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Tim Crowley on What's Next in 2016

The director of new development at CORE reports from the heart of New York City

Inman is interviewing industry thought leaders to find out what's next in 2016. Here's Tim Crowley, the director of new development at CORE.

Are you optimistic about 2016? The economy? Why?

I am cautiously optimistic. I have concerns about the U.S. political environment's negative impact on macro level investment — particularly investment in real estate. The U.S. has become a global destination for real estate investment. The rhetoric and isolationist tenor that has defined the election may be just wacky enough to pump the brakes on that inflow of global capital. If that is the case, it is likely a short term headwind, but annoying just the same.

The housing market? Why?

The housing market in urban centers, especially New York, is going to be defined by a nearly instantaneous shift from irrational exuberance to meritocratic markets where good real estate will perform exceedingly well and ill-advised/bull market concepts are going to back to the bank.

I would be very concerned to be holding any measure of inventory in the 57th Street corridor, which had asking prices in excess of \$5,000 per square foot. Fortunately, that type of real estate is aberrant enough to not overly affect the larger housing market. I would imagine that the market for sailboats in 1912 was not terribly affected by the sinking of the Titanic.

Your success? Why?

We have several very promising projects in the 2016 pipeline, in both Brooklyn and Manhattan, that we very excited about because they are thoughtful, well-considered and their success does not hinge on Gazprom or Petrobras having positive quarterly results.

What are you worried about?

The instability in the oil and gas markets.

How much do you fret about global events?

Probably not as much as I should. My concerns tend to focus on financial and commodity markets and the domestic political environment. I worry less about global stability, for two reasons — one, the Western world and developed Eastern world are inherently stable and two, because ignorance is bliss.

I worry about the environment, but am hopeful that China especially has come to the conclusion that scrubbing China of pollution is probably its greatest economic and social opportunity. Far and away my biggest concern about global terror is our collective reaction to global terror. Violence is the worst. It hurts people and it makes politicians act like loons.

Will mortgage rates go up or down next year?

I don't think that they will skyrocket, but I hope they start to get to a place that isn't long-term detrimental to the health of U.S. currency.

Which market are you in?

New York City is where I live and work. E-trade is where I trade securities; Fairway is where I shop — but I am not currently in that market. I am at my office.

Will unit sales go or up or down in your market?

They will go up in the more consumable price points, \$50 million apartments within wafting distance of Benihana will not sell particularly well. There is a finite number of billionaires, and only some fraction of those individuals want to own residential real estate in New York.

A smaller fraction yet want to own non-waterfront, non-park front real estate in Midtown. 15 Central Park West and 220 Central Park South make total sense to me, but I am fairly bearish on the teriyaki towers.

Will home prices appreciate in your market next year?

Those not defined by the sweet smell of chicken teriyaki should do just fine.

Will agents be more productive next year? Why? Or why not?

Agents will start to leave the business next year because information exchange is almost at full saturation. Those who made a career by selling access and information are going to find new industries. Those who can analyze all the available information into cogent thoughts on valuation and market trajectory are going to dine very well over the next several years.

What will be the biggest source of real estate leads next year?

Leads will come predominantly from two places: good real estate brokers (regardless of firm size or level of Instagram fame), and very informed direct buyers.

Are you making plans to expand, contract or maintain your business this year?

Expand with the cogent types.

What is your biggest challenge in the coming year?

Maintaining New Year's resolutions beyond January 7. I really think I got it this year. Candy, I will miss you the most, friend.