

Seizing Opportunity

An Interview with Kent M. Swig, President, Helmsley Spear, LLC

EDITORS' NOTE Kent Swig is also Owner and Co-Chairman of Terra Holdings, LLC, which is the parent company of Brown Harris Stevens, Halstead Property, and Vanderbilt Insurance. He is also Owner and President of Swig Equities, LLC; Owner of Falcon Pacific Construction, LLC; Chairman of Dignity Gold, LLC; and Principal in The Swig Company. Swig holds an AB degree in Chinese history from Brown University, and attended Hastings College of Law in San Francisco where he was selected for the Law Review.



Kent M. Swig

How has Helmsley Spear adapted its business to address the challenges caused by the pandemic?

This past year was truly extraordinary as the world had not seen anything like the COVID pandemic since the Spanish flu in 1918. Clearly, all businesses needed to adapt rapidly to the new environment and seek new ways to survive and prosper. For us at Helmsley Spear, our focus was several fold. First, we coordinated and worked with our existing clients to provide advice and support for their needs and worked with landlords and tenant clients to bridge the gap between what rents were due and what tenants could pay. Through open and constant communication and creativity, we were successful in overcoming many of these obstacles.

Next, we focused on our own opportunities. Fortunately, for us, we had just moved into new offices at 444 Madison Avenue with a 4,000 square foot outdoor terrace that enabled us to meet in person in a safe and secure manner. One of our main focuses was on taking advantage of the disruption in the real estate brokerage industry where many firms made personnel and broker cutbacks. We recognized at Helmsley Spear that growth opportunities often occur on a countercyclical basis and we set our sights on growing

the number and quality of our staff and brokers. Over the past year, we grew our company's infrastructure and broker count to over 35 agents along with complementary services in marketing, financial analysis, administrative assistance, IT support, among other services.

The result of our actions is that Helmsley Spear, founded in 1866, has now become one of the finest boutique real estate firms in New York City and continues to be the oldest, continuously operating real estate company in America.

Where do you see the New York City real estate market and what is your outlook for its recovery?

Many pundits have expressed that New York City's commercial real estate market will not fully recover for many, many years; I disagree with this. While I clearly recognize that the market has been negatively affected by the pandemic which has led

to higher availability rates, lower rents, and more landlord concessions, I project that the market will recover much faster than some others think. My prediction is based on several factors, one of which is that there is no replacement for in-person meetings and contacts. Without in-person contact, creativity, opportunity, productivity, comradery and worker happiness are all significantly diminished. These important features in business cannot be achieved by working from home.

It is ironic that while many businesses claim that due to technology such as Zoom, they can work from home and do not need to be in the office, the technology companies are doing the opposite – they are expanding their office footprint. Facebook has leased over 1.7 million square feet at Hudson Yards which is still under construction for their tenant improvements and, in the middle of this pandemic in July 2020, Facebook leased an additional 750,000 in a to-be-built building at the Farley Office Building at Moynihan Station. Amazon bought the former Lord & Taylor building from WeWork, and Google has announced the record-breaking purchase of St. John's Terminal for \$2.1 billion as well as the hiring of over 10,000 new employees, most of whom will be working in office buildings.

In addition, there are many new office projects under construction such as the new JPMorgan Chase world headquarters building at 270 Park Avenue. This is the site where JPMorgan Chase demolished its 52-story building and is constructing a spectacular 1,425 foot tall, 2.5 million square foot tower that will house over 14,000 workers. There are many projects along Madison Avenue and the Penn Plaza area that are in the works, along with other projects like the one at the current Grand Hyatt Hotel that will be demolished and replaced with a new 83-story, mixed-use building being built by RXR and TF Cornerstone.

In regards to the residential market, since January 15 of this year, the residential transaction volume of new apartment and townhouse sales transactions has been staggering. While prices had been in decline, the sheer gross dollar volume of new investment in new apartment sales is a clear indicator that New York City is indeed strong and highly desirable. This is also reflected in the massive resurgence of residential rental activity as well where the volume of activity has exploded and rental pricing is soaring.

People clearly want to live and work in New York and I am confident that New York will recover and come back stronger than ever. ●

“We recognized at Helmsley Spear that growth opportunities often occur on a countercyclical basis and we set our sights on growing the number and quality of our staff and brokers. Over the past year, we grew our company's infrastructure and broker count to over 35 agents along with complementary services in marketing, financial analysis, administrative assistance, IT support, among other services.”