

# **NEWS**

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### **Industry experts offer assessments on the retail, sales and leasing markets at REBNY's Members' Luncheon "Market Outlook for 2009"**

Robin Abrams, Peter Hauspurg and John Powers offer insights in panel discussion  
Moderated by Kenneth McCarthy

**NEW YORK, Mar. 25, 2009** – At the Real Estate Board of New York's (REBNY) March 19 Members' Luncheon, "NYC Market Outlook," The Lansco Corporation's Robin Abrams, Eastern Consolidated's Peter Hauspurg, and CB Richard Ellis' John Powers offered their expertise on where the retail, sales and leasing markets are headed for 2009. Kenneth McCarthy of Cushman & Wakefield led the panel as moderator.

In his opening comments, Kenneth McCarthy provided an overview of the current economic climate. He noted that New York's economy began to feel the effects of the recession later than the rest of the country. He also believes we are roughly a third of the way through the downturn and speculates that the New York economy will start to come back in the earlier half of 2010.

Robin Abrams spoke on the retail market, noting that the recent media headlines of doom and gloom have led to a self-fulfilling prophecy, and that the decline is partly the result of overly aggressive prices in the last few years bringing rents up 50 to 100-percent in some hot spots. She believes the declines are partly due to market corrections. On a positive note, she said that retailers including some international apparel chains are still looking to expand in New York City. She said that while brokers have had to work harder to close deals, the retail brokerage community is still busy and active.

Commenting on the sales market, Peter Hauspurg remarked that the sales business has in some ways gone back to the way it was in the 1980s with private deal-making. He said there has been high drama behind the scenes on some of the recent deals that have closed. Also, while financing has been difficult to get, he said there are between 75 and 100 banks still active. Hauspurg also noted that closings are taking much longer because the parties are being more cautious and are taking more time to negotiate before actually getting to closing. However, he cited several deals currently in the works and explained that despite taking longer, deals are still happening. When asked what it will take for things to turn around, he noted that when you hit rock bottom, the only way

is up.

On the leasing market, John Powers offered an anecdote that while the tunnel may be longer, he does see the light at the end. He explained that part of what is happening in the market is what he referred to as “new price discovery.” He said that despite the downturn, quality will prevail. As a result of the flight to quality, companies will still be looking to lease space. He also noted that the key driver of real estate in the city is the businesses that are doing business and growing here, and as long as businesses continue to grow the real estate market will strengthen. He closed the panel by noting that the recession started with the housing market and he believes it will turn around based on the housing market, and that now is a great time to buy a home.

In concluding the panel discussion, Kenneth McCarthy also added that consumer confidence is key to turning the economy around.

**The Real Estate Board of New York** is the city’s leading real estate trade association with over 12,000 members. REBNY represents major commercial and residential property owners and builders, brokers and managers, banks, financial service companies, utilities, attorneys, architects, contractors and other individuals and institutions professionally interested in the City’s real estate. REBNY is involved in crucial municipal matters including tax policy, city planning and zoning, rental conditions, land use policy, building codes and legislation. In addition, REBNY publishes reports providing indicators of market prices for both the residential and commercial sectors.

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