

 CONCRETE THOUGHTS

## What is Your Time Worth?... Each Minute?

Two weeks ago, I gave a speech at a conference hosted by Esther Muller's Continuing Education Academy. One of several traits I discussed they do, when talking about habits of top brokers, was time management. That single topic produced the most interest and subsequent follow-up emails from those in attendance. I think this is a result of the general tendency of brokers to feel overwhelmed, too busy and that not have enough time to get things done.

I have always said, as brokers, all we have is our time and our knowledge (I would also argue that our relationships are a third, but that is a topic for another day). We can always increase and enhance our knowledge base by reading, speaking to other professionals and attending any of the many conferences, seminars and summits that organizations produce. But when it comes to time, we cannot produce more of it. We can only use the time we have more efficiently.

The best way to do this is to prioritize your to-dos and organize your day. If you have been in business for more than a couple of years, you probably have enough tasks you would like to do to keep you busy 24 hours a day,

seven days a week, and you would still never get everything done. So, how do you prioritize?

The first thing to do is to create a list of the tasks you think you need to get done, also known as a "to-do" list. After you have listed all of these things, the list should be reviewed and broken down into three categories: 1) What you must do, 2) What you can delegate to others and 3) What you shouldn't do.

Of the tasks you must do, it is often said that the thing to do first is the most important thing. However, I do the important one that I least *want* to do. If we procrastinate, these things hang over our heads, and this cloud limits the

enjoyment we get out of tasks we like. So of all of the most important things you need to do, select the one you like doing least, get it done and then move onto the other important things. You will feel great about the rest of the day.

Delegating tasks is a critical skill of the most successful folks in our industry. You simply cannot do everything yourself, so surround yourself with a great team. Then figure out what tasks only you can do and have team members do the rest. In the early

years at Massey Knakal, Paul and I would do everything. It wasn't until we hired other senior-level management professionals that the company really started to gain significant traction. Today, there are individual brokers who are similarly building teams around them to maximize their growth and potential.

Learning to say "no" to things you shouldn't do is more difficult than it might appear. (For me, it took a lot of work to learn to say "no.") Harvard professor William Ury wrote a great book called *The Power of a Positive No*, in which he says that *no* is perhaps the most important and powerful word in language (read this book—it is great!). Learn to say no!

Another tip for time management is to get an early start. It is important to get enough sleep, but getting an early start to the day makes us much more productive.

It is also important to understand that multitasking is a fallacy. We cannot do several things at once. We must devote our focus to the task at hand. In order to do this, we must minimize distractions and create time limits.

Managing your emails is also a great way to save time. Although people expect responses to emails instantaneously, only look at email a few times per day or you could literally spend all day responding to email. Or better yet, have

someone else monitor your email account and bring the most urgent emails to your attention (this is a great task to delegate).

Lastly, figure out what your time is actually worth. And by that, I mean what each minute of your time is worth. Here's how: let's say a broker makes \$1 million per year. Let's assume she works 12 hours per day (half a day—12 hours out of 24—is all that is needed to succeed in commercial brokerage) each weekday plus five hours over the weekend. That is 65 hours per week. Let's also assume she takes six weeks of vacation per year. That means she works 65 hours per week multiplied by 46 weeks, or 2,990 hours per year; \$1 million divided by 2,990 hours means she earns \$334.45 per hour. Divide this by 60, and she earns about \$6 per minute. So if this broker wants to spend just 15 minutes on something, it "costs" her nearly \$100. If you value your time this way, others will do the same.

When it comes to time management, it is important to remember that everyone has the same amount of time, and those that are the most successful are likely using their time more effectively than others. They also value their time immensely and look at how they spend each minute. Following some of these tips will help you get more out of each day.



Robert Knakal

 STEIN'S LAW

## What Can Government Do to Solve Our Housing Crisis?

Now that the 421a tax abatement program has expired without renewal (so far), we hear a lot about what city and state governments could do to promote construction of more housing in New York City, especially affordable housing.

Maybe we should revive 421a with reforms and adjustments. Maybe we should issue bonds for affordable housing. Maybe all projects should have mandatory affordable units, hiding their true cost. Maybe we should have tax incentives or subsidies for community-based nonprofits that build affordable housing. Maybe we should have special "prevailing wage" rules for affordable housing projects. Maybe the city should itself build more housing. The opportunities for new programs, expenditures and lost real estate taxes seem endless, along with the opportunities for new paperwork, procedures, issues, requirements and delays.

The discussion always emphasizes having government do *more* rather than less. Rarely does anyone ask whether the housing market might work better if government did *less* rather than more. Instead of adding new programs, maybe we should subtract programs

that distort the market and delay development. Here are a few programs to reconsider.

**Real Estate Taxes.** The city taxes multifamily rentals at an annual rate much higher than single-family houses or co-op apartments—about 4.5 percent of value versus about 1 percent. For rentals, the city seeks to capture 25 to 30 percent of the owner's gross revenue. This is an extraordinary percentage. And the more you tax something, the less of it you get. The taxes on multifamily rentals make them very difficult to build unless the city reduces that burden through programs like 421a. But wouldn't it make sense to adjust the tax system so multifamily rentals don't bear a dispro-

portionate tax load, and hence multifamily development makes economic sense?

**Rent Regulation.** In an ordinary housing market, people move as their needs change, developers demolish and replace obsolete buildings and the market adjusts to shifting population. Fifty-plus years of rent regulation have massively interfered with all that, ossifying New York's residential market, promoting overconsumption of housing and bestowing random benefits largely without regard to need. Once you start regulating rents, though,

it's hard to stop. If we want to bring a functioning housing market back to New York City, maybe we should gradually phase out or at least reduce rent regulation. It's not so awful to expect people to move. The average American does it every five or 10 years.

**Landmarking.** New York City has a robust landmarking program, preserving a variety of old and some not-so-old structures. Whenever a structure becomes landmarked, redevelopment is at best substantially more expensive and difficult than otherwise. The structure often becomes uneconomic. And wherever landmarking occurs, little affordable housing gets built. Might it make sense to cut back on landmarking? Could we limit it to truly special structures and not make it such a widespread impediment to redevelopment, especially of affordable housing?

**Zoning.** *The New York Times* recently said 40 percent of Manhattan buildings don't comply with today's zoning. In other words, over time zoning has become more restrictive, further limiting the size of new buildings. Although that may reduce shadows and serve other goals, it also reduces development potential, making it harder to meet the demand for housing and driving up rents. Should we allow larger and taller buildings than current zoning permits, especially near subway stations? The

Bloomberg administration did some of this, but should we go further?

**Housing Formats and Building Code.** City codes require a certain quality and size of residential units. Anything smaller or of lower quality normally can't get built. For example, once upon a time, single-room occupancy hotels provided affordable housing. But then our governments both outlawed and sought to preserve that housing format. Why not loosen the restrictions that make it impossible to build that type of housing? What else in city codes stands in the way of affordable housing?

**Environmental Impact Review.** Many substantial development projects must endure an extended period of environmental impact review. Has this process become more complex than necessary? Has anyone taken a hard look at the environmental impact review and its effect on development of new housing?

Each government program listed above exists for a reason, of course. Once in place, it develops its own life. It becomes institutionalized, part of the landscape. It benefits some people, who vote. Government employees with special expertise administer it. Questioning it amounts to heresy. But maybe we should ask those questions.

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