

A Purposeful Life

An Interview with Steven C. Witkoff,
Chairman & Chief Executive Officer, Witkoff Group

EDITORS' NOTE Steven Witkoff is a New York real estate investor, landlord, and the founder of Witkoff Group. Prior to forming the group in 1997, Witkoff co-founded Steller Management Company. He earned a J.D. from Hofstra University, after which he practiced law at Dreyer & Traub and Rosenman & Colin, where he represented a number of large developers and investors.



Steven C. Witkoff

COMPANY BRIEF Witkoff Group (witkoff.com) is a vertically integrated real estate development and operating company with in-house teams focused on acquisitions, development, design, construction, financing, sales and marketing, and asset and property management. As of 2019, Witkoff Group owns a portfolio of almost 50 properties across the United States and internationally.

Where do you see the New York real estate market today?

Since I have said it before, I will not retreat from my view that I do not see many opportunities in New York today. This has less to do with pricing than it has to do with the political atmosphere. My view about New York is that there has always been a compact between government and the business community to come up with the things that have made New York great, whether in good times or distressed times. That just doesn't seem to exist anymore, and it's concerning.

What will it take to change the current environment?

I think it will come back to leadership or, worse yet, crisis. New York is a fabulous place, but fabulous places need to be sustained and nurtured. There is so much political noise in New York that is anti-development.

It is amazing to look years back and see what the development community did for the city of New York, leaders like Lou Rudin who stepped up and put his family's money on the line in the early 1990s to build a property in downtown Manhattan when Mayor Giuliani was advocating for the downtown revitalization plan, and people thought that New York was going to recede into the river. He stepped up and it was an incredible civic action.

I came from a very modest background and have taken a lot of risk. New York has been my home. I love New York and I have been supportive of this city in every way that I know how. I don't require any recognition and I have never sought that, but the current environment has created disincentives for many to do business in New York and that is a dangerous trend.

Do you see real estate opportunities in other parts of the country?

This is potentially a Goldilocks period in the real estate business. You have very cheap interest rates and the U.S. economy has been strong. There may be a question as to whether we will have 1.5 percent growth or 3 percent growth, but it's certainly better than any other place out there. We are currently doing a very large project in Nevada, and we're going to do more out there.

New York City was built on diversity and providing opportunities for all. Do you worry that high pricing is going to take away that diversity and how critical is it to offer affordable housing?

I completely agree with you that low-income, affordable housing is critical to New York City's existence. New York City, and in fact, no city works if it's just a city for the rich.

I think that affordable housing is a laudable thing. We need more of it. What's the math on affordable housing? You'd better give more density, because if you want the development community to build affordable housing, it means you have to give more density in order to create the proper profit incentive for developers to include an affordable component in their projects. Almost every jurisdiction, including California, now accepts this premise.

You have developed strong partnerships in creating many of your developments. What do you look for in a partner and how critical is the partner model for Witkoff Group?

I have two long-standing partners. One is Howard Lorber who is a terrific partner and great friend. You can tell a lot about a person based on how they handle losing as much as winning, and while Howard usually wins, he is full of class and decency no matter what the outcome.



111 Murray in Tribeca

The other is Winston Fisher who has a long history and pedigree of high ethics, a code of conduct, and a morality about how he and the family approach the business. They want to do the right thing, and the motivation is not solely about making the most money. It is about building the best product and giving back.

What has been the key to your success?

I think it's a ton of luck. I think there are so many examples of people who had really good ideas, but the timing was off. They didn't have the right relationships. There is so much luck involved in success. I say it all the time - success belongs to those who believe in it the most, but just because you believe in it doesn't mean you will get there - it still takes a good degree of luck.

It also takes a certain degree of paranoia. I have this recurring dream that I've lost everything. I don't think I have that bad dream because I'm in a situation where I could lose everything. I'm very financially conservative in my personal life in terms of mortgages and financing and so forth. I think that I have that dream because during a 30-year career, there are ups and downs and constant challenges to address.

Larry Gluck, a person I admire and respect and consider one of the most courageous human beings I know, was my partner at Stellar Management when I first started in this business. It was a grind. We had no clue that we would ever have the sort of success that we have had, but we just kept on plugging along because we loved it. We loved the business. When we first started, Larry and I would go up to the Bronx and Washington Heights, and we got along with all of our tenants. Those were my best days from a professional standpoint - we knew all our tenants, we would spend time at our buildings, and we would work alongside the maintenance crews if we were doing work at the properties.

After, we would go over to Arthur Avenue and have a bowl of pasta and chicken scarpariello at Dominick's, and we would pinch ourselves and ask, "How good is this life?" We have our own business in this amazing country called America. It was never about the money for us. Of course, we wanted to make money, but we never thought we were going to become rich.

We were just happy because we had our liberty, and we were doing good things, and it felt purposeful. It was like a dream for us. To me, that is the key to success: A, you have to have some luck; and B, you better really love what you're doing, because if you really love what you're doing, you can make some of your own luck.

How important is it for you to never forget where you came from and to appreciate your success?

I think that humility is the most important quality someone can have. Some people are taught humility from their family and some people develop it later in life because of their circumstances and experiences. I truly feel that I can never forget where I came from. I always feel that I have to say continuously to myself, even when the chips are down, that I can't get too self-contained and self-absorbed.



150 Charles Street in the West Village

I remember when my son, Andrew, died. For the first year, I was in a daze. I never thought that I could ever use the word blessing again, because I felt that I had let my boy down. Somewhere there had been a lapse. Today, I think to myself, his death has to count for something. I have to do things in his memory. I have to remember that there are families out there who have lost children just like I have.

In fact, I have a woman working for me who, in my opinion, I met through my son, Andrew. I think my son put his hand on my shoulder and introduced me to this woman who buried three of her brothers and sisters. That

humility allows me to look at my life relative to others and to say, wow, I am a blessed person. But for this one overwhelming tragedy of having lost Andrew. I am a blessed person. I've had more blessings than I could have ever fathomed I would have.

I have great family, great brothers and sisters, great relationships, and a great woman in my life. My mother is alive. I have an exceptional relationship with my mom. I had an exceptional relationship with my dad. I have really, really good friends. My God - that's a lot. I have to have that humility, because without it I get lost. ●