



## Pliskin of Pliskin Realty discusses the recession

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Real Estate Associations/Affiliations:

What are you hoping to accomplish by attending and/or exhibiting at the show and what is different about this year's show? I am hoping to lease vacant space, get new management assignments, and see some potential acquisitions. Not sure what is different about this year's show. I have been going to these shows for over 25 years. They are usually the same, not to say they are not beneficial.

Are retailers finding the types of properties that they want right now and are tenants happy with the sites available to them?

Generally speaking, I think there is space out there for retailers. As I have said numerous times, the problems I am running into on suburban properties is that many of the tenants that are looking for space are service oriented, such as restaurants, gyms, and medical facilities. Generally, these uses require parking variances. If the variance is obtainable, it takes a long time to get it and costs real money. It's not always the most appetizing prospect. In Suffolk County, the problem with these uses, in addition to the parking, is that they are heavier water users than dry retail. Much of Suffolk is not serviced by sewers, so the water use ascribed to these tenants limits the space that they can occupy of a parcel. They may be outright prohibited, or it may entail installing a very expensive septic system, or they may have to take a disproportionate part of the land, limiting the amount of development, or the landlord may have to purchase water rights from other parcels. All this stuff is really expensive and really a pain.

In the current economic climate what kinds of deals are out there and who is the typical buyer? Consumer?

If you are talking about acquiring property, prices are very high as a result of low interest rates, lack of product, strong demand, risk associated with alternative investments, etc.

The recession, rising gas prices and the housing crisis has created a new trend. Generation Y'ers are now staying in the city and the baby boomers are actually returning to the city from the suburbs. How has this affected your business and NYC retail in general?

I call bullshit on the premise of this question. It is an urban myth, not backed by statistics, but

propagated by the urban liberal elites, that boomers are moving "back to the cities." Statistics show that between 2000 and 2006, 90% of the growth in metropolitan areas took place in the suburbs. Furthermore, according to Joel Kotkin, a prominent demographer, "Looking at the 51 metropolitan areas with more than a million residents, areas within five miles of the center lost 17% of their boomers over the past decade, while the balance of the metropolitan areas, predominately suburbs, only lost 2%. In contrast, places outside the 51 metro areas actually gained boomers." NYC may be different and there is no denying that retail is great, whether it's Manhattan or the boroughs while Long Island rentals are still sluggish. But, according to Kevin Williamson, "from 1970 to 1980, New York City suffered the largest population drop ever experienced by a U.S. city, with nearly one million residents leaving." Under a Mayor DeBlasio and his progressive colleagues in government, we could see a new exodus from NYC.

How did your company withstand the recession and what changes have you made to grow and succeed?

Certainly, our cash flow took a hit. Many tenants asked for rent breaks, and if they could prove to us that sales were significantly lower, we generally gave the breaks, and did things like apply security deposits. Mostly, we limited the time that we gave breaks. For the most part, we limited our vacancies this way. Additionally, we have always been very conservative in the amount of financing we took for our buildings, so this gave us a cushion. Finally, we worked hard to keep our overhead low.

How does your company use social media? Has social media been a beneficial tool in generating more business?

Lately, we did a new website, we hired an outside contractor to maximize our SEO (search engine optimization), we have a company Facebook page, we are on linkedIn, we tweet on twitter, and I do a blog. All these things are coordinated. Not sure yet how much business it is leading to, but we are making the time and money investment, and I feel hopeful that there will be some sort of payoff in the future.