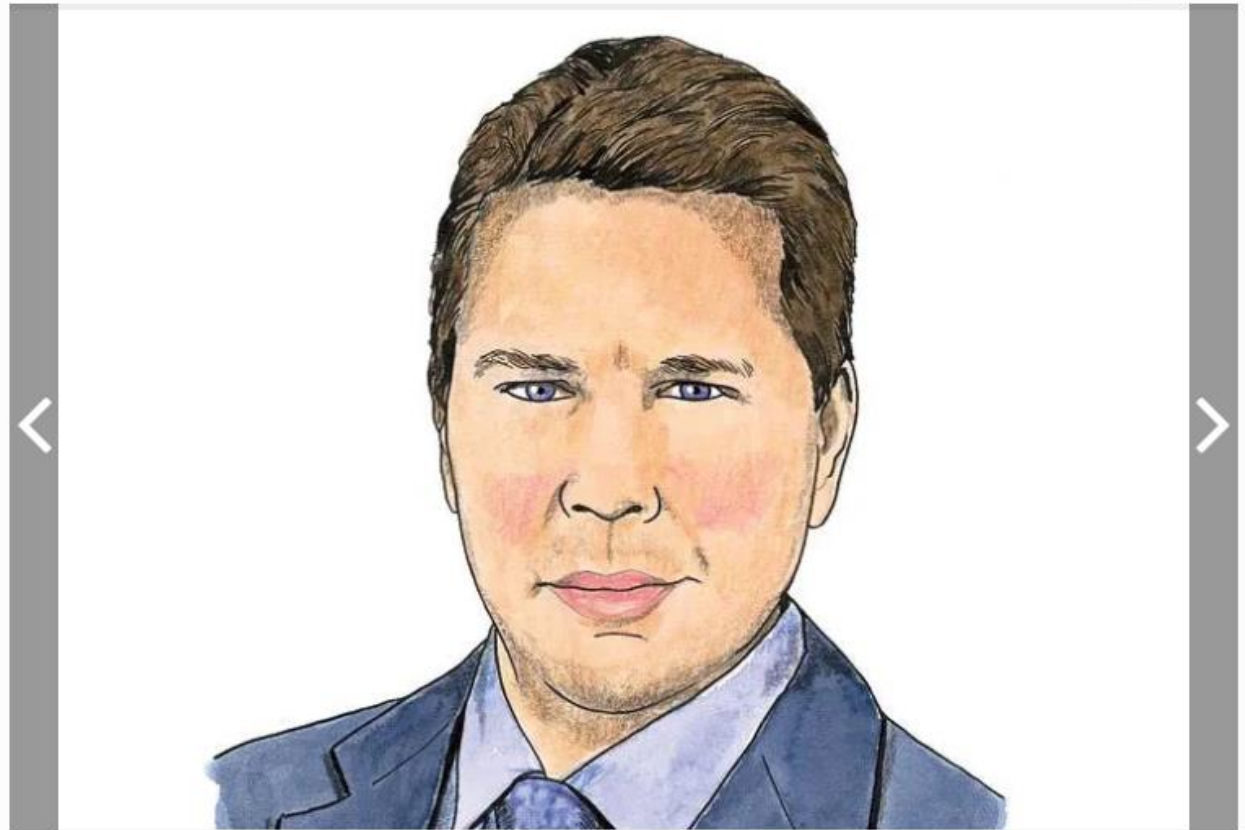


# Owners Magazine 2019: Talking With the Top Developers and Owners of NYC

BY THE EDITORS NOVEMBER 5, 2019 9:00 AM

REPRINTS



**Jason Muss**

*Principal, Muss Development*

**Which commercial lease was your biggest win this year?** I would call it a win-win. We arranged a 43,000-square-foot renewal and expansion with EmblemHealth at our Flushing Plaza property in Flushing, Queens. It was the perfect use of many of our skills, including extensive tenant improvements on new space, refurbishing existing space, tenant relations, and strong dealings with the brokerage community (Brian Collins from Colliers represented the tenant). EmblemHealth benefitted from our flexibility and I think we both benefit from the strong relationship we have built over 30 years. With that lease we were able to take care of an important tenant under a long-term lease while reducing vacancy in the 266,000-square-foot building to under 2,000 square feet.

**Do you think we're heading into a downturn? Why or why not?** We are not heading into a downturn. Business in New York City is thriving. We own properties in neighborhoods as diverse as Astoria, Queens; Rossville, Staten Island; Downtown Brooklyn; and the Upper East Side of Manhattan. Almost uniformly we are as close to 100 percent occupancy as ever and both commercial and residential tenants continue to want to move into these areas. The only wounds we are collectively suffering are self-inflicted, such as allowing subways to be populated by petty criminals and creeps, or over-regulating businesses with needless duplicative and onerous regulations. That has to stop.

**What do you think the future looks like for WeWork and other coworking operators if the economy slows down?** The coworking business model has boomed tremendously, but it has been funded out-of-pocket by private equity firms from around the world. What happens if the money flow stops? Is the business as profitable as promised? At the end of the day, owning commercial real estate just isn't that sexy; it's largely a long-term investment and is best run and operated conservatively and prudently. All that said, coworking itself is certainly bringing new tenants into the market and that has been a good thing both locally and beyond. Our tenant Regus in Forest Hills continues to do well and keep their space full.

**Is New York City losing its shine? Are property investors starting to look elsewhere?** In no way whatsoever is New York City losing its shine. Great cities remain great, through all kinds of leadership and political situations. And there is no other New York City, which is the financial, fashion, culinary, tourist and, increasingly, the tech capital of the United States and, by extension, the world. That doesn't mean it's currently a good time to buy a building here, though! We need to see just how confiscatory and punitive the local and state governments want to become with the good folks in the real estate industry who contribute more in taxes and civic involvement than any other group. We'll know more in the coming years.

**How have you adjusted your business plan since the new rent laws were passed?** We haven't. Rent-stabilized buildings have never been our core business. But it has made us very wary of other possible changes to various laws that will directly or indirectly affect us and the rest of the industry.

**Do the new rent laws present any opportunities for savvy owners?** Absolutely. What they are, I couldn't say.

**Is REBNY in need of a revamp? What needs to happen?** Having personally worked alongside Jim Whelan for several years, I can say assuredly that REBNY is in great hands! He is capable, tough and pragmatic. We will hopefully see a more politically engaged membership in the coming years. The real estate industry has to consistently highlight just how many kinds of taxes and fees we pay. If the activities that generate cash for the city get punished, then the ripple effects won't be pretty.

**What's more important: having the best lawyer or having the best accountant?** That's a great question and there isn't a straight answer. For acquisitions and development, clearly the lawyer is most crucial. For the ongoing management of a portfolio, including financings, capital improvements and dispositions or 1031 transactions, the accountants are indispensable.

**Most underrated neighborhood in the city?** Sheepshead Bay and Brighton Beach. South Brooklyn is the next big thing. The beach access and subway connectivity, combined with an incredibly educated and entrepreneurial local population, will continue to lift the tide on the Atlantic Ocean.

**If you could pick the Republican and Democratic nominees for President, who would they be?** The nominees will be Donald Trump and Joe Biden.

**LIGHTNING ROUND:**

**Favorite book?** “Shogun” by James Clavell. A masterpiece.

**Favorite restaurant?** Mike’s Bistro on East 54th (a great guy and amazing food!)

**Favorite vacation spot?** Tel Aviv

**Favorite sport?** To play, golf. To watch, basketball.