

The New York Times

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THE 30-MINUTE INTERVIEW

Joseph A. Tahl



Mr. Tahl Earl Wilson/The New York Times

Mr. Tahl, 51, is a founder and the president of Tahl Propp Equities, a privately held real estate investment, development and management company based in Manhattan. Tahl Propp specializes in affordable housing and retail space in Harlem.

Before starting the company in 1998 with Rodney Propp, who serves as the chairman, Mr. Tahl was an associate general counsel at the Trump Organization.

Interview conducted and condensed by

VIVIAN MARINO

Q. *How do your duties differ from those of Mr. Propp, the other founder?*

A. I'm really more the deal-making partner and operating partner, and Rodney is really more the capital partner.

I handle the day-to-day operations of the assets: decisions concerning additional investments; the potential refinancing, sale, leasing and condo conversion of existing assets; strategic decisions about what to do with each building, what to buy, sell, condo-convert, etc.

Q. *You sound busy.*

A. We are very busy. The apartment market is very strong — the rental market is probably about as strong as it's ever been in Manhattan.

We are one of the larger landlords in Harlem. We own, manage and have in the pipeline for development over 3,000 apartments in both East and West Harlem.

Q. *Do you still live in Harlem?*

A. I live there with my family on Adam Clayton Powell Boulevard in central Harlem — in a prewar building. We love it.

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Q. I understand your commitment to Harlem, but why the focus on affordable housing?

A. You do have a steady source of income. Also, it's very important to be sensitive to the community that you're doing business in — and in my case it's also the community that I live in. It's terribly important that a very strong base of affordable housing be maintained, because Harlem is a very diverse community today — ethnically, racially, culturally, economically, religiously.

In the past, it was generally diverse because one group was on the way in and one group was on the way out. Today Harlem is diverse but everyone is staying. That's a big difference. White people aren't coming in because people of color are leaving. White people are coming in to join people of color there.

Q. But with home prices soaring throughout Manhattan aren't there also opportunities for more middle-class housing there?

A. I think some limited amount of market-rate has a place.

We're not looking to build market-rate rentals or condos. The closest we come to that would be an 80/20 building, where you have a 20 percent set aside for low-income and the other 80 percent are rent-stabilized but near market. Most of what we'll be doing will be affordable, because that's what the community needs.

Q. There's also a retail component to your holdings.

A. We own 50-some retail stores that are in the base of our various apartment buildings, and I think retail has a terrific future in Harlem. It's becoming more diverse and interesting. More and more restaurants are coming every day and all different kinds of shops.

Q. What kind of rental rates are you getting from retail tenants?

A. If you're on 125th Street you might be getting \$125 a foot. If you're on a quieter street, you might be getting \$30, \$40, \$50 a foot, so it's really a mix. But it's well below the rest of Manhattan.

Harlem, until the last 10 to 15 years, really did not have a diverse retail. Now it's getting retail, but it's getting very small pieces of retail where a lot more is needed. For example, the first Gap store opened a few months ago on 125th street. I think it's the only Gap in Northern Manhattan.

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Q. Are most of your tenants mom-and-pop-type retailers?

A. Yes. Most are local, but chains are coming as well. We have some national tenants, like H & R Block.

Q. One of your specialties is condo conversions. How many have you done?

A. We've done about a dozen buildings.

We're now working on an 83-unit building at 305 West 150th Street. All of the apartments in the building are rent-stabilized, but they're rent-stabilized pretty much at market, so we think a lot of the people who are renting in that building or others will buy, because with interest rates still relatively low you can actually own the apartment for less than it costs to rent. That condo conversion will be approved next year. It's already been filed with the attorney general.

And we have another one — a prewar building at 710 Riverside and 150th with views of the river. That's also an occupied building, where about half the units are market-rate and half are below. The market-rate units could be sold. That will also be approved by mid-next year.

Q. What did you do at the Trump Organization?

A. I worked for Donald from 1990 through the end of 1995. I was assistant general counsel and one of three real estate lawyers that worked directly with Mr. Trump on a daily basis on his real estate-related matters. We were doing a lot of restructuring and workouts, and then the last couple of years before I left we started doing new acquisitions and new deals.

Q. Why did you leave?

A. Because I wanted to become a developer.

Q. Was he your mentor?

A. He sometimes refers to me as the original apprentice. I actually played that role for real long before the TV show came out.

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