

COMMERCIAL OBSERVER

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Plus

46 Welcome to the newcomers!

72 Who jumped ahead in 2022

127 Honorable mention goes to...



The 2022
power 100

An illustration of four people standing on a red carpet at a party. On the left, a woman in a long orange dress with a bow at the neck. In the center, two men: one in a brown blazer and green pants, the other in a grey blazer and dark pants. On the right, a woman in a green vest over a patterned top and red pants. In the background, there's a disco ball and red lights.



Robert Knakal.

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Robert Knakal

Chairman of New York Investment Sales at JLL

Last year's rank: 90

By his own account, JLL's Robert Knakal had an unspectacular year in 2021 — although what he considers unimpressive might not apply to too many in commercial real estate.

"I sold 46 buildings last year. That is below an average year for me recently," said Knakal, who has a lifetime sales volume of over \$19.7 billion through 2,176 properties sold. "And the \$1.2 billion in sales volume was about average."

Knakal said that, while the pandemic has certainly had an effect, investment sales have been more deeply affected by a market correction that began in October 2015. Adding COVID-19 made 2020 a disaster that began to reverse only in the fourth quarter of last year.

"Right now, the investment sales business is making a pretty good comeback," Knakal said. "If you look at the Manhattan market, 2020 volume hit a cyclical low of \$11.1 billion. Last year, that dollar volume rose to \$15.7 billion. So it was a nice increase."

Top transactions from Knakal's JLL team in 2021 included \$169 million for the DoubleTree Metropolitan Hotel at 569 Lexington Avenue, which will be converted to student housing; a multifamily

rental high-rise at 920 Park Avenue, which sold for \$135 million; and \$88 million for a residential development at 2-33 50th Avenue in Long Island City, Queens, which earned Knakal and JLL's Jonathan Hageman a nomination for the Real Estate Board of New York's Most Ingenious Deal of the Year award.

"That was very challenging," Knakal said. "There's a subway tunnel running under the southern portion of the site, which created a significant number of issues. Then, after we were hired to sell it, Amazon announced in Long Island City, and we thought we hit the lottery. Then Amazon went away and COVID kicked in. It was just one thing after another."

At this point, Knakal sees a positive sales environment for 2022 and beyond.

"JLL did \$4.3 billion in sales in New York City last year, and we expect that number is going to grow," said Knakal, who noted a strong upturn in the fourth quarter of 2021 that has set the pace so far for 2022. "If the current phase of sales is any indication, sales volume should double in New York City. We're anticipating that we could be on a positive investment sales run for five or six years moving forward."—L.G.

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Sandeep Mathrani

Chairman of the Board and CEO at WeWork

Last year's rank: 79

The drama of WeWork under Adam Neumann might still be fresh in people's minds — especially thanks to the Jared Leto-starring "WeCrashed" series that wrapped up last month — but the company seems to be moving past it.

Under the guidance of Sandeep Mathrani, the Neumann-less WeWork was able to successfully go public in October 2021 — which Neumann tried and spectacularly failed to do in 2019 — through a merger with a special purpose acquisition company.

The coworking giant's stock has mainly dropped in value since its debut, but the tides have started to turn in recent weeks after a Piper Sandler analyst upgraded it to an overweight rating, writing that WeWork is on the path to profitability by late 2023 or early 2024 as the flexible office model "fits in the post-COVID world."

WeWork was also able to continue to cut down on its cash burn while increasing its revenue, but the company is still losing millions of dollars.

In the first quarter of 2022, WeWork pulled in \$765 million in revenue, a 7 percent increase

from the previous quarter, while it posted a net loss of \$504 million, a whopping 37 percent decrease compared to the previous quarter.

WeWork kicked off 2022 by making its first acquisition under Mathrani when it purchased flexible workspace provider Common Desk for an undisclosed amount.

"On the heels of a strong year for our business, Common Desk's operational expertise and portfolio of first-class space will further bolster our value proposition as we focus on strategic growth," Mathrani said in a statement at the time.

But it wouldn't be a year-in-the-life of WeWork without some drama, this time the departure of Marcelo Claure as chairman of the board. Claure left his post at WeWork and as COO of WeWork majority-owner SoftBank Group in January 2022, reportedly after SoftBank wouldn't pay him \$2 billion in compensation over the next several years, which he wanted partly because of his work helping turn WeWork around.

Mathrani became chairman in March. —N.R.



Sandeep Mathrani.