

**TWO MINUTES**

# Tenant champion

**Ross Selinger**

**celebrates 15 years in his own business**



It was 1996 when Ross Selinger was being pushed by his father to start his own commercial real estate company and continue the family tradition of entrepreneurship. That tradition started with Ross' grandfather, David, who had a chain of furniture stores called Selinger's Furniture in the New York metropolitan area in the 1950s and 1960s. Selinger heeded his dad's advice and this year he's celebrating the 15th anniversary of Jericho-based Selinger Enterprises, which has become the longest running real estate firm representing tenants and buyers on Long Island. Since its founding, Selinger has leased or sold 342,000 square feet of space worth about \$37 million.

**What did working for companies like Polimeni International and Steven Fine Associates teach you about the commercial real estate market here?** Polimeni taught me business from the landlord's point of view. That means I was marketing Polimeni's properties using his available space. Steven Fine Associates, on the other hand, did not represent property owners. They were a tenant representative firm, which means they only represented the corporate users. It was here I learned the tenant representation business. There was no marketing of properties, so there was no other agenda.

**Why did you want to start your own company, and how did you decide on specializing on tenant representation?** After several years with Steven Fine I thought it was time for a change. And my father was pushing me to start my own business. The reason was that everyone in my family owned their own companies. It was a family of entrepreneurs and I was the last person in the family to not have my own company. As for choosing tenant representation, I always liked fighting for the underdog. I like representing company owners and I like having no conflicts of interest. The whole approach appealed to me.

**How has the market changed since you started your firm?** During that time, the market has had many ups and downs. There was the dot-com boom and we had to race and fight to get space. The space would come on the market in the morning and by the end of the day there

were two or three companies that would get in line to join the lease negotiations. And then we had 9/11 and the market softened, and it really became a tenant's market. Then the market improved and rents spiked. We saw rents that we had never seen before on Long Island. We never saw rents above \$30 a square foot and sales of office buildings were over \$300 a square foot, so those were crazy numbers for Long Island. Of course the economy crashed in 2008 and that bubble burst. Now the market has swung back to the tenant or buyer, and it's a tenant's market, just like in residential real estate it's now a buyer's market.

**What does it take to get a deal done these days?** Doing a commercial real estate transaction takes a lot of time and effort. There are a lot of layers. The way I interpret the broker's job is to bring it all together and to lead everyone through the process. Today the deal has become even more difficult because so many buildings are underwater. In many situations, the landlord is no longer able to finance the tenant improvements to meet the companies' needs. That has created a whole new layer of difficulty to doing deals.

**What's the biggest mistake tenants make and why?** The biggest mistake tenants make is that they won't negotiate on three or four buildings simultaneously. They'll say, 'I love that building, that's what I want, get me that building.'

I always tell people to think of their first choice, second choice, third choice, fourth

choice and then I negotiate on all three to four buildings simultaneously. By doing that, a company can make a market for itself and find out its value in today's market. What that means is that a large insurance company like Guardian Insurance will get one deal, a top Long Island law firm will get another deal and a startup will get a totally different deal. Many brokers will not do this. And they'll say, 'This is where the market is; this is how the deals are being done,' and they'll try to close the deal at that rate. But where the landlord is doing deals is not particularly where a Guardian Insurance can get a deal. The trick is to find out what the market is for that company.

**Would you say most of your corporate clients are still contracting and giving up space?** No, believe it or not. Companies such as mortgage companies, finance companies, abstract and title companies, those companies are contracting. But other companies are either staying the same or growing. Some companies are hiring. I worked for an import company, a distributor, a law firm and an engineering firm and they're all hiring; they're all growing. There is growth on Long Island. Even though the economy is soft, companies are in business; they're still growing. In general, vacancy rates throughout the country have been slowly decreasing over the last 18 months, which is a good sign. And absorption rates have also been increasing in that time, so it's a positive trend. But as you know, the threat of a second drop is always there.