COMMERCIAL OBSERVER

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Inside

POWER 100 2023

91 Robert Knakal

Senior managing director and head of the New York private capital group at JLL

Last year's rank: 77

As it turns out, a slowdown in the investment sales market was all it took to get JLL's Bob Knakal active on social media.

"For many years people were encouraging me to use social media, and I did not do it," Knakal said. "And, finally, I said I would give it a try at the beginning of the year. Since then, I've been posting regularly on LinkedIn, Twitter, Instagram, and I'm shocked at the reach that social media has."

Knakal said his near-daily LinkedIn posts — which he dubbed motivational Monday, client testimonial Tuesday, current event-related post on Wednesday and, of course, throwback Thursday — have helped him develop relationships with clients and get deals. After seeing Knakal's LinkedIn posts, one of his former Alpha Tau Omega fraternity brothers reached out to him over email to sell a small portfolio of Northeast medical buildings, Knakal said.

Outside of his online sphere of influence, Knakal closed $1.1 billion in deals in 2022 across 32 properties, though he noted that the investment sales market had certainly slowed as interest rates rose and the debt markets cooled. But Knakal still knocked out multimillion-dollar property sales.

In his largest deal of the year, Knakal brokered the sale of Delshah Capital's mixed-use apartment building at 22 Chapel Street in Downtown Brooklyn for $134 million. He also handled the $70 million portfolio sale of six West Village multifamily buildings. And, in the 2,222nd deal of his career, Knakal brokered HUBB NYC's purchase of the 130-unit Williamsburg apartment property at 150 Union Avenue for $76.8 million. Not bad for a slow market.

In 2023, Knakal plans to continue doubling down on hunting out motivated sellers to keep deals flowing, despite the economic downturn.

"Particularly at times like this, you have to look at the reason why people are selling, and it's not an ideal time for most people to be selling today," Knakal said. "You want to look for motivation and those who have a strategic reason for wanting to transact. [On the buy side], you have to look for the people who want to be greedy at a time when the market is very challenging for a lot of folks." *—C.Y.*

Robert Knakal.

92 Shimon Shkury

President and founder at Ariel Property Advisors

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Ariel Property Advisors' Shimon Shkury is generally a glass-half-full kind of guy who never sees a cloudy day in commercial real estate in New York. Instead, any cyclical downturns are merely opportunities to be seized.

His Manhattan-based firm appears to have done just that, too. The dollar volume of its transactions increased to $945.1 million in 2022 from $867.6 million the year before.

Still, Shkury — a veteran broker, financial engineer and market researcher — said he has never seen a market more challenging.

"When you try to look at New York City's real estate market today, you really have to uncover several different product types and what happened to them," Shkury said. "We can't look at everything with the same glasses. Everybody was affected by COVID, everybody is going to be affected by the interest rate environment, and different property types are going to be affected differently as we move along."

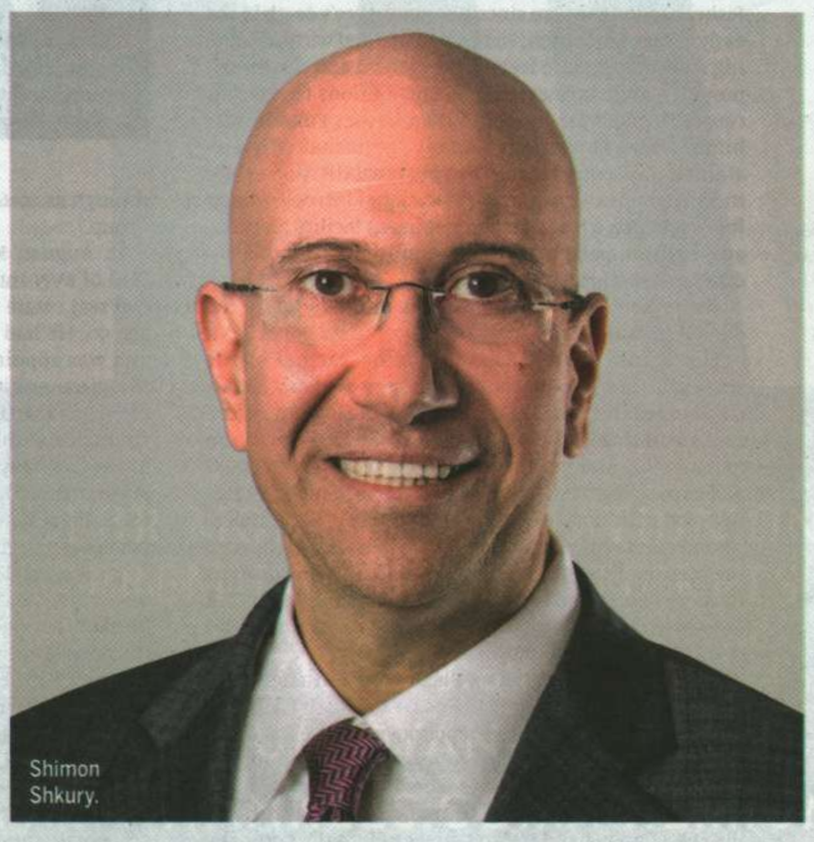
This includes offices.

"Pre-COVID, office had an oversupply in terms of the amount that was available, mostly in Manhattan," Shkury said. "COVID changed the way tenants view office space and employers view office space. So the fundamentals of office changed not overnight, but very, very quickly. And the interest rates are definitely putting stress on the office market. Some office buildings are doing really well, like Class A ones that are fully tenanted. But there are others. ... There's definitely pain there, and we need to work through that pain."

Shkury says Ariel is structured like an investment bank, meaning that it is organized into separate groups for investment sales, capital services and research. All three work together as one team, collaborating with the client, with the research group also capturing and sharing insights for external use.

In multifamily, Shkury said there's opportunity depending on where in the market you focus. Affordable housing offers respectable returns, while rent-stabilized housing "has its challenges," he said.

"The way I see our job is to supply clients with information, and make sure they have the ability to have options," he said. *—D.M.L.*



Shimon Shkury.

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