

THE NEW YORK OBSERVER

Laurie Grasso Hunton & Williams

The Mortgage Observer spoke to Hunton & Williams partner Laurie Grasso for February 2013—touching base on a variety of issues, from a resurgent condo market to the current landscape for female attorneys looking to break into commercial real estate law.

by Cody Lyon

The Mortgage Observer: What types of deals have you been busy with since arriving at Hunton last April, and where is the most activity?

Laurie Grasso: Our group at Hunton is divided into two halves, which we think make the perfect whole. The finance side is doing a lot of large loan originations and CMBS deals. On the other half—where I sit, on the development-equity side—we’re starting to do development again. We’ve had some projects that we worked on for years that were sort of waiting for the prime opportunity to come back to surface, and that time is now. It looks as if financing is finally available for many of these development projects. It also looks like people are very interested in tapping back into the condo market. That’s because there hasn’t been a lot of development in that sector over the past few years, so there’s definitely a deficiency in that market.

Are you seeing any risk-taking coming back into how deals are structured? If so, how?

I think the hardest part about development deals now is that, although lenders are clearly lending, they are requiring much more recourse than the last cycle. That’s the hardest part of putting together a deal—who is going to be on the guarantees, who’s going to be able to provide the credit support. So I guess that’s probably the riskiest part of putting together a deal: trying to figure out who is going to step up and put up the guarantees.

How about mezzanine financing activity?

I represent a number of funds that over the next year or two would like to come back into the mezz financing market. There’s a lot of discussion about what type of deals they’d want to find themselves in. I’m not seeing a lot of mezzanine deals yet, but I definitely think it’s on the horizon. I did a lot of mezz financing the first time around. I think it’ll come back.

How robust is current CMBS activity?

My finance partners here at Hunton are extremely busy and have seen increased CMBS activity over the last six months and into 2013. In large part, that’s been caused by the tightening of interest-rate spreads over the second half of last year and into this year, which has made CMBS lending shops able to offer borrowers better pricing relative to more traditional portfolio lenders.

As an attorney, what would you advise both buyers and sellers to be watching most closely in the coming months?

If you’re a seller and you’re actually contemplating selling your product, you should get in the market. The pricing and competition is so fierce right now. There are so many people coming into the New York City market that have never been in this market before, so pricing is really out of control. If you’re a buyer, it’s so competitive on the buy side. We look at a lot of deals for clients that, they think they are at the right price and they think they’re going to get the deal, but it turns out that they’re just not. That’s a hard question to answer for the buy side.

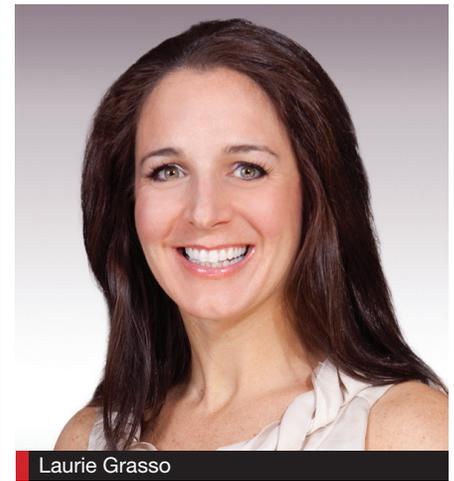
How did you get your start in law? Did you always know you wanted to focus on commercial real estate?

I really thought I was going to be a sports agent. I was an athlete in college. Out of law school, I fell into a firm that had deep ties in real estate. After a few months of doing real estate closings, I really got hooked. I became obsessed with the art of negotiation. I’d study business-people, the opposing counsel—really anyone trying to figure out how you win points in negotiating deals. It wasn’t the plan of my life to be a real estate attorney. I just sort of fell into it.

What interests you most about this market?

To be a part of this market—and I say this to junior lawyers all the time—although you’re a lawyer, you have to love real estate. So much of what we do—the structuring, the sitting down with plans, taking the time to under-

Q&A / February 2013



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stand how we’re going to map out a client’s vision of what they want to do—you just have to love your deals. You have to be a deal junkie. You also have to understand that some of these deals might take years and years. You have to appreciate that, while some other deals can be done in days.

Do you think that there were any challenges inherent in pursuing this genre of law as a woman?

I think there are certainly more influential women in the industry today than when I first started. On the legal side, the business side, definitely on the broker side, some of the top brokers in this city they are women. It’s wonderful to see those women get so many accolades. Overall, though, I think, at the end of the day, you just have to work hard. If you work hard and are capable and have the relationships, you’re going to succeed. I’ve been fortunate to have hooked up with some really good mentors over the years, and they weren’t all necessarily women. I don’t think you have to have a mentor that’s a woman. You have to have a mentor that’s going to believe in you, teach you and guide you.

Do you or your firm do any mentoring to bring more women into the practice of commercial real estate law? Do you even think that’s necessary in 2013?

I do a lot of mentoring. I spoke on a panel a couple of weeks ago, and there were women in the audience who came up to me afterward, and we’ve been emailing since. They’ve been asking for advice, and I’ve been in contact with them. Within the firm, we have some juniors—many of whom are women—who I’ve been helping along the way. As for Hunton, we have added 17 real estate attorneys in New York City since April 2012 and, given our robust business, we will continue to grow with top talent.