



## **Nick Malagisi, SIOR, SVN Commercial Realty**

December 22, 2020 - Spotlights

Name: Nick Malagisi, SIOR

Title: Managing Director

Company Name: SVN Commercial Realty

What was the most challenging part of working during the pandemic?

For me, the most challenging aspect of working from home was not being able to meet with my clients and colleagues (face-to-face) especially at the various conferences and industry trade shows that I attend throughout the year. Yes, I was able to save dollars on travel, entertainment and sponsorship, but I found it difficult to create a rapport with a potential new client either via the phone or on a zoom call.

The other problem with the isolation of each of us is not being able to personally walk/inspect a property with the client to point out the attributes or features of the property. This one-on-one time with the client and/or potential buyer of the property would normally carry over to future business relations.

What aspects of working from home did you enjoy most?

I did not enjoy working from my home office. Sitting at my desk for extended periods of time (even with computer and refrigerator breaks) and sitting in front of a computer is not how I earn my money. I am a "rainmaker" and delegate most of the research and written communication to others. Sure, I still do much of the underwriting for valuations myself. But, I can be so much more convincing in person than via a computer monitor.

What was your greatest professional accomplishment in 2020?

There were several noticeable accomplishments this past year despite the pandemic. First, to start the year, I was the moderator, again, for our 15th annual NY Self Storage Association's Investment Forum at the Union League Club in New York City. This is a 200-person only event that brings the VP's of the five self storage REITs in our industry together as a panel to discuss results and events from the past year. The New York Investment Forum, also, brings the chief economist from NAREIT national headquarters in Washington, DC for an economic outlook and Finance professionals' to discuss debt and equity/Capital Markets available to our industry.

What was your most notable project, deal, or transaction in 2020?

In regards to deal making, we helped walk both the Buyer and Seller through a difficult purchase and sale process of a 160,000 SF multi-story old mill building located in Upstate, NY that was an adaptive reuse made to order for self storage.

We, also, helped an owner of a property in Rockland County that was functionally obsolete for its original intended use to navigate terms and create a profitable Joint Venture for both the Ownership contributing their property and the Storage developer providing the expertise to create a viable self storage conversion.

And right now, we have revived an \$80 million portfolio sale that was dead in the water just 30 days into the COVID-19 crisis & have all parties come back to the table.

What are your predictions for commercial real estate in 2021?

My Crystal Ball looks ahead to a superior year for investment real estate and especially the self storage sector, as the combination of low interest rates and low Cap rates will bring many a property owner to take advantage of market conditions.

However, our federal government may impose a higher capital gains tax rate on sellers and make doing a 1031 exchange less profitable. New development of self storage facilities will continue into the next calendar year, but the pace has slowed down to a more normal schedule so that Demand for self storage use stays ahead of the new Supply coming on line.

A very Happy, Healthier New Year to all!

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