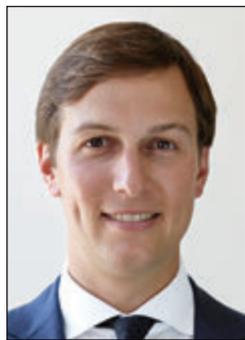


Staying Ahead of the Trends

An Interview with Jared Kushner,
Chief Executive Officer, Kushner Companies

EDITORS' NOTE As CEO of Kushner Companies, Jared Kushner oversees a real estate portfolio consisting of more than 20,000 multi-family apartments and over 11 million square feet of office, industrial, and retail space across the country, completing more than \$10 billion in real estate transactions since 2007. Kushner is also an active investor in and advisor to technology companies, and sits on the boards of start-ups including Urban Compass, Honest Buildings,



Jared Kushner

and 42 Floors. Since 2006, Kushner has served as Chairman of Observer Media, growing the company into a true multimedia business that combines the voice and influence of The New York Observer with unique properties that serve passionate, targeted audiences like BetaBeat, PolitickerNJ, Gallerist, Commercial Observer, Commercial Mortgage Observer, and Vegas Seven. Kushner graduated from Harvard University with Honors and earned M.B.A. and J.D. degrees from New York University Stern School of Business and New York University School of Law.

COMPANY BRIEF Headquartered in New York City, Kushner Companies (kushnercompanies.com) is a diversified real estate organization involved in the ownership, management, development, and redevelopment of numerous properties, which consist of thousands of multi-family apartments and millions of square feet of office, industrial, and retail space.

Are your media, technology, and real estate interests intertwined or do you view them separately?

I view myself as a businessperson, as someone who is going to follow things that interest me, be it in media, technology, or real estate. My primary focus has been real estate and that is where we've seen a lot of opportunity. Now we're starting to do more in media, and my brother does a lot in technology.

How is the real estate market faring today and is the recovery sustainable?

It's important not to compare the city to how it was five years ago.

There is a global trend towards urbanization, so people are moving to cities around the world. New York is a leader, both in terms of being a place where people want to put capital,

and where people want to live and work. Despite a lot of non-business friendly aspects of the environment here, every company wants to be here and almost needs to be here, because this is where the talent wants to be.

I'm incredibly bullish on New York today for its short-term and long-term future.

Has the development of 666 Fifth Avenue panned out as you had hoped?

Fifth Avenue has become the most trafficked retail street in the world, and from a tourist and shopper point of view, it gets the highest rents in the world now.

A lot of the things we have done as a company have been ahead of where the market was going. We were very bullish on Fifth Avenue, as well as SoHo, the East Village, and Brooklyn, where we have been buying very actively. We have been trying to get ahead of the trends and actively invest in creating these markets where we see demand that is not really being met by the existing stock of landlords and product.

Are you surprised to see how quickly certain areas of the city have grown?

Not really, because New York is a place where so many people want to live. There are empty-nesters whose kids are out of the house who are selling their homes in the suburbs and coming to live in the 24/7 environment that offers so many ways to spend your time.

You also have young kids coming out of college today who want to live in cities. As a result, you will see the urban populations continuing to grow.

Manhattan is a little island with only so many places where people can be.

Will a large percentage of the population be priced out of this market?

I'm very bullish on Jersey City, because Manhattan has moved south over the past few years: 23rd Street, maybe even Houston Street, are like the new midtown. There are 70,000 jobs going into the World Trade Center area, which is a desirable place for a lot of young companies, based on how much of the workforce is coming from Brooklyn, SoHo, and Tribeca. We will see a lot of the younger people working in New York but living in Jersey City where they can get fabulous apartments, amazing views of Manhattan, and great amenities, all just a 5-to-10-minute PATH train ride away from the World Trade Center.

How have you positioned Commercial Observer in the market?

It's a B-to-B, and I'm very bullish on trade publications in general. There are a lot of great industries that are very dynamic, like commercial real estate, where there is a big demand for industry-specific news.

What we find in *Commercial Observer* is that people read the advertising as much as they read the content, because a lot of the advertising is about available space and people conveying to the marketplace what they want. So that product continues to grow year over year, the reader absorption is tremendous, and the demand is very high.

How did you develop your interest in technology?

My brother has a big venture fund in New York, and I attribute a lot of my success in real estate over the past few years to the time that I've spent advising a lot of his companies on their real estate needs. It has given me a better insight into what these companies want from their space and their landlords, and has enabled me to understand where people want to be.

Also, with Mayor Bloomberg, we launched WiredScore, which is a program that I learned about from spending time with these technology companies. It's goal is to bring Internet transparency to the buildings in New York City. Tenants will be able to see what carriers are available in buildings before they sign leases there. They will know which landlords have invested in the right infrastructure, and how long it will take them to get up and running through the Internet.

We now have more than 475 buildings that are reporting their scores in New York City and we're going to take this program national.

Is real estate the foundation of the city?

The foundation of New York are the great people that make up New York, and who work across all industries. The financial sector is hugely important to New York because it creates a lot of high-paying jobs and supports our real estate in many ways – it occupies a lot of office space and many of those people live in homes here.

However, real estate is crucial because even with the new administration's desire to build a lot more affordable housing, you need the real estate industry to help make that happen.

Real estate is integral because it touches every business in the city, but in New York, there is no industry more important than another. We all come together to make the city the great city it is. ●