

A Reputation for Excellence

An Interview with Larry A. Silverstein,
President and Chief Executive Officer, Silverstein Properties, Inc.

EDITORS' NOTE In July 2001, Larry Silverstein completed the largest real estate transaction in New York history when he signed a 99-year lease on the 10.6 million-square-foot World Trade Center for \$3.25 billion only to see it destroyed in the terrorist attacks six weeks later on September 11, 2001. He is currently rebuilding the office component of the World Trade Center site, a \$7-billion project. Silverstein also owns and manages buildings all over New York, including 120 Broadway, 120 Wall Street, and 529 Fifth Avenue. Silverstein recently developed and opened Silver Towers, the largest residential rental development in the city and is about to begin construction on a Four Seasons Hotel and Private Residences in Tribeca. Larry Silverstein is a member of the New York Bar and a Governor of the Real Estate Board of New York, having served as its Chairman. He served as Vice Chairman of the New York University Board of Trustees and is the Founder and Chairman emeritus of the New York University Schack Institute of Real Estate. As a Professor of Real Estate, his "Silverstein Workshop" became one of the most attended and informative educational sources for learning real estate development and investment analysis. Silverstein contributes his time and resources to organizations that are dedicated to education and medical research, meeting humanitarian needs, and supporting the arts.



Larry A. Silverstein

COMPANY BRIEF Silverstein Properties, Inc. (www.silversteinproperties.com; www.wtc.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. Based in Manhattan, the company has \$10-billion worth of development activity in the pipeline.

Is the United States experiencing a true recovery from the recent economic downturn?

We're in the midst of a true recovery but not fully recovered; we're moving in the direction of full recovery.

Here in New York, we have benefitted from a diversity of industries, an exceptionally well educated and motivated workforce, and a dynamic that affects everything we do.

New York City has also benefitted by having strong leadership from a governmental standpoint, thanks to Governor Cuomo and Mayor

Bloomberg. The Mayor has done a superb job running this city throughout his three terms.

What is your vision for downtown looking 10 years out?

This neighborhood is already one of the most dynamic and exciting in the country. It's a great place to work, live, shop, and visit.

Now people are beginning to get a sense of what is happening at the World Trade

Center: 4 World Trade Center (WTC) will open this November; One WTC will follow next year. A year after that, the Transit Hub will open with its soaring wings and will immediately become a city icon. Along with the new Fulton Street station, it will completely upgrade the transportation experience: You'll be in a weather-protected environment where you'll be able to go from the East Side of Manhattan all the way to the Trade Center and over to the Hudson River ferries to New Jersey.

Every part of the new Trade Center has been designed by a world-class architect. Like 7 WTC, One WTC was designed by David Childs. The Memorial Park was designed by Michael Arad and Peter Walker, and the 9/11 Memorial Museum was designed by the Norwegian firm Snøhetta. Our buildings were designed by three Pritzker-prize winning architects: Fumihiko Maki, Richard Rogers, and Norman Foster. Santiago Calatrava designed the Transit Hub and Frank Gehry is designing the Performing Arts Center. Where else in the world do you have such a selection of iconic designs in one place? I cannot think of a more fitting tribute to New York City.

How close are these projects to completion?

I would say we are more than halfway there, so by 2017, we should be mostly done.

What encouraged you to explore the international markets?

I never dreamt we'd be in Poland but we now have an office in Warsaw and we're doing some very interesting projects there. Central Europe has done much better than Western Europe over the past couple of years.

There is a dynamic in China that is unlike anything I have seen – the growth opportunities there are vast. You have to work slowly and with



The World Trade Center, as it will look within two years.

great care. So far, we have projects in Beijing, Shanghai, and Shenzhen, and our office is in Shanghai. My sense is that we will be functioning there over a longer period of time and will get into significant development activity.

Israel is a remarkable country where we have not just an economic interest and a business interest, but also an emotional interest. The country is doing so well economically and technology is hugely important there. So right now, we're focusing on locations in Tel Aviv. Nothing happens in that country without investing a lot of time, but it won't be long before we build something exciting there.

How have you maintained the culture of the firm as it has grown?

Our company is all about our people. I am blessed to work with some of the best and brightest in the business. Many have been with us a long time and many are new. Our culture is something that has grown organically. I'm proud that we have been voted as one of *Crain's* Best Places to Work for the past five years.

Personally, I believe in certain core values, like treating people how you expect them to treat you, and that produces and enhances a collegial attitude. I also believe that whatever you do in business, you should measure your decision by the effect it will have on your name and reputation because it takes a lifetime to build a reputation and, at day's end, it's all you have.

How critical is it that the business sector in New York rallies around the new mayor?

This city has many business interests so a good business head is invaluable. We also have a responsibility to make sure that our newly elected leader is given 100 percent of our support and can benefit as much as possible from our knowledge as business people so that the city will continue to excel. ●