COMMERCIAL OBSERVER

APRIL 25, 2018

POWER 100 ISSUE

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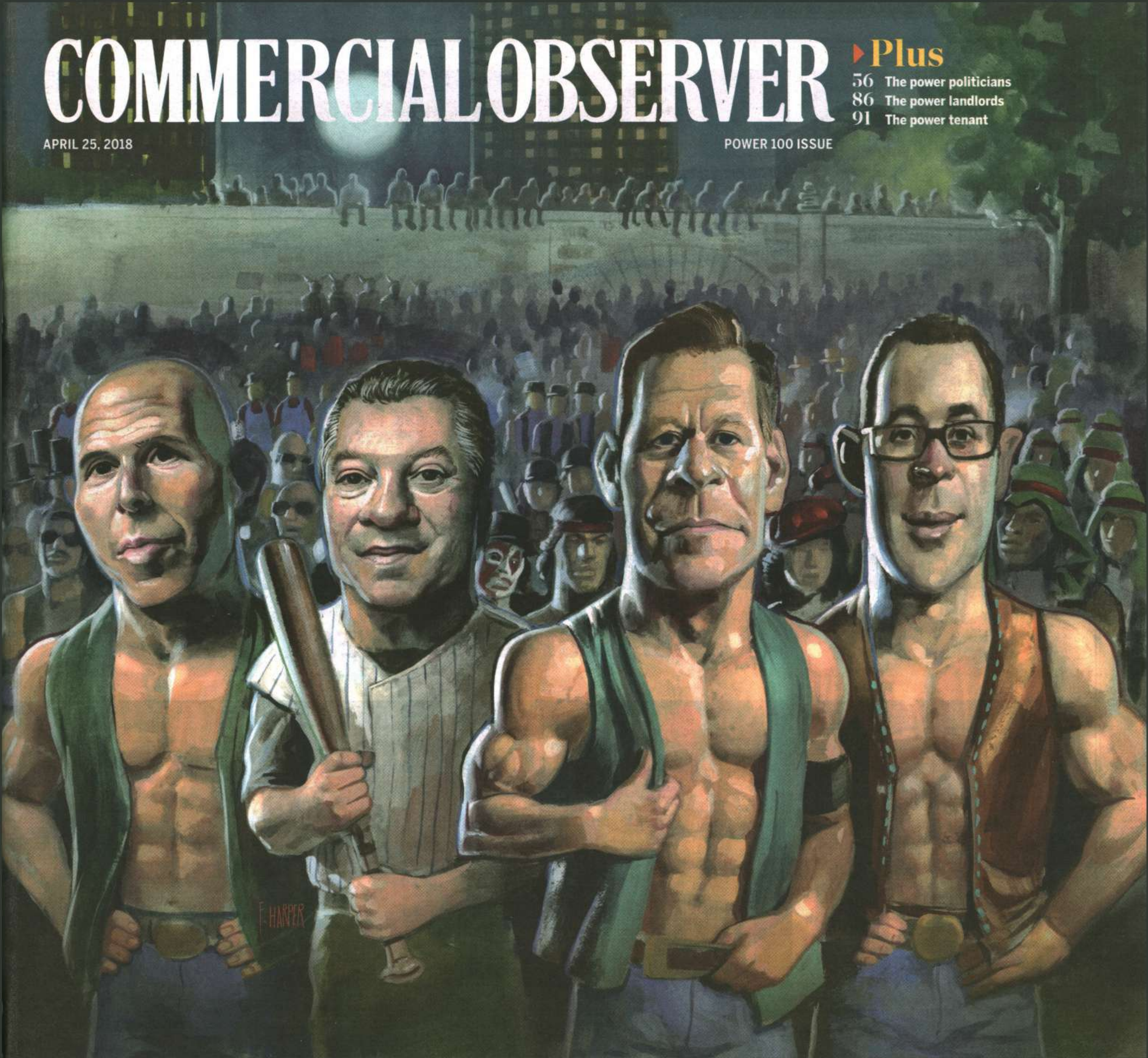

Power Warriors

Our 11th annual ranking of the power players of commercial real estate

Robert Knakal.

57 Robert Knakal

Chairman of New York Investment Sales at Cushman & Wakefield

Last Year's Rank: 58

In a slowed New York investment sales market, it was business as usual for Robert Knakal and his crew at Cushman & Wakefield in 2017.

Knakal brokered the sale of 67 properties—up from 53 last year—totaling roughly 5 million square feet and having a value of $1.3 billion. While the aggregate dollar volume of his transactions was down from $2 billion in 2016, he was still very active at a time when New York's investment sales market dampened considerably.

Knakal characterized most of his 2017 sales as "meat and potatoes" type deals.

But one notable transaction was the sale of a chunk of Blackstone and Fairstead Capital's 24-building Caiola multifamily portfolio—eight rental properties with a combined 219 apartments— on the Upper East Side for $165 million.

Knakal expects that 2018 will be a transitional year. "I don't think too many have spoken about this," he said. "They have said that we're late in the cycle, but I disagree. In 2017, that was the first year that value was down across the board in Manhattan as all property types saw a drop in value. It's forecasted that 2018 would be a year volume would increase and prices bottom out, but if so, they're going to bottom out at 10 percent below where we were at the peak of the market, and that's not so bad."

Knakal said things are better now than in the aftermath of the financial crisis and the savings-and-loan crisis.

"We saw a [roughly] 38 percent drop from 2007 to 2010," Knakal said. "In the early 1990s, during the [savings-and-loan crisis] values fell over 50 percent. [What we've seen now] has been a relatively mild correction. I think this year is going to be very much like 1993 and 2010, which were transitional years coming out of those corrections. Just in the first quarter this year, dollar volume of sales is up significantly. It's an interesting time. [This year] is a transitional year, but in 2019, I see blue skies ahead."—*Mack Burke*

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58 Sam Chang

CEO and President of McSam Hotel Group

Last Year's Rank: New

Hotel maverick Sam Chang shows no signs of slowing down, and for that reason, he has returned to the Power 100 list after a year off.

In 2017 alone, he said his McSam Hotel Group had "way over $1 billion" in hotels under construction in Manhattan alone.

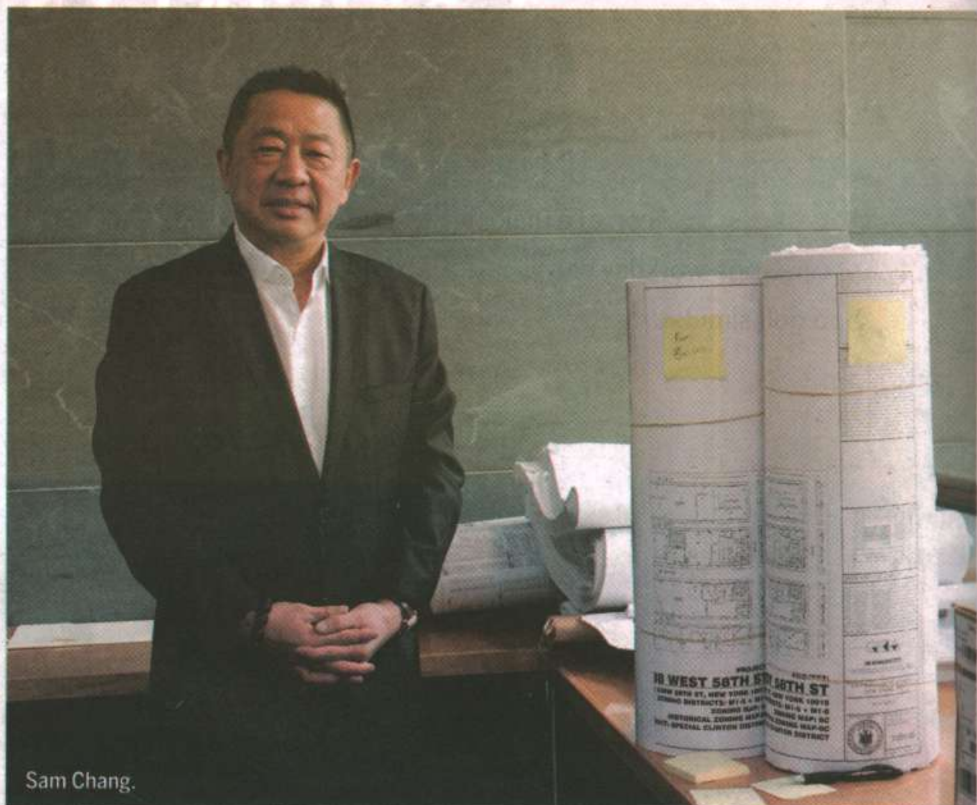
Chang did a string of deals throughout 2017. The year started with Chang's $95 million purchase of the 289-key Club Quarters Hotel Wall Street at 52 William Street in the Financial District. The company is spending about $3 million to upgrade the property, a job that commenced this past November and is slated for completion this month. That deal came a few months after Chang bought two Club Quarters sites in Midtown.

A month later, Chang opened a hotel in his favored Garment District—DoubleTree by Hilton at 350 West 40th Street. This property marks his second-only one with a full-service restaurant. And it's not the last. In April, he picked up 292 Fifth Avenue between West 30th and West 31st Streets for $42.4 million. At the site he is building a four-star hotel with a 5,000-square-foot restaurant, he said.

Known for developing budget hotels, Chang said he's going higher end these days because he has to "grow up." He added, "I gotta build something nicer."

McSam Hotel Group started construction last August on a TownePlace Suites and Springhill Suites combination hotel at 140 West 28th Street. He scored a $121 million construction loan for the Chelsea hotel at the tail end of 2017. The $250 million project will have 530 rooms.

Chang ended the year buying three sites from Gary Barnett's Extell Development Company on West 24th Street for $76 million. Construction commenced recently and the yet-unbranded hotel will rise 45 stories and contain 500 guest rooms.—*Lauren Elkies Schram*



Sam Chang.