



Related's Ross

**An Interview with Stephen M. Ross,
Founder, Chairman, and Chief Executive Officer, Related Companies**



EDITORS' NOTE A 35-year veteran of the real estate industry, Stephen Ross is the Founder, Chairman, and CEO of the Related Companies; Founder and Chairman of Centerline Capital Group (formerly CharterMac, a NYSE-listed company); and Chairman of the Real Estate Board of New York. In addition, he serves as a trustee on the boards of the Guggenheim Museum, Lincoln Center, New York Presbyterian Hospital, the Urban Land Institute, the Juvenile Diabetes Research Foundation, The Levin Institute, the National Building Museum, and the Jackie Robinson Foundation. Ross holds a BBA from the University of Michigan, a JD from Wayne State University Law School, and a master of laws in taxation degree from New York University School of Law.



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or spend a significant amount of time here. Generally speaking, real estate is performing quite well for us. We are very particular about the markets we operate in and the locations in which we choose to build. The residential markets we are in around the country are still doing relatively well, and we haven't experienced any major weakness in the retail or office sectors.

Has it been challenging to keep a steady grasp on the Hudson Yards project?

We really wanted to win this project. We originally had News Corp. as a tenant, but the day before our final bid went in, News Corp. notified us that they couldn't commit to the project in this environment. When Tishman Speyer was selected, I thought that was the end of it. I was completely surprised when we were given a second chance. When it was offered to us, we pounced upon it, and we are thrilled to be developing the Hudson Yards.

Will this project tie up a lot of your resources?

No, not really. We are probably the largest development organization in the city and one of the largest in the country. This is just the type of project we envisioned as we grew to become a company that can work across all asset classes. Our fully integrated nature ensures that we have just the type of expertise that's needed for a complex, challenging project like the Hudson Yards. When you break it down into each separate development type, it is not as big a project as it may seem because there are so many different uses. Plus, we've set up a world-class team, just like we did when we developed the Time Warner Center. We have experts who are responsible for building the major components and working together on the development side, with each different sector. So I don't think it will impact any of our other business. We've grown to a size that enables us to handle a project like this and continue to do what we've been doing in the past, as long as the market allows it. Indeed, I am proud to say that the way we've organized this project, it will move forward even faster than I thought it would initially, because of the opportunities that it offers. Even in this down economy, there are tenants who want large spaces in a central location. In this development, they can get floor plates that are different from any they could get elsewhere in the city.

Some of the most desirable residential locations in New York were no-go zones just a few years ago. Are you surprised at how the landscape has changed?

It's because New York City, in the past 15 years, has grown to become, without question, the leading capital of the United States, if not the world. It has suffered a little bit on an international basis, as our country has suffered recently. But it's still the most vibrant city in this country. Today, people want to live in 24/7 cities, so it will continue to grow.

There are areas I never thought would be developed and gentrified the way they have been. There was no place left to develop other than Hudson Yards, on the far West Side, and that will act as a catalyst to other development on the West Side, around the Javits Center. The commitment by the city and the state to putting in transportation and infrastructure is so important, because you can't have that kind of growth without transportation in a city like New York.

Has the focus on building "green" changed development today?

We recognize that there are real issues with climate change and the environmental quality of air and water, so building green is of paramount importance. Indeed, we've made a strong commitment that all our buildings across all asset classes will be green. We are determined to lead the way with green buildings and to push the envelope.

How engaged do you need to be in the business personally? Even though you've got a great team, are you heavily involved in each of these developments?

Yes, I'm involved. My door is always open. We have an incredibly talented team, and I don't micromanage. I delegate a lot. But I always know what is going on and, while I make my feelings well known, we work well together as a group.

Have you been happy with the way you've been able to work with the Mayoral administration on key issues?

This administration has been very effective in looking to the future with vision and focusing on what needs to be done. I don't think there has been a Mayor who understands this city better than Mike Bloomberg, or who has run government as efficiently and effectively as he has run government. Without his leadership, I don't think as much would have happened over the past years. ●

Tribeca Green and the Time Warner Center in New York, both developed by Related Companies