



REBNY's Role

**An Interview with Steven Spinola,
President, Real Estate Board of New York**

EDITORS' NOTE Prior to assuming his current role in June 1986, Steven Spinola served as President of the New York City Public Development Corporation. Previously, Spinola held a number of senior positions with the New York City Office of Economic Development, culminating in his appointment as Deputy Director and Chief of Staff for Development. Before entering municipal government, he served as a legislative assistant on the staff of the New York State Assembly Education Committee. Spinola holds a BA from the City College of New York and attended the Kennedy School of Government summer program for senior managers in government.



Steven Spinola

ORGANIZATION BRIEF Founded in 1896, the Real Estate Board of New York (www.rebny.com) is the real estate industry's leading trade association in the New York metropolitan area. Its more than 12,000 members include the city's top building owners, developers, brokers, and managers, as well as banks, insurance companies, brokerage houses, and other individuals and institutions professionally involved in New York real estate. The organization is an advocate of policies to promote local economic growth, and it represents industry positions before various legislative, regulatory, and executive government bodies. It also conducts and publishes extensive industry research and provides qualifying courses and master seminars in real estate specialties.

What role does the Real Estate Board of New York [REBNY] play in New York's real estate market?

Our 12,000 members deal with almost every issue that is important to the real estate industry, as well as to the city of New York. We work as a partner with the city to promote economic growth, infrastructure improvements, and rational legislation.

On what areas is REBNY currently focused?

Our members care a great deal about zoning or tax law changes, economic development, affordable housing, construction safety, and a variety of other issues. It varies, depending on the member in question.

How have you endeavored to improve construction safety?

Construction is a dangerous job, and we have had two unbelievable accidents that caused a serious loss of life. Because one closely followed the other, it looks like there's a problem nobody is addressing. However, we've recently announced 15 action items that the industry, the Mayor's office, and the New York City Council agreed on. The Mayor has flatly said this is unacceptable, but we cannot stop construction. It's the only way the city can continue to grow and generate economic activity.

What makes New York such a resilient real estate market?

New York is truly an international city, and the cost of operating in New York is relatively inexpensive compared to London or Hong Kong. Anyone who buys property in New York will make money on it. It's the museums, the nightlife, the educational institutions, the hospitals, and the workforce – it's just an exciting city. Manhattan is a world of its own. Who in their right mind wouldn't want to live, work, and play in this city?

What is your outlook for the Hudson Yards project?

Hudson Yards will take 5 to 15 years to develop fully. The city did a magnificent job of rezoning the entire West Side, and as a result, we're seeing construction. The city and the MTA are committed to extending a subway line to the area, which is critical. We also need to change Penn Station or add a new train station to more easily bring people to the West Side. It is projected we'll need 25 to 40 million square feet of new office space to capture more of our region's growth. That will happen as a result of the rezoning of the West Side, the construction of Hudson Yards, and the rebuilding of Lower Manhattan and the World Trade Center site.

Is the World Trade Center site being rebuilt in the right way?

It clearly is. I give Larry Silverstein phenomenal credit for the one site he had total control over. He built a new building that is a huge success, and he's getting very nice rents. Since we determined what we wanted to build, there has been a ton of work down there. However, it has all been done 30, 40, and 60 feet underground; no one can see what they're really doing. We're about to bring some of that construction above

ground, so when people walk by, they'll see that something is going on.

Is there growth in the outer boroughs as well?

Yes. We have seen new and unexpected residential neighborhoods emerge in the boroughs. ResidentialNYC.com posts our member's exclusive listings, and one of the hot neighborhoods is Bedford Stuyvesant in Brooklyn. There, they're dividing wonderful old townhouses into four two-bedroom units and selling them as condos for \$450,000 to \$600,000 each. Sheepshead Bay, Brooklyn, has become a wonderful neighborhood for immigrants. In Queens, Long Island City has a new skyline of residential towers, and downtown Flushing, which has been a wonderful neighborhood for a long time, will see new growth due to the construction of the new Mets stadium. New shopping centers are also being developed throughout the Bronx, Brooklyn, and Queens. That said, office development has not been as strong as we would like.

Are environmental issues top of mind for real estate developers?

Very much so. It's impossible to build an office building today without getting some sort of LEED certification. Tenants are asking if buildings are green. Green is clearly the future.

How critical is a partnership between the public and private sectors to the economic development and growth of New York?

We've been very lucky for the past 14 years. We've had two mayors who have done one very important thing: They proved that New York is manageable. Rudy Giuliani inherited a city that had some serious problems – crime was one of them. He tackled the crime issue and made people feel safe. Michael Bloomberg got elected and demonstrated that it wasn't a fluke. You have a businessman in there who knows exactly what it takes to manage people and hold them accountable, make practical decisions, and reach out, just as Giuliani did, to the private sector. There needs to be honesty between the public and private sectors, and we've had that with this administration. We have a mayor who knows it's important to be practical and that, while the government needs to help, it also should know when to get out of the way. ●

Steven Spinola with Governor David A. Patterson, prior to addressing the board of governors of the Real Estate Board of New York.