

Committed to New York City

**An Interview with William C. Rudin, Co-Vice Chairman and Chief Executive Officer;
Eric Rudin, Co-Vice Chairman and President; Samantha Rudin, Vice President;
and Michael Rudin, Vice President; Rudin Management Company, Inc.**

EDITORS' NOTE William Rudin is Co-Vice Chairman and CEO of Rudin Management Company, Inc., for which Jack Rudin serves as Chairman. William Rudin is the Chairman of the Real Estate Roundtable, the Association for a Better New York and the Battery Conservancy. Rudin serves on the Executive Committee of the Real Estate Board of New York and on the boards of New York University, the Metropolitan Museum of Art, the Partnership for New York City, the Economic Club of New York, the Alliance for Downtown New York, and the Citizen's Budget Commission.



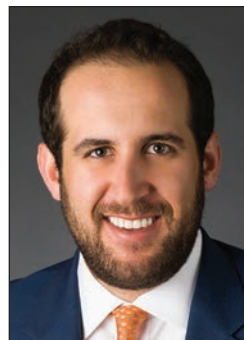
William C. Rudin



Eric Rudin



Samantha Rudin



Michael Rudin

Eric Rudin is Co-Vice Chairman and President of Rudin Management Company. He oversees the company's Operations and Construction departments, and is involved in all other aspects of the business. Following college, Rudin worked as an insurance broker at Lloyds of London, followed by a year and a half as an assistant to the Commissioner of the New York State Division of Housing and Community Renewal. He currently serves on not-for-profit boards of the Central Park Conservancy, The Drawing Center, Love Heals: The Alison Gertz Foundation for AIDS Education and the Times Square Alliance. He holds a Bachelor's degree in English Literature from Washington University in St. Louis.

Samantha Rudin is Vice President and sits on the executive committee of Rudin Management Company. She focuses on design upgrades of the Rudin portfolio. She is actively engaged in the Saint Vincent Hospital's redevelopment project, The Greenwich Lane in the West Village. She sits on the board of Incarnation Children's Center. She is a graduate of New York University's Tisch School of the Arts.

Michael Rudin is Vice President and sits on the executive committee of Rudin Management Company. He is involved in commercial leasing, financing, and marketing. He helps lead the family's real estate venture capital business, Rudin Ventures. He is project manager for the Dock72 development and also manages Rudin West Development, based in Aspen, Colorado. He sits on the board of The First Tee of Metropolitan New York and the Downtown Brooklyn Partnership. He graduated from the University of Colorado at Boulder in May of 2008 with a Bachelor's degree in Environmental Design and Planning with an emphasis in Real Estate and also holds a Master's of Science in Sustainable Real Estate Development from New York University's Schack Institute of Real Estate.

COMPANY BRIEF New York-based Rudin Management Company, Inc. (rudin.com) was founded in 1925 and operates one of the largest and most respected private real estate portfolios in New York, comprising 17 office towers (more than 10-million square feet) and 20 luxury apartment buildings (more than 2,000 apartments). Rudin family projects include a residential development in partnership with Eyal Ofer's Global Holdings located in the West Village called The Greenwich Lane, and the state-of-the-art high-tech office building at the Brooklyn Navy Yard in partnership with Boston Properties called Dock 72. The company's commercial portfolio includes the Thomson Reuters' North American headquarters at 3 Times Square, 32 Avenue of the Americas, One Battery Park Plaza, and 345 Park Avenue, which is the family's flagship two million-square-foot office tower, as well as 211 E. 70th Street and 215 E. 68th Street.

Many talk about the strength of the New York City real estate market today, but how strong is the market and is it sustainable?

William: New York real estate has proven itself within the past two decades to be very resilient to many different factors – local, national, and international. We continue to see that today in our business both on the commercial and residential side. In particular, we're finishing up a project we've been working on for over 10 years – The Greenwich Lane, with our partner Global Holdings. We created 199 high-end condominium units including five amazing townhouses, with amenities like a pool and a gym, a playroom, and a screening room.

We started selling this unique project in the West Village two years ago, we are over 90 percent sold, and we have closed over 120 apartments so far. These are high-end, beautifully designed apartments and it shows that if we have the right product at the right price in the right

location, it will do very well. An interesting statistic is that 70 percent of the buyers are New Yorkers; 20 percent are from the rest of the U.S. and 10 percent are international buyers.

On the commercial side, we're developing in the Brooklyn Navy Yard, which is a collaborative effort between ourselves and Boston Properties as joint venture partners, and we have WeWork as

our major tenant. This is a 650,000-square-foot, high-tech office building – one of the first office buildings to be built in Brooklyn in decades – and will cater to technology, the media, and entrepreneurs, and will include a tremendous number of amenities. The philosophy was to offer these to attract tenants who desire these offerings and whose employers want to concentrate their resources on their spaces. We will have a food hall run by a major restaurant company, a wellness center, coffee bars, outdoor space, a conference center upstairs with outdoor space, as well as a basketball court, bike valet, and many open areas.

This type of development and others going on in the city – along with the growth of the technology, media, and healthcare sectors – is driving our economy, and our future. It's all about the sharing economy and collaborative economy and it is what New York has been about for decades.

The desirability of locating a company in New York has always been tied to access to transportation infrastructure, talent, expertise in industries such as financial services, legal, media and marketing, and all the resources companies need to grow and thrive in the modern economy. What we're starting to see is industries, organizations, and entrepreneurs are embracing the ideas behind co-working spaces, as it allows them to create common platforms and share services in order to exchange ideas and to minimize individualized costs.

We also collaborated at 110 Wall Street to create the first WeWork/WeLive mixed-use development in a building we had developed in the early '60s that had been damaged by Hurricane Sandy.

We're trying to be creative and adapt to a changing business environment. To succeed in this economic environment where we try to minimize risk, partnering and collaborating are very important themes. This is very exciting for my family.

Rudin is known for its family culture. How important is cultural fit for a partnership?

William: We have a very strong collaborative culture within our business that was started by my grandfather, Sam, who first passed it onto his two sons, Jack and Lewis, who then passed it on to my generation. The leadership of the Rudin organization consists of my cousin Eric as the president of the company, myself as CEO, and my sister, Beth, who runs our foundations. We are now including the fourth generation of Rudins with my children, Samantha and Michael.

Philanthropically, all of us are involved. When our children turn 18, they join the board of our family foundation. My sister has her two children involved, Kyle and Carlton, my cousin Madeline has her son Grant involved, and Eric's two kids, Sam and Nick, are still under 18 but they will be there soon. We try to ingrain in the next generation the understanding of civic and philanthropic engagement as a core value for our business.

My children, Michael and Samantha, have been involved in many projects where they have collaborated with our team, outside architects, banks, and other people we interact with. They are very much involved in every aspect of our business and interactions in terms of these developments.

We all understand our core values and the collaborative ethos that Sam, Jack, and Lew established. Samantha and Michael and their cousins understand that and take their responsibility very seriously. When we were deciding on a partner for The Greenwich Lane, Eyal Ofer and his family have a similar culture as ours – very much a family affair. Our team made a very strong connection with them very quickly and we collaborated on a successful partnership.

When we started working on Dock 72, we felt Boston Properties' philosophy of owning real estate and looking at it as a long-term investment matched ours very succinctly. How they run their buildings and properties, how they built them, and how they looked at the things that one thinks about when they're creating something new also matched our practices well. We quickly realized that this was a good partnership and a good fit for us.

We have to make sure we collaborate with people with our same goals and philosophy.

As a family in New York real estate, how challenging is it to make that work?

William: It goes back to Sam and his philosophy of owning New York real estate and thinking long-term. He was committed to the city and its environs, to giving back to the city, and to being respectful to employees and to customers.

These are simple tenets that we've followed with each generation, and we've always seen it work.

It comes back to respecting each other and understanding that being together is a very powerful tool. The power of being intertwined, and understanding and respecting each other is very important. It's something we strive for every day.

We don't always agree on things, but we respect each other's viewpoints and try to work through the issues to come to a level of understanding, and we get there most of the time.

With new areas becoming prominent, is Midtown as relevant as in the past and, when you already have buildings there, how challenging is it to compete with new development?

William: That's the power of this city; there are no boundaries anymore. There are so many different, exciting new neighborhoods that have come together over the past 15 or 20 years.

Downtown is one of the great examples of the revitalization of a major business district. Twenty years ago, there were 30 million square feet of vacant space and nobody was moving down there; today, it's getting close to 100,000 people living Downtown. The diversification of its economic base has ventured away from financial services, although that's obviously still an important part, but now it's all about media, technology, and healthcare. We're seeing that happen in Brooklyn at the Navy Yard, in Williamsburg, and in DUMBO, as well as in Long Island City, the Bronx, the Meatpacking District, and Midtown South.

Midtown is where 345 Park Avenue is and 560 Lexington, which still offers tremendous infrastructure and existing transportation that will be enhanced with East Side Access over the next few years. Passengers coming from Long Island won't have to go to Penn Station, which means thousands of people will reduce their commute time by 15 to 20 minutes. That's a very powerful addition to Midtown East and the Park Avenue corridor.

Plus, there is significant investment going in the area: the TD Bank building at One Vanderbilt as well as 390 Madison and 425 Park.

In order for our buildings to stay relevant, we need to reinvest and we have done that. We just finished an incredible renovation of 560 Lexington Avenue with Skidmore, Owings & Merrill. We spent a significant amount of money to reimagine its ground floor plaza – the covered pedestrian space. We redid the subway entrance and we had a big block of space, much of which has been leased already.

We can't forget the millions of square feet of space there that house major corporations like Blackstone at 345 Park Avenue, or the NFL, or KPMG. They all have long-term leases and will be there for a long time, and enjoy being there. The transportation is amazing, the restaurants are great, and there is good access to the theater district, shopping, and culture.

I don't think Midtown is going away; it's only going to get better. An increasing number of people want to live and work in New York City so we're very confident about the future, and we need to continue to invest.

The city is working on a change in the zoning of Midtown East, which will continue to enhance the amount of investment and incentivize developers to take down obsolete buildings and put up newer buildings. These things are critical for continued growth in Midtown.

You refer to The Greenwich Lane as being 10 years in the works. When you're going through something like that, do you enjoy the process and the challenges that come up?

William: We recently came up on a billion dollars' worth of closings. We do celebrate milestones like that. We get satisfaction in talking to our customers and hearing their reaction to being involved with the project, and walking through and seeing the smiles on their faces because the most important thing is making sure that we fulfilled what we had told them we were going to do.

At day's end, the process helped make The Greenwich Lane a very unique project. It's in a landmark district so we preserved several of the buildings on the site, which enhanced its value. It made the project more complicated and more expensive, but at day's end, it made it better.

Could we shrink the time it takes to complete the process and come up with the same result? I think so, and we're encouraging landmarks and

city planning to look at ways to do this. However, this is a complex city and it has a lot of different moving parts to it, which enhance value and makes each project unique. We love being in New York City and feel we've helped make it a better place.

How has the design process for Rudin Management evolved, and how do you think it impacted the success of The Greenwich Lane?

Samantha: There is always the opportunity to try and improve upon things and make them better. Fortunately, the foundation we have been given in the buildings built by our fathers, grandfathers, and great-grandfathers is very strong and thus I always try to honor what is there and also try to make it better when it can be improved. The goal is to honor the past but also help bring our buildings into the present and create a global appeal. We try not to design too specifically to one taste or another; rather we strive to make our buildings and design upgrades feel timeless and classic with a slightly modern edge. With new design projects such as The Greenwich Lane, I see our design evolving around choosing designers with great vision and talent. Thomas O'Brien, who designed the interiors of The Greenwich Lane, brings a sense of old-world New York charm mixed with a modern way of living. The marriage of the two creates a wonderful way to live.

Technology is playing an increasing role in real estate across many areas. How has that affected Rudin Management's portfolio and approach to the business?

Michael: The relation of real estate and technology is at an incredible intersection right now with a myriad of companies out there providing a range of services, from those that allow us as property owners to run our buildings and our business more efficiently, to ones that help us lease our buildings more effectively, to those that help make our buildings more attractive to potential tenants by offering services we previously did not or could not offer. We are constantly looking at and evaluating companies that offer some type of product, whether software or hardware, that makes our business better. Over the past two years, we have implemented a few platforms including one that helps us with the marketing, leasing, and management of our office space called Hightower, one that helps us bid and manage construction projects called Honest Buildings, and one that allows residential tenants in our older buildings with steam radiators to have more control over a system that for decades has been largely uncontrollable from a tenant comfort standpoint called RadiatorLabs.

In addition to these companies, we also created our own technology company called Prescriptive Data, which developed Nantum, the first operating system for the built environment. Nantum is a game-changing technology that allows our building engineers and operators to not only see in real time how a building is performing across a variety of systems, but also makes proactive decisions as to how the building is operating. Nantum has saved us millions of dollars in operating expenses across our portfolio and really allows our buildings to continue to be some of the most efficiently run properties in the city. Every day we see or hear about new technology companies trying to make a meaningful impact on our business, and we enjoy meeting with these young companies to see if they can help us and in turn we can help them by growing their business. ●