

# The Closing: Ron Moelis

*The affordable housing developer on his most crucial life decision and not being a 'glamour guy'*

By [E.B. Solomont](#)

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*The Real Deal*

Ron Moelis (Photo: STUDIO SCRIVO)



Ron Moelis is CEO and chairman of L+M Development Partners, which he co-founded in 1984. L+M has been responsible for \$4 billion worth of real estate development, construction and investment. In a joint venture with BFC Partners and Taconic Investment Partners, the firm is developing the 1.9-million-square-foot, mixed-use [Essex Crossing](#) project on the Lower East Side. It's also constructing a 108-unit building on Avenue D. In addition, last year, L+M and BFC acquired a 50 percent stake in 900 apartments in the NYC Housing Authority's portfolio for \$250 million. Moelis graduated from the University of Pennsylvania's Wharton School and earned a law degree at

New York University. In 2008, Moelis and his longtime business partner, Sanford Loewentheil, gave up full ownership of the firm and turned it into an employee-owned operation in which company staffers own shares.

**Name:** Ron Lee Moelis

**Born:** July 6, 1956

**Hometown:** New Rochelle, N.Y.

**Marital status:** Married

**Children:** three

**We hear you're a pretty avid sports fan. Do you also play?**

I played hoops regularly until a few years ago. This fall, some of the kids in my office put a team together and convinced me to play. I'm about twice the age of everyone on the team. I try to find somebody on the other team who's not going to move around me too fast.

**Are you generally a competitive person?**

I like to win. I sometimes focus more on my last \$10 golf bet than I do on a real estate deal. That's sort of a healthy way to let it out because it doesn't matter that much.

**Who do you root for?**

I've been an avid Knicks, Mets and Giants fan my whole life; as a kid, we'd go to the theater and I'd be listening to the Mets game. I've been to every winning Super Bowl the Giants have played. My family's had Knicks season tickets for 48 years, though I may give them up.

**Why?**

The seats were 15 rows behind the Knicks' bench, but we moved last year and the seats aren't as good.

**Growing up, what were your career aspirations?**

I watched Perry Mason, and I wanted to be a courtroom lawyer.

**Did you go right to law school after college?**

I took a year off. I moved to San Francisco, slept in my car for a couple of weeks and sold college textbooks. I'd work from 9 a.m. to 3 p.m. and then I'd go to Carmel or Monterey and hang on the beach. After a year, I decided to come back to New York. I went to law school at NYU and clerked for a federal judge. I loved both. But then I went to a law firm and realized it wasn't for me. One day I went in and just quit. Next to getting married, it was probably the most important decision of my life.

**Did you have a backup plan?**

I had been playing around in real estate in law school. My brother and I and a friend had been investing in apartments that were going co-op. We didn't have any money, but [tenants] were getting insider prices and we'd pay them a 20 percent premium. Then we'd fix up the apartment and sell it at a slight [market] discount.

### **How did you get your start in affordable housing?**

[Singer] Harry Chapin and his brother, Steve, were trying to buy two buildings on Avenue B from the city, but the city was giving them a hard time. Harry was killed in a car accident on the LIE in 1985 and right after that, the city sold the buildings to his brother for \$1 [as long as] 25 percent of the units were affordable... Six months later, Steve needed to sell and he came to us [to sell one of the buildings]. We got to the closing and the title company said, 'How do we know you're going to do it?' We went down to HPD. I didn't know what HPD was at the time. HPD said, 'If you do these things, we'll give you a certificate. We won't give you money for it but we'll tell the title company you did it properly.' We built 30 units, eight of them affordable, and we sort of lucked out. We were able to sell before the market crashed in '88.

### **Why'd you stick with affordable housing?**

The way you keep score in business is by how well you do. With affordable housing, I can also do something I feel good about. It's also intellectually challenging. I'm very into math; I wouldn't say I'm a quant, but I'm into numbers. There are people who are really into design and branding and selling high-end condos. I can't do that. I'm not a glamour guy.

### **You've weathered a few real estate busts. Which was the worst?**

In 1988, I was young and didn't know what was going to happen. Not that I knew in 2008, but I had a little bit more visibility that we'd come out of it.

### **Now that you're company is employee-owned, how much is your stake?**

I actually don't own anything. [Loewentheil] and I have warrants [similar to stock options] for about 50 percent, so we have an economic interest. It also ends up being a great retirement plan.

### **So you get a salary?**

Not the biggest salary in the company, but I do get a salary. I could pay myself a higher salary, I guess, but that's awkward.

What's been your proudest professional accomplishment?

The fact that I've been able to build a company that does well economically, but has also done well in the community — despite not thinking of myself as a great manager.

**Why do you say you're not a good manager?**

I'm a good leader. I'm a balanced person. I'm fair, passionate and very energetic. I'm probably not the most organized person. People like working here but they complain that there's not a structure in place.

**Do you have any regrets?**

I wish I had spent a few years in government. It would be fascinating to be on that side of the table and a great way to learn. Sometimes I dream about it, thinking, 'OK, what's my next act?' And that's one possibility.