

## Finding Opportunity

An Interview with Martin S. Burger,  
Co-Chief Executive Officer, Silverstein Properties



Four Seasons Orlando Resort at Walt Disney World Resort

**EDITORS' NOTE** Marty Burger joined the company in February 2010 and leads the acquisitions and business development efforts in the U.S. and abroad. Prior to this, Burger was President and Chief Executive Officer of Artisan Real Estate Ventures, a company he founded in 2006. Burger spent 15 years at Related, serving as President of Related Las Vegas and Executive Vice President



Larry Silverstein and Marty Burger

of Related Companies, L.P. He was also a Principal and Chief Investment Officer for Related Urban Development (mixed-use division), Related Lodging Group (hotel division), and Related Experiences (sponsorship division). From 1994 to 1997, Burger was a Vice President at The Blackstone Group. From 1993 to 1994, he worked for Goldman Sachs' Whitehall Real Estate funds. He received a Bachelor of Science degree in Economics from the Wharton School of the University of Pennsylvania.

**COMPANY BRIEF** Silverstein Properties, Inc. ([www.silversteinproperties.com](http://www.silversteinproperties.com)), is a full service real estate development and investment firm that has developed, owned, and managed 35 million square feet of office, residential, and retail space. The firm, based in Manhattan, has \$10 billion worth of development activity in the pipeline.

### What excited you about this opportunity when it presented itself in 2010?

Larry (Silverstein) has built an incredible platform. More importantly, he has an impeccable reputation. Everyone who is involved with him knows that it is his perseverance that got us to where we are today at the World Trade Center site. My spending time with Larry sealed the deal. I am able to utilize the company's reputation and the experience level within Silverstein Properties to continue to build the current platform and add new product lines, as well as expand into new markets.

### Where do you see opportunities for Silverstein in the U.S. market?

We're concentrating on New York because it has fared the best out of all U.S. cities. We've looked in D.C., as well as San Francisco, Los Angeles, and Boston, but the focus is on New York – that is where the strength lies in the U.S.

In terms of what is happening with investors overseas, more money wants to go to safe

harbors, so one of the first places it goes is to the U.S. and the first place in the U.S. is New York.

### How has the World Trade Center project progressed?

Under the leadership of Larry Silverstein and Janno Lieber, there has been tremendous progress at the Trade Center: 7 World Trade Center is fully leased and has been

a model for what can be accomplished with the rest of the project; the Memorial is open and has welcomed over 3 million visitors; and 4 WTC topped out in June and will be the first office tower to open on the 16-acre site next fall. Every building at the site will be state-of-the-art and LEED-certified to the Gold standard.

### Have you seen strong interest from tenants like Condé Nast?

In our portfolio in general – both in midtown and downtown Manhattan – we're seeing a lot of activity in the 20,000- to 70,000-square-foot range, but for anything over 300,000 feet, the tenants are delaying decisions citing that they are waiting for the election or to see how Europe fares, or to see their returns in 2012.

### How has the residential community developed in lower Manhattan and 10 years from now, what will the area look like?

When the World Trade Center opens and is linked to the new Fulton Street Station, you will be able to travel underground from the World Financial Center through the World Trade Center all the way to William Street, and it will be lined with great retail and restaurants. We're bringing together all the subway lines in New York City as well as the Path trains from New Jersey into one central location. That's why it was a no-brainer for Condé Nast to come down here. There are some firms that will always stay in midtown, but there is a lot more interest now in moving below 42nd Street.

From a residential perspective, the population downtown has more than doubled since 2001. More importantly, the neighborhood has some of the best schools in the city and the support base of amenities like retail shops and restaurants is growing and thriving. We like to think that the completion of the World Trade Center will have the same effect on downtown Manhattan as Rockefeller Center had on midtown Manhattan.

### How broad is Silverstein's global footprint and where are there opportunities?

We want to be thought of as global but we can't be in every market around the world. So we pick and choose the markets carefully.

For complicated, mixed-use large-scale projects like the World Trade Center, there aren't many markets in the world that can absorb what we can build.

We chose to enter China because of the incredible growth there. China has so much demand that we can build large-scale projects: we're working on a project that is 5 million square feet of mixed-use components in Chongqing, a city with 33 million people.

We're also hoping to open a Shanghai office later this year. We're currently working in three different cities now, but have nothing under construction yet.

In addition, we formed a joint venture with the Kulczyk Organization in Poland, and we opened an eight-person full-time office over a year ago in Warsaw; to date, we have purchased three office buildings there.

We're also in the predevelopment stage on two projects in Tel Aviv.

### Will sustainability continue to be a key issue in the future? And how much of a focus has that been for Silverstein?

Although it's a way of life now, it has always been a priority for us. We pride ourselves on having built the first LEED-certified office building in New York City. We also completed the city's first "Green lease" with our tenant, WilmerHale.

### Is it tough to differentiate in the real estate space?

It's important that people understand how we go about taking on a development project, so we spend a lot of time showing them the process.

The Four Seasons guys got a dose of how organized we are and said they had never seen that from a developer. So they offered us the opportunity to develop their Orlando project in the Walt Disney World park because of our expertise and our New York experience. We broke ground on that in December and continue to have partner meetings every month with Four Seasons. We're now working with them in several other markets.

There are also developers with different priorities. Our focus is on designing and building the highest quality office, multi-family units, and hotels, and transforming entire neighborhoods over time. ●