately 250,000 total buildable square footage, the properties have tremendous potential as a re-development opportunity for a hotel with retail. The buildings were approximately

25% occupied at the time of sale; however all of the remaining leases are expiring within the next two years, allowing a developer a timely project.

“The purchaser is a prolific developer of franchised hotels in New York City having developed millions of square feet in hotels, office and residential over the past 10 years with. They are planning to develop 1,000 rooms every year for the next 3 years, a trend in optimism we’ve been seeing lately as lenders seem to be returning to the marketplace for the hospitality asset class. Additionally, RevPAR (revenue per available room) and ADR (average daily room rate) are both expected to increase market wide by double digit percentages well beyond 2013. We believe this sale is indicative of the Manhattan hotel industry in general and the NoMad neighborhood specifically as an attractive market. We anticipate the trend in new hotel development to continue as New York City will remain a popular tourist and corporate destination in the coming years with over 50 million visitors expected in 2012 alone,” said a Massey Knakal sales agent who worked on this transaction.

### Property Sales Reports & Our Exclusive Investor List

The Massey Knakal Property Sales Reports continue to be a hit among investors, owners and the press. Published quarterly, these reports detail every property sale in each borough, including up-to-the-minute statistics for PPSF, Cap Rate and GRM. If you are on our investor list, you can access all our reports directly in the “News” section of our website.

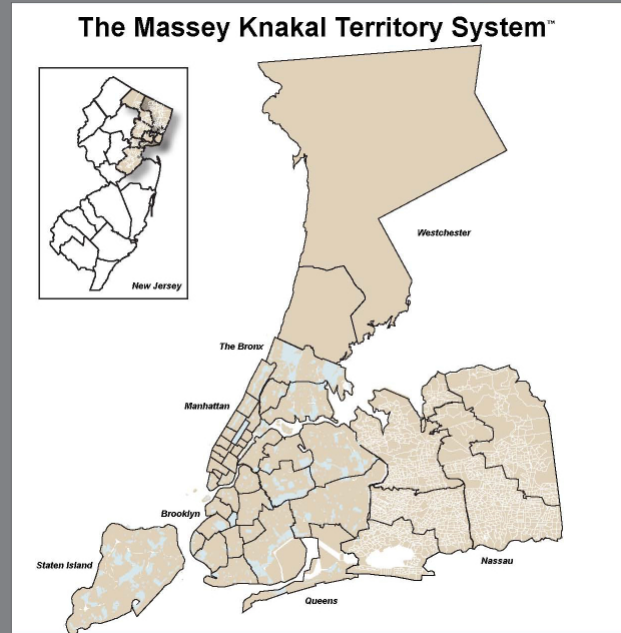
If you are on this list, you can also opt to receive customized emails twice per week, containing new and updated Massey Knakal listings that exactly meet your investment criteria. To join the investor list, please contact Associate Michael Gembecki at (212) 696-2500 or [mgembecki@masseyknakal.com](mailto:mgembecki@masseyknakal.com).



# Massey Knakal Expands with Two New Divisions

In order to better serve our clients – NYC metro area property owners – Massey Knakal created two new divisions in 2011: Massey Knakal Realty Leasing Services (MKRLS) and Massey Knakal Capital Services (MKCS).

The same platform that has made Massey Knakal NYC's #1 Building Sales Firm since 2001 – our unique Territory System™ - is also the foundation for MKRLS and MKCS. Our retail leasing and mortgage brokers are each responsible for a distinct section of the NY metropolitan area. Delving deep into the heart of their territories, these brokers develop strong, long-lasting relationships with both local and national retailers or local banks and other key lenders respectively in order to deliver the best results for our clients. Each territory agent has the best local retail or financing market knowledge, allowing owners to identify and capitalize on retail strategies or financing opportunities that provide the best value.

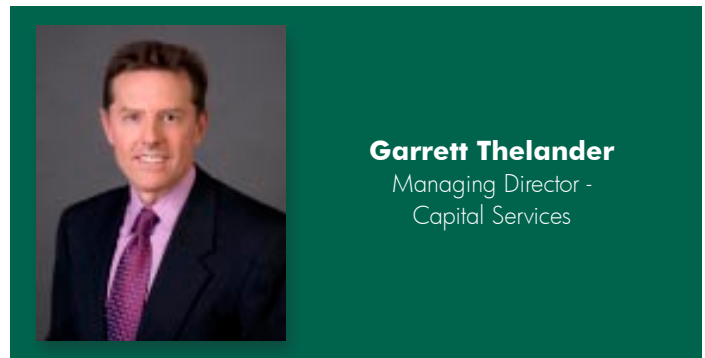


## MASSEY KNAKAL CAPITAL SERVICES

Massey Knakal Capital Services is our mortgage brokerage division that provides unparalleled capital markets knowledge in order to deliver most creative financing strategies for our clients. Project goals are matched with the most favorable and efficient capital structures available in a timely manner. This ancillary financial service division enables our clients to expedite sales transactions.

MKCS specializes in a variety of debt and equity based real estate financing including fixed rate loans, floating rate loans, constructions loans, mezzanine loans and bridge loans.

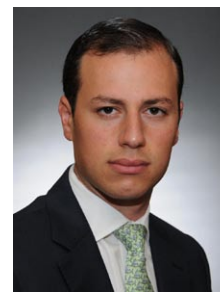
MKCS currently has a pipeline of over \$150 million in mandates. For more information, please contact Garrett Thelander, Managing Director – Capital Services, at (212) 696-2500 or gthelander@masseyknakal.com.



**Garrett Thelander**  
Managing Director -  
Capital Services



**Scott Aiese**  
Director - Capital Services  
Flatiron, Gramercy Park,  
Murray Hill, Union Square



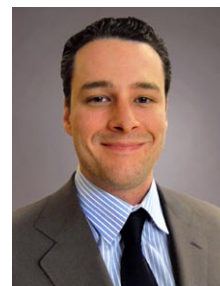
**Morris Betesh**  
Director - Capital Services  
Midtown East



**Justin Boruchov**  
Director - Capital Services  
Upper West Side

### Recent Transactions:

- **\$12,000,000 - Condo Conversion Loan**
- **\$14,070,000 - 8 Property Portfolio Cash-Out Refinance**
- **\$5,600,000 - Take-Out Financing for a Multifamily Construction Loan**
- **\$6,000,000 - Take-Out Financing for an 18-Unit Multifamily Building**



**Preston Flammang**  
Director - Capital Services  
Hudson Yards, Midtown West,  
Penn Station



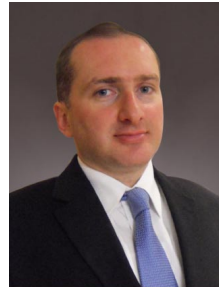
**Bruce Whipple**  
Director - Capital Services  
Westchester County

# MASSEY KNAKAL

## RETAIL LEASING SERVICES



**Cory Rosenthal**  
Vice President,  
Executive Operations -  
Retail Leasing Services



**David Chkheidze**  
Morningside Heights,  
Upper West Side



**Andrew Clemens**  
Greenpoint,  
Williamsburg



**Benjamin Fox**  
Chinatown, Hudson Square,  
NoLiTa, SoHo



**Brendan Gotch**  
East Village,  
Greenwich Village, NoHo



**Ryan Horvath**  
Hudson Yards,  
Penn Station



**Jill Lovatt**  
Carnegie Hill,  
Upper East Side

Massey Knakal Retail Leasing Services (MKRLS) is a focused retail leasing division whose goal is to ensure that every client obtains creditable tenants at the highest overall rental income. To accomplish this objective, the MKRLS team quickly and efficiently implements well-orchestrated marketing and leasing campaigns geared toward targeted groups of retail candidates. Our team will achieve the highest value for retail spaces because of our thorough understanding of the distinct neighborhood markets, as well as the property and its potential for value enhancement. For more information, please contact Cory Rosenthal, Vice President. Executive Operations at 212-696-2500 or [croenthal@masseyknakal.com](mailto:croenthal@masseyknakal.com).



Search over 60 exclusive listings for lease at [www.masseyknakal.com](http://www.masseyknakal.com).



**Dylan Murphy**  
Midtown West



**Guillermo Suarez**  
Financial District, TriBeCa

### Recently Leased



**262 Mott Street**  
NoLiTa  
New York, NY  
2,592 SF



**2756 Broadway**  
Upper West Side  
New York, NY  
1,500 SF



**472 86th Street**  
Bay Ridge  
Brooklyn, NY  
14,400 SF

## FEATURED SALES 2011

In 2011, we sold 264 properties for an aggregate value of \$872.8 million. Below and on the following pages are some of these properties.

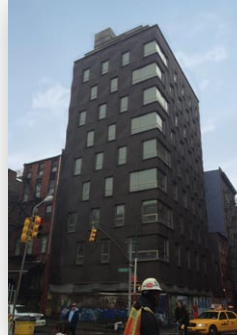
### Manhattan



**607 Hudson Street**  
New York, NY  
Sold: \$33,369,362  
Development Site



**345 East 37th Street  
(Corinthian Condo)**  
New York, NY  
Sold: \$30,595,000  
Commercial Condo



**290 Mulberry Street**  
New York, NY  
Sold: \$25,000,000  
Development Site  
(90% Complete Building)



**7-9 Harrison Street**  
New York, NY  
Sold: \$20,000,000  
Mixed Use Building



**73 & 75 East 3rd Street**  
New York, NY  
Sold: \$15,500,000  
Apartment Building



**1032-1034 Lexington Avenue**  
New York, NY  
Sold: \$10,200,000  
Mixed Use Building



**137-139 West 25th Street**  
New York, NY  
Sold: \$10,000,000  
Commercial Condo



**1356 1st Avenue**  
New York, NY  
Sold: \$9,125,000  
Mixed Use Building



**11 St. Luke's Place**  
New York, NY  
Sold: \$9,050,000  
Townhouse



**113 East 61st Street**  
New York, NY  
Sold: \$8,300,000  
Townhouse



**450-452 Amsterdam Avenue**  
New York, NY  
Sold: \$8,100,000  
Mixed Use Building



**156 Prince Street**  
New York, NY  
Sold: \$7,800,000  
Apartment Building

# MASSEY KNAKAL FEATURED SALES

## Manhattan (continued)



**245 Mulberry Street**  
New York, NY  
Sold: \$7,250,000  
Apartment Building



**64-68 West 125th Street**  
New York, NY  
Sold: \$7,100,000  
Retail Building



**449 Washington Street**  
New York, NY  
Sold: \$6,900,000  
Mixed Use Building



**59 Morton Street**  
New York, NY  
Sold: \$6,500,000  
Townhouse



**212 Eighth Avenue**  
New York, NY  
Sold: \$5,425,000  
Mixed Use Building



**107 East 37th Street**  
New York, NY  
Sold: \$5,250,000  
Apartment Building



**252-254 10th Avenue**  
New York, NY  
Sold: \$5,150,000  
Mixed Use Building



**207 West 75th Street**  
New York, NY  
Sold: \$5,025,000  
Retail Building

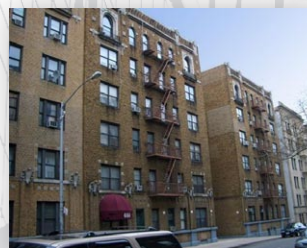
## Northern Manhattan



**838 Riverside Drive**  
New York, NY  
Sold: \$9,400,000  
Apartment Building



**506 & 510 West 150th Street**  
New York, NY  
Sold: \$6,350,000  
Apartment Buildings



**666 West 162nd Street**  
New York, NY  
Sold: \$6,000,000  
Apartment Building



**712 West 176th Street**  
New York, NY  
Sold: \$5,350,000  
Apartment Building

FEATURED SALES 2011

Brooklyn



**278-284 South 2<sup>nd</sup> Street**  
Brooklyn, NY  
Sold: \$7,250,000  
Apartment Building



**50 Orange Street**  
Brooklyn, NY  
Sold: \$7,100,000  
Apartment Building



**105 Avenue P**  
Brooklyn, NY  
Sold: \$5,500,000  
Apartment Building



**505 St. Marks Avenue**  
Brooklyn, NY  
Sold: \$4,500,000  
Development Site



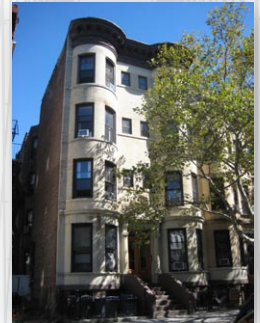
**6-16 Box Street  
(10 Box Street)**  
Brooklyn, NY  
Sold: \$4,200,000  
Development Site



**1974 51st Street**  
Brooklyn, NY  
Sold: \$3,800,000  
Apartment Building



**8629 Bay Parkway**  
Brooklyn, NY  
Sold: \$3,170,000  
Specialty Use Property



**397 1st Street**  
Brooklyn, NY  
Sold: \$2,575,000  
Apartment Building

The Bronx



**184-190 West 237th Street  
(Stella D'oro)**  
The Bronx, NY  
Sold: \$18,750,000  
Development Site



**2095 Mohegan Avenue**  
The Bronx, NY  
Sold: \$2,000,000  
Mixed Use Building



**2503 Hughes Avenue**  
The Bronx, NY  
Sold: \$1,325,000  
Apartment Building



**5753 Broadway**  
The Bronx, NY  
Sold: \$1,200,000  
Apartment Building



# MASSEY KNAKAL FEATURED SALES 2011

## Queens



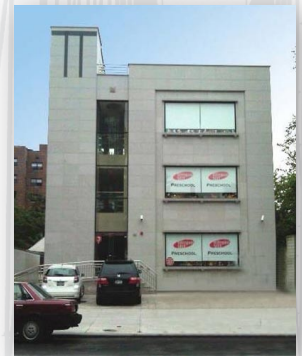
**82-67 Austin Street**  
Jamaica, NY  
Sold: \$19,525,000  
Apartment Buildings



**29-37 41st Avenue**  
Long Island City, NY  
Sold: \$8,300,000  
Development Site



**112-20 14th Avenue**  
Flushing, NY  
Sold: \$4,800,000  
Industrial Property



**149-34 35th Avenue**  
Flushing, NY  
Sold: \$3,150,000  
Specialty Use Building



**142-04 Bayside Avenue**  
Flushing, NY  
Sold: \$3,125,000  
Medical Building



**164-14 Cross Bay Boulevard**  
Jamaica, NY  
Sold: \$2,750,000  
Office Building



**6001 27th Avenue  
aka 26-60 Borough Place**  
Woodside, NY  
Sold: \$2,250,000  
Industrial Property



**11-26 46th Road**  
Long Island City, NY  
Sold: \$1,900,000  
Industrial Property

## Long Island Westchester County Staten Island New Jersey



**3200 Long Beach Road**  
Oceanside, NY  
Sold: \$1,075,000  
Development Site



**33 Main Street**  
Tuckahoe, NY  
Sold: \$3,050,000  
Retail Building



**228 Main Street**  
Staten Island, NY  
Sold: \$850,000  
Specialty Use Property



**21 West Main Street**  
Bergenfield, NJ  
Sold: \$1,030,000  
Specialty Use Property

# MASSEY KNAKAL

## SPECIAL ASSET SERVICES

The Massey Knakal Special Asset Services division saw a busy 2011, closing 31 special asset transactions on behalf of 20 distinct institutions, for an aggregate total of over \$126 million. With new Director of Special Assets Matthew J. Dillon on board, we will be paying extra attention to the outlying boroughs in 2012, where lenders and borrowers have yet to tackle the majority of their distressed inventory. Below is a selection of our closings in 2011.



\$43,500,000  
 REO  
 356-366 10th Avenue  
 Vacant Lot  
 New York, NY



\$33,626,000  
 Non-Performing Loan  
 Liberty Towers &  
 Waterfront Commons  
 Staten Island, NY



\$16,000,000  
 Short Sale  
 South Conduit Avenue &  
 Linden Boulevard  
 Queens, NY



\$8,718,000  
 Non-Performing Loan  
 3312 Hudson Ave  
 58 Unsold Units  
 Hudson County, NJ

# MASSEY KNAKAL

## NEW HIRES

Massey Knakal is proud to announce the following new hires since January 2011:



**Jelani Babb**  
 Technical Support  
 Specialist



**Robert Bailey**  
 Associate,  
 Manhattan



**Matthew Bowman**  
 Associate,  
 Brooklyn



**John Cella**  
 Associate,  
 Brooklyn



**Darragh Clarke**  
 Senior Associate,  
 Manhattan



**Eric Feather**  
 Associate,  
 Brooklyn



**Thomas Freeland**  
 Associate,  
 Brooklyn



**Michael Gembecki**  
 Associate - Research &  
 Client List Management



**Andrew Greco**  
 Director of Sales,  
 Westchester County



**Timothy Hay**  
 Associate,  
 Manhattan



**Andrew Helfst**  
 Associate,  
 New Jersey



**Courtney Horry**  
 Administrative  
 Assistant, Manhattan



**David Kalish**  
 Director of Sales,  
 Manhattan



**Anthony Kelly**  
 Associate,  
 Brooklyn



**Josh Lipton**  
 Director of Sales,  
 N. Manhattan



**Nick Mahedy**  
 Director of Sales,  
 Brooklyn



**Michael Mazzara**  
 Associate,  
 Brooklyn



**Leica Meliton**  
 Administrative  
 Assistant, Manhattan



**Robert Moore**  
 Associate,  
 Brooklyn



**Matthew Nickerson**  
 Associate,  
 Manhattan



**Caroline M. O'Loughlin**  
 Associate,  
 Manhattan



**Carlos Olson**  
 Associate,  
 Manhattan



**Michael Schneider**  
 First Vice  
 President of Sales,  
 Staten Island



**Douglas Shafer**  
 Sales Team  
 Manager, Manhattan



**Richard Velotta**  
 Associate,  
 Brooklyn



**Mei Ling Wong**  
 Associate,  
 Manhattan



**James Yetter**  
 Associate,  
 Manhattan

# New York City Commercial Property Sales

## Top Brokerage Firms 2001 -2011

Based on # of Transactions

**Massey Knakal is NYC's #1 Building Sales Firm for the 10th Consecutive Year**

	# Transactions '01-'11
<b>Massey Knakal Realty Services</b>	<b>2,446</b>
Besen & Associates Inc.	639
Marcus & Millichap	554
Eastern Consolidated	548
GFI	472
Capin & Associates	259
CBRE	223
Prudential Douglas Elliman	207
The Corcoran Group	174
Newmark Knight Frank	174
Cushman & Wakefield	173
Lee O'dell Real Estate Inc.	138
Greiner-Maltz Company, Inc.	132
Itzhaki Properties	126
Eastdil	121
Kalmon Dolgin Affiliates Inc.	114
Sholom & Zuckerbrot Realty Corp.	95
Rosewood Realty Group	89
Swig Equities, LLC.	64
Solar Realty Management Corp	62
Extreme Realty	55
Grubb & Ellis	51
WRA Properties	46
GVA Worldwide, LLC.	37
John Anthony Group, Inc.	35
NAI Global	27
Leslie J. Garfield & Company	27
Friedman-Roth	23
Time Equities, Inc.	23
Sinvin Realty Corp.	22
Senack Real Estate Ltd.	19
Terra CRG	19
Jones Lang LaSalle	18
Reilly Mann Newell Realty Group	17
RMB Properties, LLC	17
ERG Property Advisors	16
<b>Total Transaction Volume - (Brokers on Chart)</b>	<b>7,262</b>



Every Building. Every Detail.™

# MASSEY KNAKAL ANNUAL PICNIC

Our annual picnic in Westchester, NY kicked off the summer of 2011 and was enjoyed by employees and their families alike.



*Mitch Levine and his kids*



*Tommy Lin, David Chkheidze, Bryan McCrossen, Stephen Preuss & Tommy Donovan*



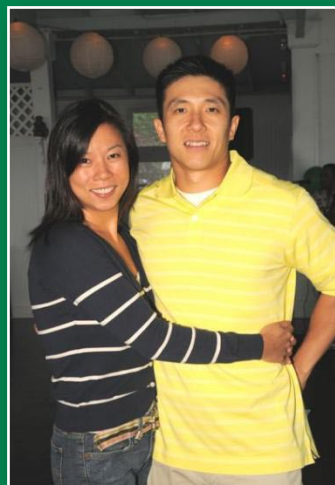
Realty Services



*Cynthia & Sophia Knakal, Paul Massey & Bob Knakal*



*Luke Nelson*



*Mindy & Tommy Lin*



*Paul Smadbeck, Jonathan Hageman, Hall Oster & Cory Rosenthal*



*Guthrie Garvin & James Nelson*



*Enjoying the day despite the cloudy sky*



*Preston Flamang, David Kalish & Bob Knakal*



*Shirley Martire, Gia LaMarca, Shannon Krause, Christy Moyle & Mindy Liu*



*Mitch Levine, John Ciraulo & Lev Kimyagarov*



*Garrett Thelander, Brendan Maddigan & Michael Amirkhanian*



*Mike Gembecki, Alex Baker, Matt Abreu & Adrian Mercado*



*Monica Ortiz*



*DJ Johnston & Scott Aiese*

# MASSEY KNAKAL PHOTO GALLERY

Our soccer team shined on the fields in the fall real estate soccer league.



We gathered for a potluck lunch to celebrate Thanksgiving.



Our annual holiday party was at Park Avenue Tavern in Midtown Manhattan.

# MASSEY KNAKAL

## ANNUAL AWARDS CEREMONY

Massey Knakal held its annual award ceremony in January at the Union League Club in Midtown Manhattan. The entire company congregated to honor our top producers and finest professionals of 2011. The awards are named after some of the industry's most notable professionals.

**In the production category for the entire firm, the winners were:**

**James P. Nelson, Partner**

*Annual Gerald W. Bridges Award, Salesperson of the Year Company-Wide*

**Jeffrey Shalom, Vice President of Sales**

*Annual John H. Holler Award, 2nd Place Salesperson of the Year Company-Wide*

**John F. Ciraulo, Vice Chairman & Partner**

*Annual John F. Ciraulo Award, 3rd Place Salesperson of the Year Company-Wide*

**In the production category for by office, the winners were:**

**James P. Nelson, Partner**

*Manhattan Annual Ofer Yardeni Award, Salesperson of the Year*

**Thomas A. Donovan, Partner & Managing Director - Queens**

*Queens Annual Harry Macklowe Award, Salesperson of the Year*

**Jeffrey A. Shalom, Vice President of Sales**

*Brooklyn Annual Stephen B. Siegel Award, Salesperson of the Year*

**In the values category, many based on the principles of Massey Knakal's PIER values (Passion, Integrity, Excellence and Responsibility), the winners were:**

**David Chkheidze, Director of Retail Leasing**

*1st Annual Rookie of the Year Award*

**Robert M. Shapiro, First Vice President of Sales**

*Annual Richard Marcinko Award For "Passion"*

**Guthrie Garvin, First Vice President of Sales**

*Annual Louis Brause PIER Award, Representing Overall Values Company-Wide*

**Stephen R. Preuss, Director of Sales**

*Queens Annual Nicholas T. Donovan PIER Award Representing Overall Values*

**Michael Amirkhanian, Director of Sales**

*Brooklyn Annual Michael Fuchs/ Aby Rosen PIER Award Representing Overall Values*

**Robert Burton, Senior Vice President of Sales**

*Annual Manhattan Richard B. Clark PIER Award Representing Overall Values*

**Andrew Essick, Senior Associate**

*Annual Steven Spinola Award, For the Associate Who Has Demonstrated Superior Performance & Dedication Company-Wide*



**Winfield Clifford, Senior Associate**

*Annual Steven Spinola Award, For the Associate Who Has Demonstrated Superior Performance & Dedication Company-Wide*

**Darragh Clarke, Senior Associate**

*Annual Morton Apfeldorf Award For Integrity*

**Cory Rosenthal, Vice President, Executive Operations**

*Annual Thomas A. Donovan Award For Excellence*

**Lori Rodriguez, Administrative Assistant**

*Annual James Ventura President's Award Unsung Hero Whose Efforts And Accomplishments Have Gone Above And Beyond The Call Of Duty*

**Jonathan Hageman, Sales Team Manager**

*Annual Charitable Foundation Award For Making a Difference*

**Adrian Mercado, Director of Research**

*Annual Robert A. Knakal Chairman's Award Outstanding Service And Promotion Of The Massey Knakal Mission*



# MASSEY KNAKAL SUMMITS

Massey Knakal's Summits continue to be a huge success, with hundreds of investors, developers, brokers and other professionals attending our day-long events.

The Massey Knakal Commercial Real Estate Summit occurred on **April 26, 2012**. This year, we delved into the dynamics of the ever-changing marketplace to discuss financing, investment, development, and specifics of office, retail, hotel property segments, as well as note acquisitions and current opportunities in distressed situations.

Save the date for Massey Knakal's Multifamily Summit on **November 14, 2012**. This event will focus on apartment building specific issues facing developers, owners, managers and brokers.

For more information, call (646) 862-6136 or email [info@mkcresummit.com](mailto:info@mkcresummit.com).

To hear podcasts from 2011's Multifamily Summit, visit <http://goo.gl/xANCH>



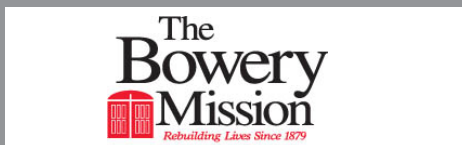
# MASSEY KNAKAL CHARITABLE FOUNDATION UPDATE

The Massey Knakal Charitable Foundation was founded on the premise that the greater New York area is one community where all its inhabitants live and work together side by side, and that to help any is to help all by strengthening the community at its most basic level. The Foundation supports local educational, family and other community-oriented charitable causes primarily within New York City and the Tri-State area. In addition to providing these charities with direct grants, we work to organize volunteer efforts to benefit them with our time and energy.

Below are profiles of a few of the organizations that the Foundation funded in 2011, thanks to the support of individuals at Massey Knakal.

### Bowery Mission

The Bowery Mission works towards providing a variety of services to NYC's homeless men and women including offering meals, clothing, emergency shelter, medical care, counseling and residential recovery programs. This organization has helped men and women achieve sobriety, sustainable employment and housing since first opening its doors in 1879. ([www.bowery.org](http://www.bowery.org))



### Daniel's Music Foundation

DMF's mission is to provide a classroom environment that is comfortable, educational, and social for children and adults with disabilities to enjoy, learn and practice music together. Daniel's Music allows members to build self-esteem, confidence and identifiable

skills by reaching achievable goals and provide an opportunity for the members to lead active and creative lives. Directors and officers of DMF receive no compensation for their services so that 100% of grant funding is used to support the music program. (<http://www.danielsmusic.org>)



### Career Gear

Career Gear's Job Readiness, Professional Development Series and Mentoring Programs address not only individual client needs, but the impact that being jobless or underemployed can have on families and communities. For men who seek to better themselves against great odds, Career Gear is a lifeline of ongoing support as they make a change for

the better. Surviving that crucial job interview is an important step, yet daily life can often make it tough to keep up the momentum. Through weekly peer workshops, one-on-one mentoring and a supportive environment, our clients make the connections and build the confidence to find work, keep it and continue down the path of personal development and economic self-sufficiency. In 12 years of existence, Career Gear is proud to have helped over 30,000 disconnected and under-served job seeking men become self-sufficient members of their communities. (<http://www.careergear.org>)



## CONTACT US

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# A Message from the CEO



Clients, friends, and other real estate industry associates frequently compliment us on the character and skill of our associates and sales agents. That compliment is usually followed by some form of curiosity around our recruiting practice and process. We explain that our metrics for choosing the best people aren't complex. Our metrics have been derived from almost twenty-five years of practices, a large dose of common sense, and a small dollop of gut feeling.

Before discussing our criteria, it's helpful to embrace a few rules of thumb:

**Bios and Resumes Matter** - Although there is no substitute for an in-person meeting, initially a resume can reveal volumes about a candidate. A high level candidate's bio will usually be littered with achievement and leadership.

**History Repeats Itself** - We encourage candidates to tell us about their success all the way back to kindergarten. This focus gets them away from work success which they are almost always prepared to discuss. A "pattern" of success and achievement is a very good indication of future success at any chosen endeavor.

**Keep the Interview Light** - It may sound "Pollyannaish" but we believe in focusing on whether the candidate would be happy in the particular job they are interested in (and at Massey Knakal). We've heard about more aggressive "shak'em up" interview styles that we don't think uncover enough about the true candidate. Since the associates or sales persons' relationship with the company is mutualistic, we begin with keeping their happiness in mind.

With the above considered, we approach a first meeting with the candidate seeking information in the following five (5) criteria:

**1) High Level Achievement** - (not to be confused with Leadership (our #2)). Achievement can come in many forms – remember we stay away from work experience unless the candidate is seeking a very senior position requiring a specific skill set. Examples of achievement include marathoner, Division I Athlete; star in school play; skilled actor, etc. We don't have a favorite, but a baseball or softball player always gets another look as we try to continue our dynasty in the New York Real Estate Industry Softball League!

**2) Leadership** - This is easy...captain of team, president of fraternity / sorority, lead in the play, founder of a club (or non-profit).

**3) Diverse Interests** - By the time you get thru numbers 1 and 2, you already will have a sense of this. The candidates you want typically have a multitude of achievements and leadership roles (the great candidates will tire you out just talking about all of their activities). Our own Massey Knakal people continue their interests once they get here and we support and encourage them in triathlons; non profit work, special family trips, etc.

**4) High Level References** - An A-player seeks out mentors and other high level people who know them well. We ask, "What famous and/or important person would say nice things about you?" Of course we call the references but just their presence as a fixture in the candidate's life speaks volumes.

**5) Personality** - The frosting on the cake but by far the least important of our criteria. A person who has the drive required for achievement, leadership, diverse interests and high level references can succeed with or without an effusive personality. In fact Massey Knakal's top talent are all very unique personalities, not necessarily the "classic" outgoing salesman personality you might expect.

## Additional Thoughts

**One Hardball Question** - Succeeding in business guarantees the inevitable occasional failure. If the candidate exhibits the above criteria, ask them about their biggest challenge / failure (NOT work related since they're likely prepared for that area of questioning). Their answers will be very enlightening. A candidate who can't answer or ends up talking about work anyway might not be your ideal candidate.

**Warning** - Our Massey Knakal criteria don't always work in picking the best people. Despite the fact that our Senior Management are unified and try to make selections in keeping with our criteria, we do occasionally pick a candidate who isn't a long term fit despite initially checking a lot of our boxes. The flip side of this warning is to watch out for the "sleeper". We've run into candidates who are seemingly light on leadership and achievement. Some of them might not have had the opportunity to be involved in formal organizations because they needed to (by example) work to support their family at an early age which can be and usually is a great predictor of future success.

A final thanks for the candidates that our friends and clients send to us everyday – whether we choose them or not. A large pool of high level potential recruits is critical to our goal of substantially growing our company.

## Warm Regards,

**Paul J. Massey, Jr., Chief Executive Officer**  
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