

Making A Mark On The City's Skyline

An Interview with Robert Schiffer, Executive Vice President, Development, SL Green Realty Corp.

EDITORS' NOTE Robert Schiffer is Executive Vice President, Development, and has been with SL Green since 2004. He is responsible for the development of One Vanderbilt and One Madison, SL Green's signature transformational office developments. He is also responsible for executive management of the SUMMIT as well as new development opportunities for the company. Additionally, he is responsible for the origination of new investments for SL Green's structured finance platform as well as other corporate initiatives. Schiffer has either led or has been a senior team member in the execution of more than \$15 billion in equity and debt investments during his tenure. Schiffer is an active participant in the Columbia University MSRED Mentorship Program, teaches a MSRED seminar entitled "Careers in Real Estate," and is the 2004 Alumni Class Representative. He is an advisory board member to Spuni and serves on the board of Legal Information for Families Today. Schiffer holds a MS degree in real estate development from Columbia University and a BS degree in civil engineering from Cornell University.



Robert Schiffer

goals and objectives. Our management team boasts an average tenure of 20 years under the leadership of our CEO, Marc Holliday. The shared accountability of each individual in support of each other is one of the cornerstones of our success.

As a company comprised of New Yorkers, we value the city of New York. Whether making a mark on the city's skyline through the formation of a first-of-its-kind public-private partnership to develop One Vanderbilt or educating stakeholders and elected

officials on the need for an incentive program to spur office-to-residential conversions that create affordable housing, we are dedicated to the consistent improvement and revitalization of our city.

What have been the keys to SL Green's industry leadership?

Continuity of a team that practices passionate indifference to investing while maintaining a deep fundamental understanding of the market cycle has underscored our leadership in the industry. While each of us is a specialist in our respective

functions, we work together as generalists, offering our insights to guide our decision-making. It's an inclusive management style that further fosters shared accountability.

What are your views on the current state of the New York commercial real estate market?

Marc's strategic guidance through the last cycle to harvest gains from non-core assets through dispositions and to build a world-class portfolio along the Park Avenue corridor has led to outperformance, visible both in our core metrics and in our share price. Based solely on the performance of our portfolio, we continue to believe the New York City commercial real estate market is extremely healthy.

Tourism is expected to reach over 68 million people in 2025, surpassing the pre-pandemic record. Residential occupancy rates are close to 98 percent in Manhattan. Retail is booming once again. Office-to-residential conversions could remove 40 to 50 million square feet of obsolete office space. With expectations of a lower interest rate environment in 2025 and beyond as evidenced by the forward curve, we're not only bullish on our portfolio, but also on the entire

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 the value of Manhattan commercial properties. As of December 31, 2023, SL Green held interests in 58 buildings totaling 32.5 million square feet. This included ownership interests in 28.8 million square feet of Manhattan buildings and 2.8 million square feet securing debt and preferred equity investments.

How do you describe SL Green's culture and values?

We are a lean organization that owns, operates, leases, invests, develops, builds, lends, and asset manages in one single market. Our portfolio is the largest in New York City, and we manage it all with a professional team of approximately 260 hard-working individuals. Our success is based on the strength of the individuals in each department and on the teams those employees form to achieve the company's



SUMMIT observation deck at One Vanderbilt



market. That said, dislocation remains in the credit markets and we expect that to continue to impact certain parts of the commercial sector with near-term debt maturities.

You were responsible for the development of One Vanderbilt and One Madison. Will you discuss these two signature transformational office developments and how they are impacting the future of New York City?

The development of One Vanderbilt was a 20-year odyssey. It took almost 12 years to assemble the full block site immediately adjacent to Grand Central Terminal. We overcame a failed attempt at entitlement by forging a first-of-its-kind public-private partnership with the City of New York and the MTA, which resulted in the agreement to complete \$220 million of transit and public realm improvements in exchange for the right to build a building 50 percent larger than was otherwise permitted. We broke many of the unwritten rules of commercial development: we developed largely on spec, spent money on high design, and underwrote rents that had never before been achieved. At the same time, we took on the construction of transit improvements in one of the busiest subway stations in the city and agreed to tie our ability to open the building to the opening of those improvements. We opened the building in September 2020 through the tireless efforts of our construction team who delivered the building ahead of schedule and under budget – despite the pandemic. The result of this calculated risk is that we, along with our partners Hines and NPS, developed what has been called the best building in the United States and among the best in the world. We’ve won prestigious awards, most recently including an AIA Architecture Award for KPF’s “Masterclass in Commercial Architectural Design” for adding an instant landmark to New York City’s skyline. With all of the acclaim and great financial success, what I’m most proud of is that One

Vanderbilt embodies SL Green’s culture and values: it’s a gift to the city of New York built by an incredible team of New Yorkers.

We are equally proud of One Madison, which is, although perceived as a ground-up development, an adaptive re-use of a 70-year-old structure. Once home to the original offices of the Metropolitan Life and Limb Company,

we preserved the 900,000-square-foot podium of the third “home office” building Met Life built in the 1950s. We demolished the upper floors of the building and cored the podium down to the bedrock before constructing a new core and a new glass-and-steel 500,000-square-foot addition on top of a reimagined and highly amenitized podium. We applied all of the lessons learned from the development of One Vanderbilt and involved many of the same key team members. Just like One Vanderbilt, we finished construction ahead of schedule and under budget. The results so far are outstanding: we’re ahead of our underwriting on leasing and the building has drawn a world-class mix of tenants, including IBM and Franklin Templeton, who have consolidated their New York office footprints. We’re incredibly excited about the new Chelsea Piers facility that recently opened, in addition to the new food and beverage offerings including La Tête d’Or and Le Jardin sur Madison operated by Chef Daniel Boulud. Designed by KPF, One Madison stands as a stunning neighbor to the limestone facades that surround Madison Square Park and represents a blueprint for adaptive, thoughtful, and sustainable development.

What do you feel has made the SUMMIT such a leading destination for visitors to New York City and how do you describe the SUMMIT experience?

The moment we knew we might be able to develop a 1,401-foot tall building, we knew it needed to have an observatory. So, I was



One Madison (above) and its entrance (top)

tasked with devising the business plan for the observatory. I set out and did an incredible amount of due diligence on existing observatories, in New York and around the world. What I found is that observatories are static, passive, and non-participatory experiences. We wanted to do something different. We toyed with the idea of a technologically focused experience but ultimately grew uncomfortable with the idea of all of our guests staring at their devices instead of the view. So, we took a different path and partnered with the artist Kenzo Digital who, ironically, created what has become one of the most Instagrammable places in the world.

As with the development of One Vanderbilt, we took a risk, but SUMMIT has disrupted the observation deck industry. The experience is a journey that is never the same – it varies by time of day, day of the year, season, and who is in the space with you. You are the protagonist of a story that unfolds as you move through the rooms and it's a shared experience that is enhanced by all the other people that are in the space. It's an emotional experience – I toured a woman from Tokyo recently who lived in New York for a few years. When she walked into the Transcendence room she burst into tears. We have hosted over 500 wedding proposals in our close to three years of operation.

The team that operates SUMMIT, led by Managing Director Michael Williams, draws on its vast location-based entertainment and tourism experience to expertly guide you through that journey.

SL Green recently announced the expansion of the SUMMIT to Paris. How did this project come about and what is the vision for the Paris expansion?

SUMMIT's expansion to Paris is two and a half years in the making. We'll be



One Madison commons

sharing more detail about the location in the fall, but we could not be more excited to bring our first SUMMIT expansion to the City of Light.

Do you see opportunities to expand the SUMMIT in additional markets?

Paris is just the beginning. We formed a partnership with Kenzo Digital, SUMMIT Entertainment Venture, to not only expand SUMMIT to the top global cities but also to develop new and alternative concepts that we

can deploy in a wide range of locations. We are in active discussions with property owners and real estate developers for both global and domestic expansion.

You joined SL Green 20 years ago. What has made the experience so special for you?

I joined the company in 2004 as an intern in the Investments group. Throughout my career at SL Green, Marc has continually entrusted me to push boundaries and expand SL Green's core business. In only my eighth year at the company, he gave me the opportunity to lead the entitlement process for One Vanderbilt. Over the past 20-plus years his leadership and mentorship have allowed me to grow into my current role as Executive Vice President of Development tasked with large-scale office development, office-to-residential conversions, and, of course, SUMMIT and its global expansion.

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

I teach a seminar for the Master of Real Estate Development program at Columbia University entitled Careers in Real Estate. I think the key for a young person is to understand the relationship between four things: geography, asset class, deal flow, and proximity to "bricks." If, for example, a young person wants to work on all asset classes, globally, and with a lot of deal flow, then likely that person should think about global commercial lending or investment banking. On the other hand, if someone wants to develop a mixed-use skyscraper in Manhattan, then that's likely a very different path. I also tell the students to treat the first few years in your career as a learning experience. ●



SUMMIT observation deck