



Executive of the Month: Grant Greenspan of Kaufman Org. is leading the charge back to workplaces in a post COVID-19 era

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56 West 22nd Street, Midtown - Manhattan, NY

New York, NY The New York Real Estate Journal (NYREJ) recently sat down with Grant Greenspan, this month's executive of the month. Greenspan is principal of Kaufman Organization.

NYREJ: What new plans and procedures are you in the process of implementing for Kaufman buildings?

Greenspan: The pandemic that is occurring from COVID-19 is something no one could have ever

predicted, and the reality of it is our lives will change because of it.

With the world required to shelter in place, it's given us a heightened awareness of the role our surroundings play in our health and wellbeing, and the opportunity to strategically plan for the post pandemic normalcies.

For a commercial real estate development firm, with a large portfolio predominantly in Manhattan, our main priority is ensuring our tenants feel confident and secure upon returning to the workplace. We are taking the initiative by enhancing sanitization and disinfecting high-touch areas, with our staff working tirelessly to maintain this.

We recently put a plan in place with our tenants, designating one team member per company to be in constant communication with our team to better understand plans. This includes staggering days in the office and social distancing at each property. New protocols we have implemented include rigorous cleaning routines of the common and high-touch areas including the doors, lobby, desk, elevator buttons/interiors and common area bathrooms. Clear, plexiglass guards are being installed at lobby desks and staff will be required to wear PPE gear. Each team member will have a temperature check prior to the start of their shift to ensure and promote good health.

NYREJ: How do you envision the future of the office changing?

Greenspan: I predict more involvement from furniture companies tasked to make quick fixes to the existing layouts of office spaces and specifically for industry events, including social distancing barriers and plexiglass installations. For communal desks and open-office floorplans, companies may create cube-like barriers to separate people or phased workdays, which is something Kaufman is planning. Communal kitchens and bathrooms will see a significant uptick in sanitizing, and gatherings on the shared couches and tables will be limited.

One initiative that will be interesting to see through is new elevator protocols. For Kaufman, we will be limiting the number of people in the elevators and encouraging our tenants to use their best judgment when exiting their office and consider using the freight elevators as they tend to be larger, as well as the stairs for the lower floors.

Interior, The Cardinal Building, Long Island City - Queens, NY

NYREJ: Is Kaufman offering flexible workspaces and lease terms for existing and new office tenants?

Greenspan: Yes. We feel tenants may be more eager to leave the coworking environment and look at prebuilt, move-in ready spaces with flexibility on traditional lease agreements. Until there's more clarity in the market and surety on economic activity, tenants will look at 1-2-year shorter term leases and we are prepared to meet their needs.

NYREJ: Tell us about Kaufman's most recent purchase of 56 West 22nd St.

Greenspan: Our recent purchase of 56 West 22nd St. is a joint venture with AXA Investment Managers, who we have an existing partnership with from our work together in December 2019 on a nearby office building, 40 West 25th St. The purchase was led by our president of Kaufman Investments, Michael Kazmierski, and the deal closed amidst the outbreak for nearly \$50 million. Built in 1907, it has 6,300 s/f of ground floor and basement retail space and is about 55% occupied.

We are responsible for the execution of the capital improvement program and subsequent management and leasing at the property. We still plan on proceeding with our business plan and our delivery date has only been slightly delayed. With new ownership, we have the opportunity to undertake the renovation with a significant modernization of the building systems, elevators and improvements to the lobby to further appeal to the optimistic leasing activity in a neighborhood that we dominate in, Midtown South.

Interior, The Cardinal Building, Long Island City - Queens, NY

NYREJ: What neighborhoods are you putting a focus on right now?

Greenspan: We are looking at all neighborhoods in Manhattan. Our Madison Sq. portfolio is currently at a high occupancy and it's something we'll revisit in three months. We've always been a leader in the Midtown South, Flatiron and NoMad neighborhoods.

In a post-pandemic world and from our portfolio experience, we predict Flatiron and NoMad to be more resilient for office leasing activity since there is the residential factor and we can adapt to the price adjustments for those areas. We also have a project in SoHo, 625 Broadway, which we are moving forward with lobby and upper floor renovations.

Another area we are focusing on is Long Island City, specifically for our property, The Cardinal Building. There is an opportunity in the market for tenants who are looking for a less dense neighborhood outside of Manhattan, that also has a cost-effective price per s/f for rent. The attractive attribute of The Cardinal Building is its space – the layouts are expansive and easily allows social distancing – and there are outdoor areas which will allow tenants to create a campus-like environment. We feel outdoor space is something people will value more moving forward.

We recently worked on a 3D virtual tour to showcase the building's completed renovations and increase our reach to potential tenants, giving them the ability to view the floorplans from the comfort of their own homes and technologies. It will be launching on our website soon.