

Weaved Through the Fabric of History

An Interview with
Tal Kerret, President, Silverstein Properties, Inc.

EDITORS' NOTE Tal Kerret joined Silverstein Properties in 2011 as Executive Vice President. He launched Silver Suites Offices at 7 World Trade Center, and oversees Silver Suites Residences at Silver Towers. In January 2013, Kerret was promoted to Chief Investment Officer and in December 2014, he was promoted to President. Most recently, Kerret launched SilverTech Ventures, a collaboration with Silverstein Properties that fosters a community of successful technology entrepreneurs in New York City. Prior to joining SPI, he was Chairman and Co-Founder of Oberon Media, Inc. Before co-founding Oberon Media, Kerret was CEO and Co-Founder of RichFX for seven years. He also served as an officer in the Israeli Defense Forces for six years. Kerret holds degrees in Mathematics and Computer Science from the Tel Aviv University.



Tal Kerret

COMPANY BRIEF Silverstein Properties, Inc. (silversteinproperties.com), is a full service real estate development and investment firm that has developed, owned, and managed 35 million square feet of office, residential, hotel, and retail space including the World Trade Center. The firm, based in Manhattan, has \$10-billion worth of development activity in the pipeline.

What interested you in joining this company and made you feel it would be the right fit?

I had conversations with Larry Silverstein about joining the company for several years before I actually came here.

I was running my own tech company at the time, but I always had an interest in joining an organization like Silverstein Properties because of the magnitude and complexity of what they're dealing with.

I also saw a lot of the challenges of companies in the tech and the media categories trying to deal with space for their offices and for residential purposes, and moving people around. Seeing the complexities of that, I felt it could be a good thing if I were to join a company doing great things in the world. The company is effectively weaving itself through the fabric of history by building projects such as the World Trade Center or the Four Seasons in Manhattan and at Walt Disney World in Orlando. It remains very connected to building unique and complicated projects, as a very nimble, privately held company with decades of experience.

I also believe we have the best team around. The feeling of teamwork is very collegial. Our projects are long-term and very complex, and will take more than a decade to complete, so it's important to create a sense of community.

Is the Silverstein culture what you expected and how important is it to maintain the family feel even when the business is growing?

It's unique and difficult to maintain. When a company is doing well, it tends to grow. When it grows, a company may lose some of its ability to be family-oriented, to care about people and each other, and they become process-driven machines. We want to be a family-managed organization and we treat everyone as an extension of our family.

Larry (Silverstein) is a mentor to people. He loves and cares for them. When anyone joins us, they quickly find they're part of a family.

Are you still surprised to see what downtown Manhattan has become?

Things we had hoped for and envisioned are materializing. Usually big cities above a certain scale have at least two centers of gravity. There is concentration of businesses in one area and that area then becomes fairly expensive. People then try to establish a new center of gravity, creating two competing areas.

When there is a lot of money being invested to build at one center of gravity, there will be certain types of companies that gravitate there. Often it is innovative, fast-moving, new, and growing firms that will move to the new areas, helping to add mass to that center of gravity.

The magnitude of investment downtown, which is north of \$20 billion, attracts many of these innovative, fast-moving companies, and it's also why it's becoming the hub for media companies.

Tech companies realize that many of the people they hire are living in places like Brooklyn and New Jersey, and downtown is a quicker commute for them.

What was the concept behind the Four Seasons project downtown and where does it stand today?

The idea is to build a timeless, beautiful project that has both the best hotel around from the best hotel brand and the highest standards of development. It will cost \$1 billion.

Residences will be top of the line, yet we wanted to make sure that the market could afford it even with the level of detail being put into it. We

managed to accomplish that and, when it started to go vertical, there was such excitement generated that the apartments sold very quickly.

We have already reached the point where everybody is profitable and we have very few apartments left to sell. The hotel itself is also on track to open on time.

How do you make sure your older buildings are still offering the product needed for next generation companies and can those buildings compete with new product?

We keep on investing in our assets and making them LEED certified. We have 7 World Trade, which was the first LEED certified building, but we are doing it with our buildings like 1177 and 529 Fifth Avenue – we're constantly taking them to the next level.

Of course, we cannot change the materials that were used in the foundations of existing buildings, but in all of our new construction, we are using new materials in the core of these buildings.

These buildings compete well wherever they are in their categories. New York doesn't have a lot of new office building inventory, which means we have to make do with what we have.

How does your Silver Suites concept work?

We have it at 7 World Trade, we're opening it at 4 World Trade, and we'll probably open in every new building we are putting up and that we own.

The idea is that companies can effectively sign up and, within a day, be in a beautiful office with great design, and they get all their office needs met.

The staff is trained by five-star and five-diamond hospitality trainers. Just like we know how to build five-star hotels, we send staff to be trained in courses at Cornell University and by Ritz-Carlton, so they're able to provide a higher level of service. Whatever a CEO of a company needs, it's taken care of.

Is the New York market still offering opportunities or are you expanding more internationally as you look to the future?

There are many opportunities internationally. New York is stable and the demand keeps growing. We focus on New York because consistent growth still exists, and unemployment is low. The tech sector is growing dramatically.

We remain the leaders in the world not just based on our status as a financial center and a trusted place, but also based on creativity and innovation, which are found in high levels in New York. ●