

THE REAL DEAL

Real Estate Heavyweights Debate Politics, Lawsuits, Blogging at TRD Forum

Participants included Billy Macklowe, John Catsimatidis, Stuart Saft, Adam Leitman Bailey, Frederick Peters and Lockhart Steele

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By Leigh Kamping-Carder



From left, CNBC anchor Bill Griffeth, Curbed founder Lockhart Steele, Adam Leitman Bailey, Red Apple Group CEO John Catsimatidis, William Macklowe Companies CEO Billy Macklowe, Stuart Saft, chair of the real estate department of Dewey & LeBoeuf, and Warburg Realty President Frederick Peters (credit Marc Becker)

Is it any wonder that two litigators stole the show at *The Real Deal's* seventh annual forum, which was structured as a debate between three sets of real estate professionals?

Attorney **Adam Leitman Bailey** of the eponymous firm and Stuart Saft, chair of the real estate department at Dewey & LeBoeuf, faced off on whether litigation is harming New York City real estate -- an animated discussion that had **Bailey** angling to settle a dispute with Saft from the podium (for a client with cancer) and Saft accusing **Bailey** of hurting the city with his tactics.

"When you litigate without thinking of the consequences and the macro [effects], it hurts the city of New York," Saft said.

At last night's event at Lincoln Center's Avery Fisher Hall, roughly 1,600 real estate pros gathered to watch match ups between **Bailey** and Saft; developer Billy Macklowe of William Macklowe Company and John Catsimatidis, CEO of the Red Apple Group; and Frederick Peters, president of Warburg Realty and Lockhart Steele, founder of Curbed.

Saft took home the trophy (literally) for best debate performance overall, although his match-up against **Bailey** ended in a tie. (Winners were chosen by audience applause.) Peters narrowly triumphed over Steele, while Macklowe and Catsimatidis tied.

Bailey, who often represents buyers, called litigation a tool to combat developers who cut corners, and said he uses a developer's reputation as leverage. "Which paper do you want to be in?" he said he asked before filing a lawsuit against Trump Soho.

Saft, however, argued that **Bailey** ignored the consequences of his actions, particularly when it came to suits filed under the Interstate Land Sales Full Disclosure Act, a 1968 law that effectively let condominium buyers out of contracts when the condo market went bust.

Bailey countered, "We were David, and we found Goliath, and instead of picking up a stone, we were smarter... We picked up a law."

Macklowe versus Catsimatidis

Another sparring pair addressed whether the Republicans or the Democrats could save New York real estate, with Macklowe making the case for the Dems and Catsimatidis defending the GOP.

"Right now we need someone in the White House," Catsimatidis said, "who understands we need to create jobs in the private sector, not in the public sector."

Catsimatidis cited his history as a Clinton Democrat, but said this year he was voting "ABO" -- anyone but Obama. He argued that the Obama administration had cast business people as "the enemy," but that developers would build more buildings with tax incentives "that say, 'We don't mind you being a millionaire or a billionaire because you're creating jobs.'"

Though Macklowe conceded that Obama had fumbled, particularly with the clash over raising the debt ceiling, he blamed the Republicans for exacerbating the partisan divide and creating gridlock in the nation's capital. Ultimately, Macklowe said, responsible government and unified political parties would help the ailing economy.

"Nobody really has the guts to reach across the aisle and say, 'We must do something for the benefit of America,'" he said.

Catsimatidis threw his support behind Mitt Romney, noting the Republican presidential candidate's business background. Macklowe, too, said that Romney could be the man to bring unity to Washington (earlier he'd joked that Catsimatidis had slipped him a \$20 bill backstage, given the number of points they agreed on), but he also said that "Obama's got a few months left."

Peters versus Steele

Peters and Steele took the stage to discuss the effect of blogs and social media on the industry.

Peters, himself a blogger, criticized the way online media has shifted news from well-researched, business-focused coverage to "soft news," often with a personal tilt. "Blogs have contributed to what I like to call 'the Kardashianization of news,'" Peters quipped, prompting laughs from the audience at the reality television reference.

Plus, he added, online discussions can impact the way a property sells.

But Steele defended his site, which is aimed at a consumer audience, as relying on a real-time conversation between reporters, tipsters, commenters and professionals to get at a "greater truth" than a static newspaper story.

Of course, no debate on real estate blogs would be complete without addressing the comments sections, which Peters criticized as too often descending into ugly personal attacks.

"Some of the mess that occurs," because of the comments, Steele responded, "is worth it."

Post-debate

Guests spotted at the forum included architects Nancy Ruddy and John Cetra, co-founders of CetraRuddy; Andrew Barrocas, CEO of brokerage MNS; and Faith Hope Consolo, chair of Prudential Douglas Elliman's retail division.

After the debate, about 200 guests ascended to a private glass lounge on the rooftop of the Empire Hotel at 44 West 63rd Street, home of last year's debate after-party.

Consolo noted that a recent increase in demand for Manhattan retail space, particularly from international companies, is prompting landlords to increase their asking rents, and predicted that rents would reach the highs of 2005 through 2007.

"They all want to be in New York," she said of global retailers, "and they all want to get the best location, and they will pay whatever is asked." In response, "landlords are getting piggish again," she said.