

STATE OF THE REGION

About this story: This report on real estate development is part of a continuing series of conversations on important business topics created and moderated by Phillips Lytle LLP.

PARTNERSHIPS NEEDED

FINANCING, CLIMATE MANDATES, HOUSING CONCERN DEVELOPERS

Real estate execs want to see more mentorship programs for those looking to get into industry

BY JAMES FINK
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First there was Covid-19. Then came labor and supply chain issues. Now there's rising interest rates, recessionary fears and pending state climate change mandates.

Welcome to the development landscape of late 2022.

"It is a really interesting time, to say the least," said **Kimberly Nason**, Phillips Lytle LLP partner.

Nason, who is also the leader of the firm's Land, Environment & Energy Practice Group, moderated a State of the Region panel discussion on Oct. 27, hosted by Buffalo Business First. The event, which was sponsored by Phillips Lytle LLP, focused on Western New York real estate development and moving the vision forward.

The participants were:

- **Lindsey Haubenreich**, Phillips Lytle senior associate
- **Tyra Johnson Hux**, LISCNY Western New York operations director
- **Michael Manning**, Main Place Liberty Group vice president
- **Nick Sinatra**, Sinatra & Co. Real Estate founder and CEO.

Sinatra said one of the biggest issues facing the development industry is rising interest rates.

Financial institutions are cautious about backing construction loans over fears of still rising rates and a possible recession. Developers are finding it hard to secure loans they need to advance their projects, he said.

"If you are not financed now, you probably won't get financed for the next six months," Sinatra said.

Adding to the uncertainty are questions about New York's pending climate change mandates that could impact everyone from commercial landlords to developers to homeowners.

"Our electric grid is ancient. It can't handle any more capacity," Sinatra said.

Haubenreich suggested developers should unify in Albany to voice their concerns.

"It could be impactful," Haubenreich said. "We all know there are real concerns related to the implementation of the mandates. A unified front may get you somewhere."

In other issues covered during the panel discussion:



JOED VIERA / BUFFALO BUSINESS FIRST

A scene from Buffalo Business First's State of the Region event on real estate at Phillips Lytle. From left: Nick Sinatra, Sinatra & Co. Real Estate CEO; Tyra Johnson Hux, LISCNY Western New York operations director; Lindsey Haubenreich, Phillips Lytle senior associate; and Michael Manning, Main Place Liberty Group vice president.

Johnson Hux advocated for more opportunities to train women and people of color about how to break into the development world.

She suggested more mentorship, sponsorship and partnership opportunities.

"It is almost a tight club," Johnson Hux said. "People from the outside are looking to get in."

Sinatra agreed and offered to work with Johnson Hux just before the panel discussion began.

"We've got to build up that bench," Sinatra said.

Manning, whose company owns and manages the Liberty Building, Main Place Tower and Main Place Mall complex in downtown Buffalo, said one of his biggest concerns is whether the office space market will soften more as tenants opt for less leased space.

Landlords and developers must be creative to land and keep tenants, he said.

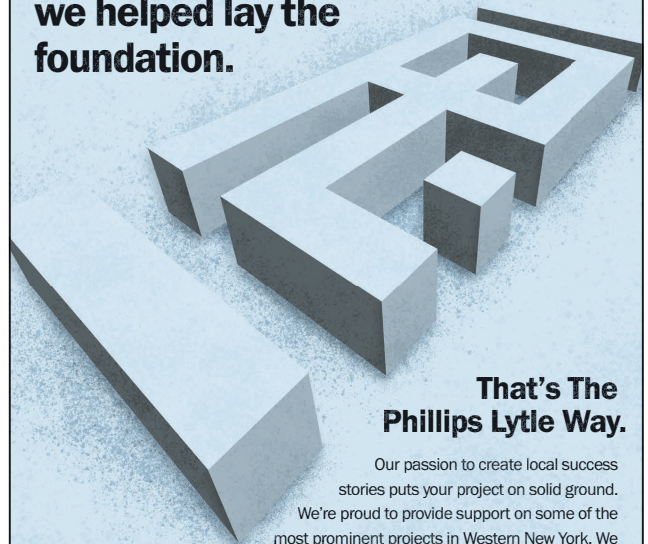
Manning pointed to the amenities developer Douglas Jemal brought to Seneca One Tower including a bar, craft brewery, special events and team gathering space.

"Full kitchens and game rooms are becoming the norm," Manning said. "You need to attract employers, but they need to attract employees, too, with your amenities."

Johnson Hux said there should be a concerted effort to develop more regional affordable housing.

"The need is there," she said. "Not just in Buffalo, but across the country."

When our region wanted to spur economic development, we helped lay the foundation.



That's The Phillips Lytle Way.

Our passion to create local success stories puts your project on solid ground. We're proud to provide support on some of the most prominent projects in Western New York. We combine the day-to-day "dirt work" of traditional real estate development with in-depth knowledge in the Brownfield Cleanup Program, land use and zoning, and PILOT Increment Financing. So no matter where you want to make your mark, what you want to create, or how challenging the obstacles you're facing, we have the experience and the drive to build on.



Phillips Lytle LLP

Visit us at PhillipsLytle.com/RealEstateDevelopmentLaw

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**WESTERN NEW YORK
REAL ESTATE DEVELOPMENT:
MOVING THE VISION FORWARD**



Thursday, October 27, 2022 | 8:30 a.m. Registration, 9:00 a.m. - 11:00 a.m. Program

Phillips Lytle LLP, One Canalside, 125 Main Street, Buffalo, NY 14203



This in-person panel program will discuss the Western New York real estate market and what steps the local development community is taking to keep the momentum going as headwinds emerge in the real estate sector.

Join us to hear from local developers, legal professionals, and community development and commercial real estate experts on a broad range of topics:

- Affordable housing and other community projects underway in Buffalo
- Urban redevelopment
- An update on the Climate Leadership and Community Protection Act
- Office space concerns and other emerging issues from the pandemic

To register, please visit www.bizjournals.com/buffalo/event/168076 or contact jhoule@bizjournals.com.

Panelists



Tyra Johnson Hux
WNY Operations Director
LISC WNY



Lindsey Haubenreich
Attorney
Phillips Lytle LLP



Michael Manning, CCIM
Vice President - Leasing
Main Place Liberty Group



Nick Sinatra
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Moderated by
Kimberly Nason
Partner and Land, Environment & Energy Practice Group Leader
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