



2019 Year in Review: Shaun Riney, Marcus & Millichap

December 31, 2019 - Spotlights

Name: Shaun Riney

Company: Marcus & Millichap

What was your greatest professional accomplishment in 2019?

Closing the \$112 million sale of six rent stabilized elevator buildings and transitioning the family completely into NNN assets that 2 to 2.5x their net income. The patriarch of the family had built some of the buildings and it was a very rewarding experience with great execution at all stages of the transaction and transition that took nearly a year to fully complete.

What was your most notable project, deal, or transaction in 2019?

Signing a contract on June 29th and closing shortly thereafter a 54 unit rent stabilized elevator building at 205 East 17th during that period of extreme uncertainty. We may have been the first elevator building post June 15th to sign a contract. Many moving parts and false starts. The seller was directly caught in the cross-hairs of this legislation. We had to put a pin in it. Short term, the closing price was above market by at least \$1 million but long term still believe buyer will do very well at the per foot purchased.

What are your predictions for commercial real estate in 2020?

A tale of many different cities. There will be pockets of extreme distress and pockets of cap rate compression. Fully rent stabilized buildings with deferred maintenance will be the most challenged. Free-market/recently renovated assets we feel are very attractive NYC bets and think cap rates could compress/tighten in this sector. Supply/demand dictates that unless job creation stops in NYC, there will be upward pressure on free-market units which will increase the yield beyond the starting cash on cash return at purchase which is already attractive.

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