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Westchester Developer Predicts Booming Economy in 2020's

John Jordan | January 2020



From left, Scott Tangredi, BOMA Westchester President; Robert Weisz, RPW Group; Westchester County Executive George Latimer, Timothy Jones, Robert Martin Co.; James Fagan, Cushman & Wakefield and James Houlihan, Houlihan-Parnes Realtors, LLC.

WHITE PLAINS—For the approximately 150 real estate and building executives assembled at the Building Owners and Managers Association luncheon on Jan. 9, many more than likely are now hoping that Westchester developer Robert Weisz is as wise a prognosticator as he has been a real estate investor.

Weisz, a principal of RPW Group of Rye Brook, near the close of the roundtable discussion where he served as the moderator, offered the following prediction for the Westchester economy: “I predict that the next five to 10 years are going to be the most successful period that Westchester has seen probably in the last 50 years.” He continued, “Everything is going in the right direction.”

Weisz noted that there is less office inventory due to obsolete older buildings being redeveloped, while at the same time the residential market in the county is booming.

With those market forces in place, he noted, “The talent is moving to Westchester and I think there will be a reversal. In the last 100 years companies were located where the head of the companies lived or where it was more convenient to them. CEOs and chairman, they lived in Connecticut and Westchester, that’s where the companies went. Now that has changed, companies go where talent goes and that talent is moving to Westchester.”

The BOMA session held at the Crowne Plaza Hotel in White Plains featured panelists Timothy Jones, CEO of Robert Martin Co. of Elmsford; James Fagan, senior managing director of Cushman & Wakefield; and James J. Houlihan, managing partner, Houlihan-Parnes Realtors, LLC of White Plains.

The panel was mostly upbeat about the office, industrial and flex markets and the prospects for the burgeoning biotechnology industry in Westchester County in the years to come.

Houlihan said the commercial real estate finance market is strong with plenty of available credit at continued historic low rates.

He added that at the present time there are not enough deals for the amount of credit available. “It is certainly a good time to be a borrower,” Houlihan said.

However, Houlihan did level some harsh criticism on the political leadership in Albany and New York City. He specifically pointed at the rent reform legislation passed by the New York State Legislature and signed by Gov. Cuomo, which he termed as a “game changer” for the multifamily investment sector in the New York metro region.

Houlihan estimated that the value of rent-regulated multifamily properties likely decreased by 25% once the rent reform legislation went into law.

Fagan said there has been a significant change in office market utilization, noting that five to 10 years ago, a 10,000-square-foot requirement would house approximately 40 workers. Today, that same 10,000-square-foot tenant will house upwards of 65 workers.

“What they (tenants) are looking for is an experiential fit as opposed to a market fit,” Fagan said. He explained that companies are now looking to locate at properties where a host of amenities, including fitness, and dining options, are available.

Fagan and Jones agreed that while commercial brokers and investors in Westchester and Fairfield counties are hopeful that Millennials will eventually look to the suburbs to raise their families, which will in turn cause companies to shift operations out of New York City, the suburbs must offer more affordable housing options to these young professionals to succeed.

“If we don’t create housing for these folks as they come out of these super-urban environments, they are going to go someplace else,” Fagan said, noting that due to the high cost of living and operating in the New York metro region, many companies and workers are flocking to other less expensive markets in the Southeast and Southwest for example.

Fagan noted that while markets such as Austin has seen its workforce numbers skyrocket in the last three decades, employment in Connecticut and Westchester have lagged.

“If we don’t do something to attract the largest generation as they start their family formations, good luck,” Fagan warned.

He said that the office market in New York City is booming and filling up and the opportunity is there for the suburbs to take advantage. However, the amount of growth will depend on whether the county can provide suitable office and housing options to the companies and its workers.

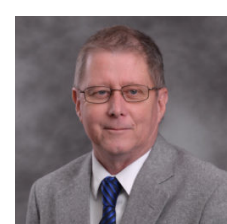
Robert Martin Co’s Jones, who discussed the strong industrial market and the company’s recent launch of a biotechnology division (RMCBIO1) under the leadership of Lawrence Gottlieb, also indicated the issue of affordable housing in both the rental and purchase markets could factor into the health of the suburban economy in the years ahead.

“We have to figure out a way to provide affordable housing for the people who are leaving the apartments,” he noted.

Jones noted that the housing market is booming in Charlotte, NC where Robert Martin owns Dunkin Donuts retail stores. He said that workers are opting for longer commutes in order to buy a single-family home in the Charlotte region for \$275,000.

He added that Westchester County needs to not only do a better job of attracting Millennials, but also retain talented empty nesters.

Editor’s Note: The Hudson Gateway Association of Realtors will hold its Annual [Commercial Real Estate Roundtable program on Friday, Jan. 24th](#) at the HGAR offices in White Plains beginning at 8:30 a.m. Roundtable participants are being finalized at press time.



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