

Industry Experience

An Interview with Steven M. Durels, Executive Vice President and Director of Leasing and Real Property, SL Green Realty Corp.

EDITORS' NOTE Steven Durels is responsible for marketing, structuring, and negotiating all lease transactions of SL Green Realty Corp. and has completed many of the largest and most complex leases in SL Green's history. He manages a leasing and marketing team of 25 professionals and completes more than 200 leasing transactions per year. Prior to joining SL Green, Durels served as Vice President and Director of Leasing and Management of Helmsley-Spear Inc. for 16 years. While there, he was responsible for all leasing, management, and operations of a 2.5-million-square-foot Manhattan office portfolio. He is a member of the Real Estate Board of New York. Durels received a degree in economics and political science from the University of Iowa.



Steven M. Durels

Will you provide an overview of your role and areas of focus?

As Executive Vice President and Director of Leasing and Real Property, I am responsible for marketing, structuring, and negotiating all lease transactions. I am proud to say I have contributed to the successful execution of many of SL Green's largest and most complex leases. I manage a hard-working team of 25 marketing and leasing professionals and complete, on average, more than 200 leases per year.

Will you discuss SL Green's recent development, One Vanderbilt, and how this project has impacted Midtown Manhattan?

Standing 1,401 feet tall, One Vanderbilt is a 1.7 million-square-foot skyscraper that offers an unparalleled combination of amenities, innovative office design, state-of-the-art technology,

best-in-class sustainability, and healthy workplace environment together with direct connection to Grand Central Terminal. One Vanderbilt is a market defining property for Midtown Manhattan for two major reasons – it has ushered in a new standard of office development, and it provides an integral social component with SUMMIT One Vanderbilt. The best-in-class work environment at One Vanderbilt has become the new precedent for future development and an ideal model for developing office space post-pandemic. It has been wonderful to see the project, from both the office space and SUMMIT, be received so well and have such a large impact on Midtown.

In September, FIS Global signed a 25,488-square-foot, 15-year lease covering the entire 62nd floor, bringing the tower to 99 percent leased. This milestone is a significant achievement which reaffirms the new standard One Vanderbilt has set as the industry leader for world-class office space.

COMPANY BRIEF SL Green Realty Corp. (slgreen.com), Manhattan's largest office landlord, is a fully integrated real estate investment trust, or REIT, that is focused primarily on acquiring, managing and maximizing value of Manhattan commercial properties. As of June 30, 2022, SL Green held interests in 64 buildings totaling 34.4 million square feet. This included ownership interests in 26.3 million square feet of Manhattan buildings and 7.2 million square feet securing debt and preferred equity investments.

How do you define the SL Green difference?

The pandemic brought on a slew of challenges that we haven't experienced before, but SL Green leaned into our decades of industry experience to re-strategize, adapt to changing tenant needs, and continue to be a leader in commercial real estate. Having the confidence to continue being a leader amidst trying circumstances is the SL Green difference.



One Madison Avenue

Will you highlight SL Green's current development project, One Madison Avenue?

As mentioned, One Vanderbilt is experiencing great success. Our newest development project, One Madison Avenue, is witnessing similar success with tremendous lease activity, despite still being under construction.

Located adjacent to Madison Square Park, the 27-story, 1.4 million-square-foot Midtown South office tower will provide the highest standard for today's workplace with state-of-the-art infrastructure, forward-thinking amenities, and a cutting-edge healthy work environment. One of the highlights includes an expansion of an already best-in-class outdoor foot roof deck featuring sweeping views that's connected directly to a 7,000-square-foot tenant-only amenity space, "The Commons." Other enhancements include a planned 13,000-square-foot, full-service restaurant, 10,000-square-foot artisanal food market, and new four-level Chelsea Piers Fitness club.



One Vanderbilt

One Madison will feature best-in-class amenities and wellness with the inclusion of DOAS HVAC, which circulates 100 percent fresh outside air and expected LEED-Gold and WELL certifications; new, oversized nine foot by nine foot floor-to-ceiling windows in the podium and a continuous curtain wall in the tower will flood all floors with natural daylight; and mega-sized roof terraces will provide a one-of-a-kind opportunity to create indoor/outdoor, work/entertainment sky-gardens.

This September, investment management firm Franklin Templeton signed a 15-year, 347,474-square-foot lease, which comes on the heels of a 328,000-square-foot lease with International Business Machines Corporation (IBM). Together, these are the second and third largest new leases signed in Manhattan in 2022 – a sign of the desirability of Midtown South as a neighborhood, as well as a strong indicator

of the larger return to office, as leading tech and creative firms continue to look for premier offices in the heart of the city.

The incredible momentum we're seeing at One Madison reflects the long-term strength of prime Manhattan office space and leading companies' unwavering belief in a collaborative work experience that's only possible in the office. One Madison Avenue will set a new standard as an industry leader for world-class office space, and is on schedule to be completed by November 2023.

What are your views on the future of work and the importance of bringing employees back to the office?

It goes without saying that I believe bringing employees back to the office is of the utmost importance. We strive to lead by example and are proud that our employees have been back in the office since June 2020. We've witnessed the "flight to quality" in New York City's office

market as a result of the pandemic, as companies continue to seek top-tier office space to entice new talent and draw employees back to the office. As our team has been on the ground and safely in the office for the past two years, we are now at a unique advantage to best understand the needs of companies looking to return to in-person work, that now have higher, reimagined standards for office space than ever before.

We have worked diligently to integrate the newest technology and health standards into our office buildings and are confident that our commitment to the highest-quality office space has led us to continued success, as the return to work comes to fruition.

What is your outlook for the New York commercial real estate market?

I am confident that the commercial real estate market will continue to recover. Not only are people returning to work at high rates, we are also seeing a resurgence in tourism – truly an underpinning of the New York City economy – and residential rates across the city continue to climb.

How critical is it for SL Green to build a diverse and inclusive workforce to mirror the diversity of its clients and the communities it serves?

As a leader in our industry, it is imperative that we set standards that align with our morals, values, and the community we serve. It is of the utmost importance for us to build a diverse and inclusive workforce so that all – our employees, our tenants, their employees and so on – are working together to create an inclusive environment.

What do you see as SL Green's responsibility to corporate citizenship and to being a force for good in society?

As the largest office landlord in the city known for being an international hub for professional connectivity, we feel a deep obligation to positively impact our community. Last year, we contributed over \$6 million across 70 organizations to reach the most in need and are constantly seeking out new partnerships to increase our charitable footprint. Through our Food 1st Foundation, we address food insecurity in our local community by providing meals to New Yorkers in need and frontline workers. We are proud to say since we launched this program in April 2020, we have delivered over 750,000 meals and helped to reopen dozens of restaurants throughout the city.

What has made the real estate industry so special for you?

Playing a direct role in a city evolving and taking new form is so special to me and is the sentiment that has guided my 40-year career. Even considering the unforeseen circumstances the pandemic brought on, real estate continues to prove itself as a vital piece of the city's future economic success.

What advice do you offer young people interested in building a career in real estate?

It is essential to be passionate about the market in which you would like to build your career. I am deeply invested in the integrity of the New York City real estate market and this passion has been at the forefront of all decisions I have made in my career. ●