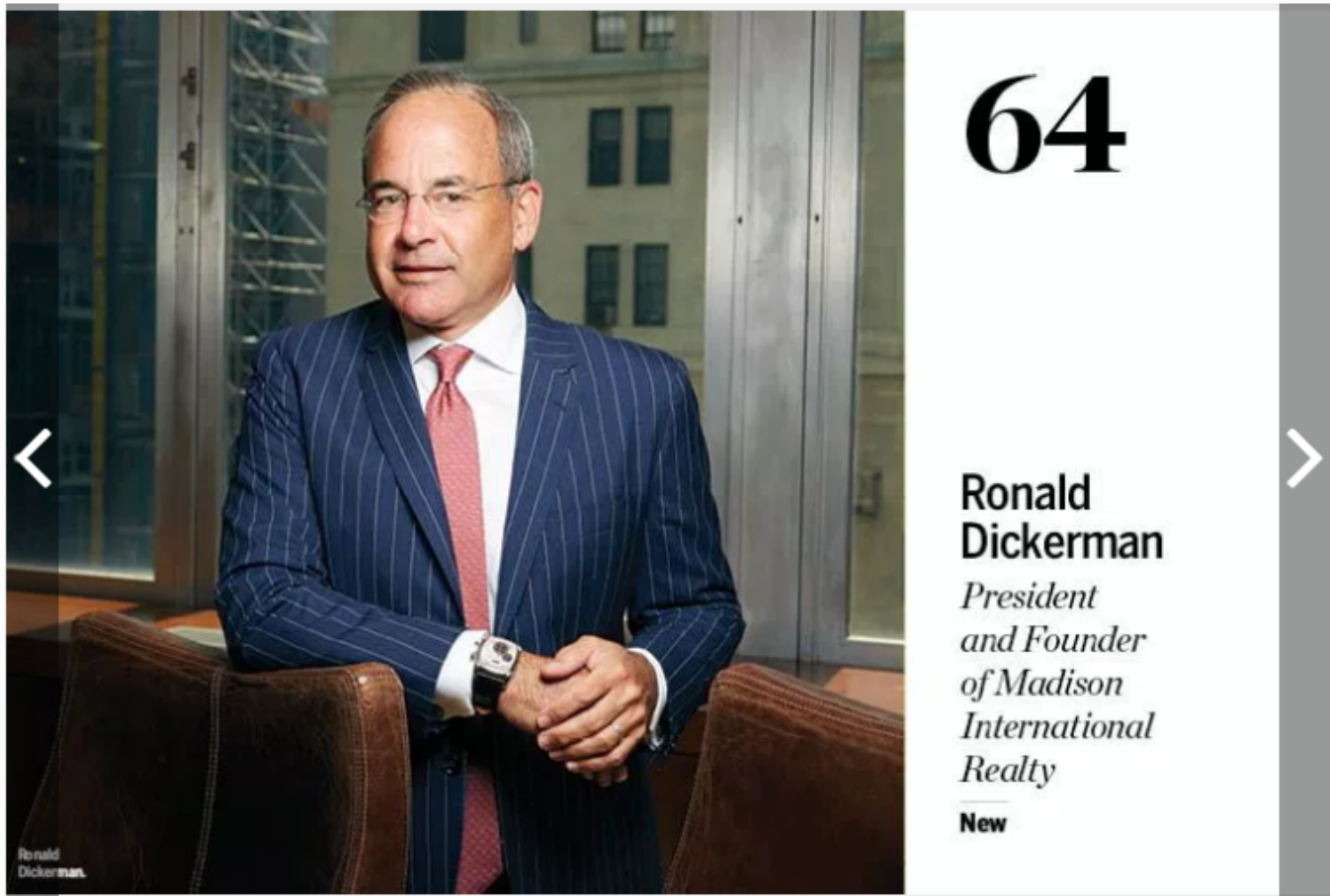


The Power 100: Commercial Real Estate's Most Powerful Players

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64. Ronald Dickerman

President and Founder of Madison International Realty

New

Last year was a big one for Madison International Realty, as one significant purchase launched the firm into the upper echelon of New York retail landlords.

The company already owned 49 percent of Forest City Realty Trust's 2.5 -million-square-foot, 15-property retail portfolio in New York. Last year, the company purchased the remaining 51 percent, which includes such notable properties as the Atlantic Terminal and Atlantic Center Mall across from Barclays Center in Brooklyn and Madame Tussauds wax museum in Times Square.

The purchase made Madison International Realty the third-largest retail landlord in New York City, at 2.1 million square feet, according to a report from Cushman & Wakefield.

“Everybody is painting retail with this broad brush, about how Amazon’s gonna win, and retail’s gonna die, and there’s all this vacancy up and down Third and Fifth Avenues,” said Ronald Dickerman. “What this portfolio is allowing us to do is to buck the retail narrative.” One of Madison’s priorities for 2019, then, is the renovation of the Atlantic Center Mall.

“What’s amazing about these stores is that these leases are long, the rents are low, and the tenants do a high amount of sales per square foot. If you asked them, some would say these are some of the best performing stores in their entire national chain,” Dickerman said. “But if you’re a customer, you look at the stores and say, ‘These feel like they’re from the 1990s.’ So, the challenge for us is to move tenants around to try to capture back vacant space, and to make these properties experiential and exciting for what current patrons and customers are looking for.”

Part of this renovation will be the creation of street-facing food and beverage outlets along Atlantic Avenue, to provide better options for both locals and the many who come to Barclays Center for sporting events and concerts.

“There are millions of people a year coming through Barclays and we have nothing to offer them right now,” Dickerman said. “We’ve been able to vacate a lot of Atlantic Avenue. We’ve got over 80,000 square feet we can turn into food and beverage. Think of storefront food and beverage, restaurants with roll-up windows, sidewalk cafés—exactly what you’d want if you went to a show by Atlantic Center. It’s exactly what the neighborhood needs.”

Dickerman expects his company to begin making announcements about new Atlantic Center retail throughout 2019, with outlets starting to open in 2020.

That was just one of Madison International Realty’s endeavors in 2018, a year that saw them invest in 12 projects with a gross asset value of \$3.8 billion.

In the U.S., the company’s investments also included the acquisition of a 13.8 percent stake in the Willard office and hotel complex across from the White House.

Across the pond, the company’s international investments comprise purchasing a 50 percent stake in the Warsaw Spire office tower in Warsaw, the tallest building in Central Europe, and a 28.4 percent stake in the Lazora, a multifamily complex with 6,458 units in Madrid, Spain.

And the company is off to a fast start on the acquisition front in 2019, with February’s announcement that the firm purchased a 5 percent stake in Mack-Cali Realty Corp.

“We had a dynamic year in 2018 and we’re very happy about it,” Dickerman said. “We’re optimistic about 2019 in our ability to deploy equity. We invested almost \$4 billion in real estate in 2018, and we have every expectation that 2019 will be equal or in excess of that.”—L.G.