



## **Lala of RM Friedland: Pivoting in today's CRE market critical for success**

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Shown (from left) are: Marco Lala, Michelle Lala, David Raciti and Jack Lala

Bronx, NY In today's rapidly evolving commercial real estate market, being able to adapt quickly to the ever-changing dynamics is crucial to success.

No one knows that better than Marco Lala, a 20-plus year veteran of the industry and senior vice president at RM Friedland. "Today you need to pivot to find new opportunities. I've been pivoting so much lately I feel like a ballerina," he said.

Lala along with the rest of Team Lala at RM Friedland—Jack Lala, Michelle Lala and David Raciti—have over the past two decades been responsible for handling 460 sale transactions with an aggregate value of nearly \$2 billion.

Until recently, their focus had been on the sale of multifamily assets. But with the pandemic and the change in rent laws, their focus has shifted to development sites, mixed use property and retail as well. A good example of this is one of their brand-new assignments: the sale of a motel in The Bronx.

Located at 2500 Crotona Ave., the 20,000 s/f Bronx Park Motel is directly across the street from Fordham University's Rose Hill Campus. As the only hotel/motel on or near Fordham Road, the 46-room property is ideally located in the heart of the Bronx. The Little Italy shopping district, Fordham Road shopping, the Bronx Zoo, The New York Botanical Garden and St. Barnabas Hospital are all within walking distance.

The property also has 207 ft. of frontage in an Opportunity Zone. The current C4-5D zone allows for mixed-use development with an R7D residential equivalent. There is also an optional inclusionary housing bonus which would allow development up to 132,054 s/f.

"This property has tremendous development potential as well as existing use potential. We are offering this with no asking price. It's a request for proposal or bid. That will help us determine where

the real interest lies with this property. It could be a great opportunity for a developer or a hotel operator looking to maintain its existing use.” said Lala.

The Bronx Park Motel is one of several development sites that Team Lala is handling in the Bronx. “We have a property on Jerome Ave., which is an auto body shop. It’s been there for 50 years and we’re selling that to a developer who is going to put up affordable housing. We have a property on Westchester Ave., which was an old movie theater with ground floor retail. We’re selling that as a development site. We’re representing the Cerebral Palsy organization on a small development site they have on East 164th St.,” he said.

Despite the impact of the pandemic Lala is optimistic about demand for development sites. “There’s always somebody being bullish on the future because when you buy a development site today, you’re looking at anywhere from a 12- to 24-month window. I think people are looking forward to seeing the pandemic behind us. They are taking advantage of what they perceive to be opportunistic pricing to lock up a site. It’s going to take two years anyway to get the approvals,” he said.

Looking at what’s ahead for the Bronx market, Lala sees several important trends.

“Over the past year the trend has been a strong focus on development sites. Particularly vacant land for affordable housing. Although the city’s coffers have been cut, the mandate for more and more affordable units has created an appetite for land,” he said.

While retail and multifamily markets have been most impacted by the pandemic, he said industrial remains strong. “Industrial has seen strong demand for both conversion/development as well as storage/last mile needs. A great asset class.”

What’s ahead for this year? “I am anticipating a sell-off of sorts. As owners realize the rent laws are here to stay for a while and the back rent “log jam” that COVID has caused will only get worse, and the thought of massive collection loss will force owners to reconsider selling at current market values. If rates go up, we will be in for a wild ride.”

RM Friedland, which celebrated its 50th anniversary last year, specializes in industrial, investment, retail and office brokerage in the New York Metro Area and CT.

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