

In modern times, sit-down closings lose favor

Commercial deals are increasingly finalized via phone, email and courier service

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Andrew Singer, Scott Singer, Justin Elghanayan and Henry Elghanayan, at the 2013 REBNY Banquet

When Scott Singer of the Singer & Bassuk Organization decided to propose to his wife, his client Henry Elghanayan of Rockrose Development was one of the first to know. That's because on the way home from a closing that ran until the wee hours of the morning, Singer, whose firm arranges debt and financing for commercial deals, told Elghanayan he was going to use his commission to buy the engagement ring. The couple wed in 1997.

Today that exchange would not have taken place — at least not under those circumstances. That's because in New York's commercial real estate world, sit-down closings have been largely replaced by closings conducted via email, conference call and courier service.

Of the 454 closings David Schechtman of Meridian Capital Group has participated in over the past 10 years, "almost 70 percent have been electronic, and many of the sit-downs don't even have principals or brokers present."

There are, of course, exceptions: sales of small, family-owned properties; commercial mortgage deals done by the local banks, and complex mega-deals.

Evan Levy, partner at Skadden, Arps, Slate, Meagher & Flom LLP, said monster deals often have last-minute issues that need to be dealt with in person as the closing is unfolding.

But these days, unlike residential deals, most commercial deals don't merit boots on the ground. "We're closing all over the country, here in our office," says Michael Lefkowitz, a lawyer at Rosenberg & Estis.

While electronic or phone closings are probably more expedient, Levy said the positive vibes that comes from face-to-face closings should not be discounted. It enables opposing parties- — who may have had to make concessions in order to close the deal — to feel good.

Others are less sentimental. "When people are in a room together, one side [might want] to renegotiate, and that can create acrimony," Lefkowitz said.

Singer, for one, misses sit-down closings. "They took a lot of time, but they were a wonderful opportunity to build relationships, what we would call 'time well wasted,'" he said.

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