

Interview

Ultra-Luxury Projects

An Interview with Alex Sapir,
President, The Sapir Organization



Alex Sapir

EDITORS' NOTE In addition to his role with The Sapir Organization, Alex Sapir is involved in numerous philanthropic causes, including the New York Association for New Americans; the American Opera Musical Theatre Company; the Russian Gift of Life, Inc.; Starlight Children's Foundation; and the Russian Children's Welfare Society and Scholarship Fund. He also sits on the board of trustees of the Madison Square Park Conservancy and was awarded the 2006 Joseph Papp Racial Harmony Award by the Foundation for Ethnic Understanding.

COMPANY BRIEF The Sapir Organization (www.sapir.com) is a privately held, New York-based real estate holding and development company with more than seven million square feet of Manhattan commercial office space. Founded by Tamir Sapir, the company owns 11 Madison Avenue (the U.S. headquarters of Credit Suisse) 2 Broadway, 260 Madison Avenue, 261 Madison Avenue, 384 Fifth Avenue, and 100 Church Street, as well as two residential buildings at 50 Murray Street and 53 Park Place. Through a partnership with Larry Davis and Robert Ivanhoe, The Sapir Organization formed SDS Investments, a real estate investment and development firm. Sapir currently has a number of projects underway, with more than \$1.5 billion under development.

Are you pleased with the growth The Sapir Organization has achieved over the past year?

I couldn't be happier with our growth. Internally, we have structured our management well, and our employees' morale is great, which is obviously important – if your team isn't happy, you'll have problems in the future. This year, we'll start delivering units in both the William Beaver House and the Trump SoHo Condominium Hotel. The luxury market in New York has been great, and we made a decision to stay at the highest end of it and focus on ultra-luxury projects. New York is one of the best markets in the world. I'm confident in New York and what we do there.

Will your business focus exclusively on Manhattan, or are you looking for opportunities in other markets?

We have seven million square feet of assets in Manhattan, so we'll always focus on it, but we're looking at other major markets. I'm doing a boutique project in Miami that is very small but has a lot of character, and I have a project in Las Vegas. We're looking at international opportunities in South America, Europe, Russia, and Asia. We're poised to do international business, but we're very picky with our deals, and that's a good thing.

In such a competitive industry, how do you demonstrate what makes The Sapir Organization different from other real estate development and holding firms?

I have the utmost respect for everybody in this business, because you have to be really good at what you do to be successful. What differentiates us is our access to the most exclusive places in the world. I have a multidimensional personal life that enables me to travel the world and bring ideas back from certain places and put them into our projects and our business. We look at everything we do in the most international way.

You mentioned the Trump SoHo. What is your outlook for that property?

We wanted the Trump SoHo to be a six-star property. It's a brand-new construction, and it's going to have Quattro Gastronomia Italiana as a real fine dining experience along with a power-scene restaurant that will be world renowned. It will have a lounge downstairs, a private library, and an incredible spa – everything will be at least five-star quality. There will also be a space on the 46th floor with views of the city; it will be a super-exclusive place called SoHi. Every room has a view. The average size unit is bigger than just about anything else in New York. Every unit is for sale, and we're past 50 percent

already. We spent a lot of time developing the mood and vibe of the hotel, because everyone has done five-star and everyone has done cool, but nobody has married them together before now. The complete package is great.

I've been fortunate enough to see five-star living in some of the best places in the world, but sometimes it can seem, frankly, quite boring. Nothing jumps out at you. When I see cool, chic, and exclusive places, I think, "I need to bring some of these elements back to our properties." So building a bridge between five-star quality and chic has been what the Trump SoHo is about. Partnering with Donald Trump has been great. I have a lot of respect for the entire Trump family.

Will there be continued growth in the development of condominium hotels?

New York is a great condo hotel city. About 85 percent of our buyers are international and playing the exchange rate game, plus New York real estate has always been about appreciation.

What motivated you to create SDS Investments?

Rob Ivanhoe introduced me to Larry Davis, and the three of us decided to do it. It's an equity fund and a vehicle to create reposition and create value in different real estate. Our first big project is the William Beaver House. It's our icon project and costs, on average, about \$1,550 per square foot, and those numbers keep increasing because the Wall Street area is the hottest market. Everyone said we were crazy, but we're getting those prices. As partners, we complement each other well. We like each other, work well together, and respect each other. We're all friends.

What are the challenges of working in a family business?

We have a very special family. We love each other genuinely and unconditionally. There's none of the jockeying that you see in other families. We're pretty levelheaded, and we're passionate about our family and our name. My parents started with nothing, and this has all happened in the past 15 years. My parents did a fantastic job of raising us with the idea that you can have it all today and lose it at any given moment. They came to this country from communist Russia with \$80. So hard work was always instilled in us. Even today, just because we have it, we don't stop working. We genuinely love life and look at the world positively. ●