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2020 Owner's Magazine: Robert Lapidus

Co-founder, president and chief investment Officer at L&L Holding Company



In 2021, will you buy or sell any real estate? What kind?

We expect to be buyers. It's definitely not the time to be selling assets. We're focused on New York City and South Florida right now. In New York, it would be more distressed opportunities where our operational expertise would come into play. In Florida, we're exploring both existing properties and new development projects in multifamily, office and mixed-use.

How f@*\$ed is retail?

It's very f@*\$ed. There's been a paradigm shift that's been accelerated by COVID-19. In contrast to the hotel sector, which is experiencing a cyclical decline, the entire industry is recalibrating and trying to figure out how they're going to exist and interact with customers. I think there are certain situations where the disintermediation of the retailer will continue, while other aspects of the retail industry have room to grow.

How flexible are you with negotiating rents?

I think we will be known for meeting the market, which is what all prudent owners do. If you have a good product, you should be able to execute in any market. I like to think that L&L delivers a superior product, so I expect that any reduction in rent will be far less than the average during a downturn. That said, I don't want to get ahead of ourselves. There's still not a lot of data points out there yet.

Has your “dead to me” list grown?

Exponentially.

Are you in the market for financing?

We are. Right now, we are refinancing our mortgage on Metropolitan Tower, which is a stabilized office building and our current headquarters. We are also in the market for a \$1.2 billion renovation loan for Terminal Warehouse. I think both of those will be barometers of where the lending market is.

We have high-quality products that are well-capitalized and have solid sponsorship. The market is in flux right now, but we're hopeful and optimistic that we'll be able to execute at a high level.

What would be the signs that things are NOT going to improve in 2021?

My biggest concerns are tied to social unrest and quality-of-life issues, particularly in New York City. The country feels so divided now, that you have to expect that a lot of people will be unhappy no matter who comes out victorious in November. And, of course, we need to stop politicizing a health crisis and work on getting COVID-19 under control.

What do you think will NOT go back to normal?

I view normal as an evolutionary concept. What was normal five years ago is different from today and, hopefully, a lot of what's normal right now won't be five years from now. I don't know how much COVID-19 is changing things as much as it is accelerating things really quickly. Predicting the future is tricky business, especially right now with this fog that surrounds us.

Who do you like for mayor in 2021?

Someone who is not going to be an antagonist to business and quality of life in the city. I don't have to agree with everything the next mayor does, but give me someone who won't destroy the multifamily business in one fell swoop of legislation or chase Amazon away when they wanted to revitalize part of Queens. We need someone who understands the complexity and diversity of New York City, and is willing to lean into all of the things that make it the greatest city in the world.

What do you think the city and/or state should do to help both real estate and the city?

It's going to be really important that we continue to invest in education, mass transit and infrastructure as a means of revitalizing the city and returning quickly to economic growth. Revenues are going to be harder to come by in the short term, so we also need government to get better returns on these investments.

How do you think the November election will affect real estate? How do you see a Trump win? How do you see a Biden win?

Tax policy will be impacted. Some taxes will go up, but I would expect the SALT deduction to return. Local politics and our upcoming mayoral race will affect real estate and New York City more than what happens in Washington. That's why I think you'll see the business community be very active in next year's campaign.

LIGHTNING ROUND

Where's your apocalypse bunker? Bridgehampton

Favorite at-home quarantine foods? Tequila and coffee chip ice cream.

Did you gain or lose weight during quarantine? Lost a little at first, but probably a net gain at this point.

Sourdough bread, banana bread, other? Bread has never really excited me.

Which TV show have you binged? "Below Deck." I can't watch the news, and besides the Yankees, all my sports teams are horrible [Note: This interview was before the Tampa Bay Rays eliminated the Yanks in the postseason]. It's mindless fun, and it calms me down.

What restaurant did you go to when restaurants reopened? Almond in Bridgehampton.

Mayor de Blasio: Best Mayor or Best Mayor EVER? Worst in my lifetime.

Best work-from-home hack? Dog in lap required.

Where did you quarantine? Bridgehampton

Biden, Trump or Kanye? Biden