

The New Heart of New York

An Interview with Stephen M. Ross,
Chairman and Founder, Related Companies



A rendering of the Hudson Yards project as seen from New Jersey

EDITORS' NOTE Stephen Ross is also the majority owner of the Miami Dolphins and Sun Life Stadium. He is Chairman of the Board of Directors of Equinox Holdings, Inc. and is a trustee of New York-Presbyterian Hospital and the Urban Land Institute. He is also a director of the World Resources Institute and The Jackie Robinson Foundation and Chairperson Emeritus of the Real Estate Board of New York (REBNY).



Stephen M. Ross

Ross was most recently named a *New York Power Player* by The New York Times, one of the most powerful people in New York Real Estate by the New York Observer, *Multi-Family Property Executive of the Year* by Commercial Property News, and *Housing Person of the Year* by the National Housing Conference. He graduated from the University of Michigan with a Bachelor of Business Administration degree, from Wayne State University Law School with a Juris Doctor degree, and from New York University School of Law with a Master of Laws in Taxation. In 2011, the University of Michigan awarded Ross an honorary degree, Doctor of Laws.

COMPANY BRIEF Related Companies (www.related.com), formed by Stephen Ross in 1972, today includes over 2,000 professionals. Related has developed over \$22 billion in real estate and owns real estate assets valued at over \$15 billion made up of best-in-class mixed-use, residential, retail, office, trade show, and affordable properties in premier high-barrier-to-entry markets.

What makes Related so special and differentiates the firm within the industry?

We constantly challenge ourselves to think creatively, be entrepreneurial, and make each new development more innovative than the one before it. Having expertise across all asset classes in-house gives us the ability to capitalize on opportunities across the real estate spectrum and that is truly a distinguishing factor.

Has the New York real estate market fully recovered from the recent financial crisis?

The market has not only recovered but continues to grow. We are seeing incremental increases across our residential rentals portfolio and strong demand within the luxury sector. While we aren't seeing tremendous growth in the commercial office market, companies

are now looking to make real estate decisions when they can improve efficiency, improve the quality of their space or create cost savings, which is a shift from the past few years.

What will the impact of Hudson Yards be on the future of New York?

Hudson Yards is not only the future growth corridor of the city but a destination in and of itself, and the new heart of New York. It's incredibly rare to have the opportunity to create a brand new neighborhood.

Our vision for Hudson Yards is that it will not only be the place everyone wants to live, work, shop, and dine, but also a must-see international destination for visitors.

Would you provide an overview of the many facets of Hudson Yards?

The 28-acre site, which now includes 1 and 2 Hudson Boulevard, offers more than nine million square feet of state-of-the-art commercial space, 750,000 square feet of destination retail space, 5,000 residences, a new public school, a cultural center, a luxury hotel, a health club, a direct connection to the No. 7 subway, and 14 acres of new public space with connections to the celebrated High Line and the new Hudson Park & Boulevard, a sweeping four-acre thoroughfare running north from West 33rd Street.

How critical will improved transportation access be to the success of Hudson Yards?

The extension of the No. 7 subway line expected to open next year is critically important to attracting tenants and will literally bring employees to Hudson Yards' doorstep. There will also be unsurpassed connections to commuter rail, the subway system, the West Side Highway, the Lincoln Tunnel, and the ferries that run along the Hudson River. In addition, Grand Central Terminal is only six minutes away by subway and Penn Station is a short walk.

Why is Related the right developer for the Hudson Yards project?

Hudson Yards personifies the type of development for which Related excels. Its large, complicated, and mixed-use and, most importantly, it's impactful. We have in-house expertise in all facets of project development, which allows us the opportunity to dig deep into every detail of a project and to create something really special.

Are you surprised by the growth occurring in areas like the Lower East Side, Chelsea, the Meatpacking District, and Brooklyn?

I have to credit Mayor Bloomberg and his administration for having the vision to really look at all five boroughs to consider what is possible and to implement the rezoning efforts that have been responsible for much of the growth seen today. One of the best things about New York is its diversity, and growth in all of these areas ensures that we have housing and employment opportunities for all.

With the size of the firm today, how are you able to maintain your innovative edge?

We work hard to remain nimble like a small company while ensuring that we have the infrastructure and resources in place to operate a growing international platform. We also continue to push the envelope in all aspects of our business so we can continue to innovate and ensure that we remain on the forefront of emerging new technologies.

You have such an effective working relationship with your partners, Jeff Blau and Bruce Beal Jr. What makes this relationship work so well?

We have a shared vision for the company and its culture, and a shared commitment to New York and all of the cities where we build. We continue to challenge each other every day, which makes Related an exciting environment that continues to attract top talent. Jeff and Bruce have enabled Related to continue to expand our capabilities and scope.

Is there an effective understanding of real estate's impact and how critical the industry is to the future of New York?

Real estate development is an economic engine like no other. When we start a project, we create jobs from day one – from the architects and engineers to the hardworking men and women in the construction trades. Having high quality real estate also attracts companies, which then drives up employment and the excitement that keeps this city moving.

Do you take the time to reflect and appreciate what you have accomplished or is it always about what's next?

When we completed Time Warner Center, it was tough to imagine how we would ever top it; but then came Hudson Yards. While I often reflect on all of our accomplishments and how fortunate we have been to have this kind of impact on our city, I am always looking forward and I continue to think big. ●