



ODM Exec. of the Month: Josh Lipton, co-founder of Invictus, broke into CRE 10 years ago, never looked back

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New York, NY The New York Real Estate Journal (NYREJ) recently sat down with Josh Lipton, October's executive of the month. Lipton is a co-founder of Invictus Property Advisors, a NYC-based investment sales commercial brokerage with a focus on sell-side representation.

After graduating magna cum laude from Bucknell University in 1995, Lipton embarked on a unique journey. With a major in international relations and a minor in Russian, he packed his bags and spent three years with an international moving company in Moscow, Russia. Notably, he was the leading salesperson in each of those years. In 1998, he returned to the U.S. to attend law school at Boston College, receiving a dual JD and MA in Law and Diplomacy from the Fletcher School. After nearly ten years working as a capital markets attorney at Latham & Watkins in New York City and Moscow, Lipton sought a new career path. Always interested in commercial real estate and

impressed with the two founders of Massey Knakal, Lipton jumped at the opportunity to join the brokerage in 2011, which was and remained throughout his tenure the number one (in terms of transaction volume) mid-market investment sales brokerage in New York City. Soon after parting ways with Cushman & Wakefield (which acquired Massey Knakal in January 2015), Lipton and one of his associates, Andrew Levine, started Invictus Property Advisors.

NYREJ: What was the genesis of Invictus Property Advisors; how did you get your start in commercial real estate?

Lipton: I took the long road to commercial real estate having first worked as a capital markets attorney at a law firm for nearly ten years and, prior to that, at an international moving company. Reflecting on my previous experience, I wanted to find a career that embodied the skills I had acquired and was both challenging and fun, while maintaining that sense of adventure that drove my earlier career choices. NYC commercial real estate embodied all those things. With confidence borne from my success, I pivoted to investment sales over a decade ago, launched my own brokerage and never looked back. Selling commercial real estate turned out to be all the things I was seeking and forming Invictus Property Advisors was the next step. Regarding the company name, we are often asked whether it is a reference to the William Ernest Henley poem, the Hollywood movie, the Latin meaning of the word, or its exultant sound and the answer is always yes.

NYREJ: NYC is filled with large, well-established brokerages; how do you compete?

Lipton: This question comes up quite a bit and I think the simple answer is that there is room for large international brokerages with several business lines, as well as smaller boutique brokerages like Invictus with a single-minded focus on investment sales. Our business model is very different: we provide best-in-class investment sales services to the under \$100 million mid-market space. Many of these owners have been deprived of sound advice about the market, the assets they own and upcoming legislative and zoning changes that will impact the value of their assets. We are confident we can fill that void. The reality is that the barriers to entry into the brokerage business are quite low and, as a result, the industry is rife with mediocrity; the perception of the industry among owners suffers as a result. We plan to play a role in changing that.

280 Meeker Avenue - Brooklyn, NY

NYREJ: What transactions have you been involved with that you are most proud of, and why?

Lipton: We love all our children equally, but a few stand out for different reasons. Though we have been involved in larger transactions, including a 550-unit mixed-use building in Upper Manhattan and a handful of portfolios with hundreds of units, those aren't the only ones of which we are proud. Notable transactions include 280 Meeker Ave., a \$16 million development site in Williamsburg with a complicated ownership structure. We won the business over several institutional brokerages, highlighting the fact that Invictus can compete with larger brokerages and win when we are the right fit for the assignment; 633 West 152nd St., a nine-unit building that had been owned by the same

family for generations. The sale took place more than five years after the initial meeting with ownership, exemplifying the importance of perseverance and regularly providing owners with meaningful market information, the hallmarks of a successful sales agent. Adjacent to the Columbia University Expansion Project along 12th Ave., we are in contract on a 46,000 buildable s/f development site and we will announce the details of the sale soon. This assignment gave us the opportunity to participate in a transaction that will help transform this area of West Harlem we describe as the “Mini-Meatpacking District.”

665 Lenox Avenue - New York, NY

NYREJ: How will/has the political/regulatory landscape impact(ed) commercial real estate in NYC?

Lipton: The philosopher Plato suggested, “one of the penalties for refusing to participate in politics is that you end up being governed by your inferiors” and this could not be truer today. On a state and local level, we saw the wholesale revamping of rent stabilization with adverse market implications: Multifamily valuations plummeted 25%-40%, apartments and buildings began falling into disrepair because the economics preclude upgrades and/or capital improvements and, perversely, many apartments once vacated remain unoccupied. A much-needed moratorium on evictions in response to COVID-19 initially at the federal (and then state level) turned out to be poorly structured followed by a healthy dose of legislative negligence. Legislators left owners to fend for themselves on mortgage payments in the face of diminished rent rolls. In addition, 90% of the \$47 billion set aside by the federal government to help families pay rent has yet to be allocated by the states. Separately, the end of the 421A tax benefits in June 2022 has developers largely taking a “wait-and-see” approach to new acquisitions. Our team is also monitoring the “good cause eviction” legislation, a.k.a. universal rent control, as well as potential changes to the 1031 like-kind exchanges. There is much to be wary about on the legislative front.

NYREJ: What are the biggest changes or trends facing the commercial real estate industry in the next five to ten years?

Lipton: Among industries, the commercial real estate space has been painfully slow to adapt to technological advancements and the use of data analytics. I think we are in the early innings of a revolutionary change and, in the next five to ten years, we can expect to see every commercial real estate stakeholder incorporating data-driven approaches into their businesses. Real time foot traffic data and the demographics of those feet are being used to lease retail space. As well, the tracking of internet latency speeds to help with the sale or leasing of office space or data on taxi pick-up and drop off times to extrapolate about a neighborhood’s transformation are small examples of what is already happening. Predictive algorithms will take the investment sales brokerage business to an exciting new level, and we intend to be part of that.

NYREJ: Before we let you go; tell us a few things we couldn’t glean from your resume?

Lipton: In no particular order: 1. I have an uncanny ability to recall movie lines after only seeing the film once (don’t ask me to do impressions though), 2. I once ran a sub-15minute 5-kilometer race, but that was 25 years ago, 3. I shared vodka shots into the wee hours with a Russian oligarch (was

at a closing dinner for an IPO back in Moscow), and 4. I beat a Division III National Champion at a college wrestling tournament (it was a 3-2 victory but, hey, my dad still talks about it).

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