

Fisher's Focus

An Interview with Kenneth Fisher,
Partner, Fisher Brothers, and Chairman and Chief Executive Officer, Fisher House Foundation

EDITORS' NOTE Ken Fisher is responsible for managing, marketing, and leasing a portfolio of more than six million square feet of Fisher Brothers-owned Class A real estate in midtown Manhattan. He is Co-Chairman of the Intrepid Museum Foundation and a member of the Real Estate Board of New York's Board of Governors Executive Committee. Fisher also sits on the board of The Association for the Help of Retarded Children, The Jackie Robinson Foundation, and The General Command & Staff College at Ft. Leavenworth.



Kenneth Fisher

COMPANY BRIEF Fisher Brothers (fisherbrothers.com) was founded in 1915 by Martin Fisher, who was joined by brothers Larry and Zachary Fisher. Over the next several decades, Fisher Brothers built residential properties in Brooklyn, Queens, Long Island, Riverdale, Mount Vernon, and later Manhattan. Fisher Brothers began putting up commercial buildings in the mid-'50s. Midtown tower construction and ownership rose to exceed eight million square feet of Class A office space. Fisher Brothers rewrote its business plan in the mid-'70s, adopting a new strategy that called for selling off its residential properties while continuing to develop and manage commercial real estate investments, and diversifying its investment portfolio into non-real estate sectors. With the decision to capitalize on the firm's capabilities as a builder and manager, the partnership formed Plaza Construction in 1986 and Sandhurst Associates in 1992 to provide onsite management for other building owners.

Fisher Brothers has emerged as a highly diversified financial investment force. Assets currently under management exceed \$6 billion, with a substantial portion strategically invested in a broad spectrum of financial markets and ventures, including opportunistic overnight investments in treasuries and repos, as well as building refinancing and construction loans. Today, the firm is led by partners Arnold, Kenneth, Steven, and Winston Fisher, and each assumes primary responsibility for a different aspect of the business.

Has full economic recovery taken place in New York City and is it sustainable?

New York City is still very attractive as an investment.

From the tenant side, we see movement between buildings but not a lot of tenants coming into the city. We need to aggressively promote the city as a good place to do business, not just a place to invest in the real estate.

Is the size and scale of what you do well-known?

Our focus has always been on serving tenants, but now the brand becomes important because we have partners, and we're looking to expand our portfolio by developing again.

The same principles established at our founding are still in place, but this business needed to be brought into the 21st century, so we're refreshing the Fisher brand.

Sixty-five percent of the inventory in this town is now 50 years or older, so we have to compete with new projects being built and with the other real estate entities that have put a lot of money into their portfolios.

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

Under the last administration, there was a good deal of affordable housing developed and programs like 80/20 generated tax incentives to provide affordable housing within a building, which is still in place.

While the current administration has made affordable housing one of its platforms, the inclusionary housing aspect calls for it to be within the same district as the building that you're developing, and we're building in trendy areas. So it's not that easy or affordable to develop the inclusionary housing when we pay top market dollar for it, and then have to put the money into it to make it affordable housing.

The city still has the outer boroughs where, for the same amount of money that you have used for the inclusionary housing in a trendy district, you could probably build three times as much. The cost of living in Manhattan is different than the cost of living in the outer boroughs.

It's less about building enclaves than about keeping affordable housing in the consciousness and keeping the middle class in New York City, which is critical to the economy and to New York as a whole.

How critical has philanthropy been for you and how did the military focus come about?

Philanthropy is important to us. People forget the military is a subculture and that the way that service people get injured isn't just in battle. Their service doesn't mean they don't deal with the same things that affect the civilian sector, like illness and substance abuse.

The need for what we do has never been greater, but our number-one mantra is, "Bring to light the plight of the military family." With Fallen Heroes, we have tried to provide education about that plight and develop facilities for those mentally injured by war. The Intrepid is where we started; it's designed to educate people. We offer a great STEM program, but people also learn about the roots of freedom on an asset that paid for its role with a lot of blood.

How challenging is it to keep up with the need?

One can only do so much. Our hope is that the government will hold up its end of the bargain. One in four service people have mental issues that are associated with longer deployment, and the percentage of suicides by veterans has outpaced the civilian sector. Vietnam veterans affected by Agent Orange are coming back into the system with mental issues they have carried around for years. We will do what we have to in order to keep our foundations vibrant and meaningful. Fisher House is building six houses this year that allow the families of injured warriors to be close to them.

We're going to team up with Prince Harry for the Invictus Games, which are international wounded-warrior games. We deal with these veterans and their families when they are at their worst. We played a role in their recovery and now they will get together on an international stage. Since we already have a presence in Britain, it's a natural progression for us. We still have our mission, but now we will branch out, since this is our 25th anniversary year.

The Fallen Heroes fund is doing what it can – building satellite centers for traumatic brain injury and post-traumatic stress. The most compelling thing about what we do is that we have been able to elevate the public/private partnership into a viable solution to a great number of unmet needs that are only growing as budget cuts grow. ●