

THE COMMERCIAL OBSERVER

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SPECIAL REPORT

2011's The Lawyers You Call

The recovery has begun! Kind of! These legal minds—some familiar, others not as much—dominate a real estate market in transition

BY GUELDA VOIEN

Behind every big real estate transaction is a phalanx of attorneys ticking off the billable hours. But in a slowly recovering market, with tepid lending and almost no new development, what exactly is the role of a real estate lawyer? Much more than dollar amounts are being negotiated, that's for sure. And what differentiates one firm from the next?

We tapped the top New York City real estate practices and asked them these questions.

Richard Sussman and Michael Lefkowitz Rosenberg & Estis

Representing huge developers in huge deals is not normally the work of a smaller firm. But for Rosenberg & Estis, a firm of 50 attorneys dedicated entirely to real estate, it has become not uncommon.

The firm has represented clients like the Durst and Brodsky organizations in large, complex deals, including, for Durst, the carefully watched 1 World Trade Center negotiation, as well as in quainter ones, like the CUNY School of Social Work lease at 118th and Third Avenue.

Among Rosenberg & Estis's achievements this year was also the closure (finally!) of the financing for the no-longer-so-new Bank of America Tower at 1 Bryant Park. "It was a Herculean deal," Mr. Sussman said. He said they essentially created an "integrated financial instrument" involving C.M.B.S.'s and Liberty Bonds. "This had never been done before, as I understand it."

Rosenberg & Estis was also behind commercial debt fund RCG Longview, which was making predevelopment loans on sites like 180 Avenue of the Americas, at a time when more traditional lenders were keeping their distance. Enabling lenders like RCG greases the wheels of the commercial industry as a whole, according to Mr. Lefkowitz. "They have the advantage of being more nimble."

So what is Rosenberg & Estis giving its clients beyond mere due diligence? "We actively work to structure everything. An economic situation which is not 'vanilla' requires a lot of work," Mr. Sussman said. For instance, after the Durst Organization won the stake bid at 1 World Trade, "there was still a lot of dealmaking to be done," said Mr. Lefkowitz. In the CUNY deal, the firm ended up using reversionary interest among other less orthodox tools. "We work with them from the earliest moment, especially with the off the market deals," Mr. Sussman said.