

REBNY's Role

An Interview with Steven Spinola,
President, Real Estate Board of New York

EDITORS' NOTE Steven Spinola assumed his current post in June of 1986. Prior to this, he held a number of senior positions with the New York City Office of Economic Development, culminating in his appointment as President of the New York City Public Development Corporation. Before entering municipal government, he served as a legislative assistant on the staff of the New York State Assembly Education Committee. He holds a B.A. from the City College of New York and attended the Kennedy School of Government summer program for senior managers in government.



Steven Spinola

ORGANIZATION BRIEF The Real Estate Board of New York (www.rebny.com; REBNY) was founded in 1896. It is the real estate industry's leading trade association in the New York metropolitan area with more than 14,000 members including the city's top building owners, developers, brokers, and managers, as well as banks, insurance companies, brokerage houses, and other individuals and institutions professionally involved in New York real estate. The organization is an advocate of policies to promote local economic growth and represents industry positions before various legislative, regulatory, and executive government bodies. It also conducts and publishes extensive industry research and provides qualifying courses and master seminars in real estate specialties.

Were you surprised at how quickly the New York market has regained its footing?

I'm not surprised. New York fared better than the rest of the country throughout the recession because of the confidence in the city, in its real estate, and in its leadership – meaning the Mayor – and as a result, we didn't fall as far. Today, there are more jobs in New York City than we have had in our history. They're also not all coming from Wall Street – it has broadened.

You can walk almost anywhere within the city and see people living in places we would never have thought anyone would live 15 years ago.

New York is clearly the place everybody wants to be.

How will Hudson Yards impact the future of New York?

Hudson Yards will do what everybody thought we could not do, which is to expand Manhattan. We have the ability to go West.

New York needs to continue to expand and Hudson Yards is going to be Related and Steve Ross' greatest accomplishment. There will be an exciting new business and residential center, and there are a lot of other developers who have decided to join Related on the West Side and have started to build. There are also numerous projects in the planning stages.

How hot is Brooklyn right now?

In the past quarter, the residential market has probably had more sales than in Manhattan. The office market still has a limit as to how much one can charge in the borough. But as a result of Forest City's investment with Barclays and their plan to proceed with the residential towers using a new construction technique that will be 50 percent prefab – which will save time and lower costs – downtown Brooklyn will not be as we have known it. It's exciting to see what is happening in Brooklyn.

The Mayor's leadership has attracted new industry, like the tech sector. How has that helped real estate?

Many of the high-tech companies want to be in an area like midtown south, at Chelsea market and Dumbo. The Mayor made the decision with his economic development team to compete with Silicon Valley and we're doing well on that front.

The Mayor demonstrated that this city is manageable and, as a result, we have seen job growth already occurring. The decision to bring Cornell University into New York City on Roosevelt Island is going to demonstrate that we are the lead in the high-tech area.

How critical will it be to foster a strong relationship with the new mayor?

It's critical that the real estate industry, through REBNY, continue to be a partner with the mayor and the City Council. My members build in this city – they can't move their operations somewhere else; they have made a major investment which, in addition to their love of the City, is why they contribute to museums, hospitals, and schools. When the city has a problem, we see it as our problem, and every mayor knows that we're here to help. As Lew Rudin always said, "If it's good for New York City, it's good for the real estate industry."

Is the foundation of New York financial or real estate?

Everybody loved the Wall Street jobs because they were booming and paying a lot of taxes, but the number of jobs wasn't significant. On the other hand, \$19 billion out of the \$70 billion of city revenue comes from real estate taxes, and nearly 70 percent of that comes from income-producing properties, which means office buildings, rental buildings, hotels, and other commercial properties. So when the city wants to pay for services, it's the real estate revenue that helps make that possible.

What is the true value that REBNY offers?

It runs the gamut from offering real expertise on what it takes to manage or renovate buildings and working with the city on identifying the impact of mandates to identifying the right environment for investment and job creation.

Also, when it comes to creating or maintaining good jobs, the real estate industry far surpasses any other industry; we probably employ more unionized workers than any other industry in the City of New York outside of City Government.

We create jobs and investments, and we provide knowledge that the government would not have the ability to generate without the support of an industry that understands itself very well.

What concerns are at the forefront for your members?

Real estate taxes are higher than what we think they should be and we're competing with what it costs to build across the river in New Jersey.

Land costs are so high that almost all new residential projects are condominiums as opposed to rentals, but in New York City, 66 percent of the people rent here, which is the complete opposite of the 33 percent in the rest of the country.

Has REBNY's role changed or evolved?

REBNY has become more aggressive in terms of not just waiting to respond. We have also been changing how we deal with the political situation. Over the past few years, REBNY members played a key role in helping the Governor get the state budget back on track through our support of the Committee to Save New York. This year, we have made a significant decision to create an independent expenditure PAC called Jobs for New York, through which we will be helping to elect city council members who want to continue the pro-growth positions that Mayor Bloomberg, as well as Rudy Giuliani, have had. So we hope we have kept pace with changes. ●