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Manager who thinks like an owner

By REW Staff

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Many people equate residential management with building supervision. But building supervision is only part of the story, says Rick Elezi, president of REM Residential.

Rick points out that residential management must involve strategies to cut costs and raise revenues. And he should know, after nearly three decades in the business.

An immigrant from Albania when he was just two, Rick grew up in the Bronx and began his ascent in the real estate world as a doorman at a high-rise in Times Square when he was a mere 18, shortly rising to concierge.

His big break came when the building needed an on-site manager. Even though it entailed a drop in salary from concierge, Rick decided to take on the role.

It was a wise decision. Over the years, he developed the perfect hands-on experience to make a career in residential management.

And at 47, he now runs REM Residential, which supervises nearly 70 buildings, large and small, and recently acquired LWL Associates, a boutique management firm with over 40 years in the business.

Rick's philosophy is a simple one — focus on income-producing residential buildings. In other words, think like an owner, and provide maximum service to the clients.

This philosophy has underpinned REM's successes. An example is a high-rise the firm manages in northern Manhattan. A jewel when erected decades ago, the building gradually fell into disrepair under the previous management, with problematic tenants, rats the size of cats, drug-dealing on the premises, massive deferred maintenance, and even a murder.

Noah Osnos, the landlord, knew he needed help, and Rick's can-do attitude appealed to him, so he hired Rick's firm — and Noah was not disappointed. Rick undertook an aggressive program to evict delinquent tenants, achieving a much more attractive tenant base (despite onerous rent stabilization laws and regulations, he achieved a 50% turnover in a mere five years), a doubling of the rent roll, and aggressive intercession among tenants. He also developed a sophisticated strategy that initially called for much lower rents to attract new tenants to the building, which subsequently led to a rise in rents higher than even Rick or Noah ever expected.

Rick has a hands-on familiarity with the complex New York State and New York City rent laws and regulations.

"The key to success in real estate management is knowing the ins and outs of compliance, and this is a tough city to achieve that," he says.

The important things to touch upon in today's economy are legion, says Rick, but any property manager with aspirations for longevity in the business should, at the very least, familiarize his/herself with the following:

Major capital improvements (MCIs). "It takes longer to achieve a payback now, so more ingenuity and persistence are needed than ever before. With bureaucratic delays, there have even been instances where it stretches to a decade — which can cause enormous obstacles for a landlord."

Fuel oil. "The mainstay of apartment houses for decades was No. 6 oil," notes Rick, "but that is now environmentally unacceptable — and No. 2 and 4 oils are much more expensive. Accordingly, we're converting many of our clients' buildings from oil to gas."

Frequent spot checks. These allow managers to identify any problems early on.

Technology. Recent advances make it easier than ever to streamline processes in managing buildings; it's important to take advantage of them. REM, for example, manages properties effectively from a centralized online hub.

"Lots of costs are way up, so it's a real challenge to properly manage assets for good landlords," notes Rick. "New York City is a tough market, with its own set of rules."

"Our job is to help our clients navigate it successfully, using not only good practices, but also good strategies."



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