



Francis Greenburger

**EDITORS' NOTE** *As the Founder and guiding force behind Time Equities, Inc., Francis Greenburger has earned a reputation for outstanding integrity and an uncanny ability to foresee changing directions and create value in a variety of real estate markets. He is an active board member in and supporter of various arts, education, and community organizations, as well as the owner of Sanford J. Greenburger Associates, Inc., a full-service literary agency based in Manhattan.*

**COMPANY BRIEF** *Time Equities, Inc. (timeequities.com; TEI) is a full service real estate firm actively involved in the acquisition, development, conversion, and management of commercial (office, retail, industrial) and residential properties throughout the U.S., Canada and Germany. For 50 years, TEI has found success in both bull and bear real estate markets.*

**What was the vision for Time Equities early on and how has it achieved the level of growth it has experienced?**

Since founding Time Equities and being involved in a couple of not-for-profits, people often ask me about vision. But I operate less on vision and more on steps. It's not like I started Time Equities when I was 16 and I had a vision for some grand real estate company. I got into the real estate business accidentally. I rented an office for another business I had, and I sublet my space and found out I could make money doing that, so then I looked for personal opportunities. I was operating in a particular niche market and realized there was more demand for what I had accidentally identified, so I looked to replicate it.

I was basically taking C quality space in very good locations and dividing it into small offices.

After I successfully completed two or three very small projects like that, my father told me about a friend of his who had an office building on 28th Street between Park and Lexington Avenues that he could not lease. I

# Building a Sustainable Real Estate Company

**An Interview with Francis Greenburger,  
Chairman and Chief Executive Officer, Time Equities Inc.**

was operating on 59th Street between Park and Lexington, so he came to me and asked for our help. We made a deal to share in the profits.

Things evolved step by step as opposed to being guided by some grand plan. I was motivated to make enough money that I didn't have to struggle, which I had watched my father do his whole life. I wanted to have a business and I wanted to support myself.

I also enjoyed the process of the business so, step by step, it grew.

**Is there a sweet spot in the market that Time Equities focuses on?**

Our sweet spot is being opportunistic, which means being able to go to different markets and respond to different conditions. In the real estate business, things are cyclical but not on a national basis; they're cyclical on a market basis.

One minute there could be great buys on industrial in Detroit or great demand for small offices in the Plaza District of New York. Many office buildings in New Jersey suffered in the past recession so we were able to buy several of those at a discount.

Right now, we're buying in Holland because that market is at a countercyclical point that we think offers opportunistic pricing.

Trends go submarket by submarket and product type by product type, and our strength is that we know how to go into any market and deal with any product type.

By balancing things, we have created a sustainable real estate company.

**Are you still surprised by the cyclical nature of this business?**

The world is changing all the time. All we can do is build a seaworthy ship.

**How has your role evolved as the business has grown?**

I've gone through cycles too. In the '80s, a very viable business in New York City involved the conversion of rental housing to condominium/co-ops, and we were a market leader. In terms of our internal staff, our company grew from five people to 300 people from the late '70s to the mid-'80s.

When I got to that size, I was actually removed from what was going on in the business by four or five people. Eventually, the economic cycle forced me to downsize to about 100 people. I found that size more comfortable for me because then I was only two or three people removed.

Being further removed is less comfortable for me because I not only enjoy managing people but I enjoy the real essence of our business.

**How challenging is it to take a long-term view when things change so quickly today?**

Since we have such a sustainable company and our people know how cyclical businesses are, they appreciate that we're not going out of business tomorrow. This makes them a bit more patient in terms of their careers and ambitions, and they're willing to buy into a longer term approach, even if that means a compensation system that is more steady rather than becoming an overnight success or failure.

We have many people who have been here for 30 years so it's a very comfortable work environment. The model does seem to support people's career development and they do buy into it.

From the point of view of how well we tune our properties to changing environments and conditions, taking a longer view and being more patient has the risk of missing the magic moment where exiting a property might maximize our short to mid-term IRR. But we're less IRR-oriented than we are cash flow oriented. If we can build a property into a good cash flow position, I'm not watching our IRR return.

We have a fundamental belief in long-term ownership and we believe that if we have a very secure cash flow from our properties, it might not be unusual for us to hold properties for 20 years or more. Frankly, one of the exits we use most commonly is as a good refinance. If we build quality assets that perform well and we want to liquefy the investment to one degree or other, we prefer to do it through financing rather than sale. It's a different philosophy than those who want an exit strategy, and it works for us and our investors who tend to be cash flow-return oriented rather than IRR oriented.

**In leading the firm, are there times when you can get away and relax?**

The cell phone makes me into a virtual office. I travel for pleasure and work and I try to be away at least one week a month. But when I'm away, I can still be reached.

By combining travel with work, it gives me the best of both worlds. ●