



Norman Sturner

**EDITORS' NOTE** Norman Sturner is a founding principal of Murray Hill Properties and serves as President of the firm. Sturner and two of his partners are responsible for the firm's acquisition and disposition activities and has acquired and sold more than 150 properties with an aggregate value of more than \$10 billion. He was recently honored as a member of the Commercial Observer's "Power 100" in New York City. Sturner is an approved Receiver by the New York State Office of Court Administration (OCA), is a member of REBNY, a member of the Association for a Better New York (ABNY), and serves as Vice President of the Executive Committee of the Realty Foundation of New York. He is a graduate of St. John's University.

**COMPANY BRIEF** Murray Hill Properties ([www.murrayhill.com](http://www.murrayhill.com)) owns, manages, and leases more than six million square feet of commercial office space in New York. They bought their first building in the Murray Hill section of Manhattan and have purchased and sold more than 150 properties in New York since opening for business more than 40 years ago. The firm enjoys long-term working relationships with many prominent institutional partners, including Credit Suisse, HNA, ING Realty Partners, SITQ, Jamestown Properties, Rockwood Capital Partners, Vornado, and The Carlyle Group. As the New York representative of the TCN Worldwide network, they have access to affiliates in over 200 major markets throughout the United States, Asia, and Europe.

**How challenging is it to differentiate in this space? What is the secret to the firm's success?**

The niche for Murray Hill Properties is commercial office buildings in Manhattan. We don't work in the outer boroughs or residential, and we don't develop – we do one thing only and do it well.

Ninety percent of my peers are larger than us; a lot of them are our investment banking partners, but with the exception of view, office buildings are generally the same.

# Owner/Operators

## An Interview with Norman Sturner, President and Chief Executive Officer, Murray Hill Properties

We go into a property and try to make it state-of-the-art as much as possible, so modern businesses can function effectively as they now can at 1250 Broadway or 530 Fifth.

What differentiates us is that we purchase maybe two buildings a year and would be overwhelmed with a third one. We're a 75-person company. Also, half of our people have been with us for more than 20 years. We take pride in the fact that we promote from within.

We understand our business. We have owned properties from downtown with 44 Wall and 30 Broad, to uptown near Rockefeller Center with *Sports Illustrated*, and Fifth Avenue properties. The first commercial office building we bought was 244 Fifth Avenue at 28th Street and we paid \$50/foot for the property.

The last purchase we made was 530 Fifth Avenue on 45th Street. It took me 42 years to go 17 blocks and from \$50/foot to \$800/foot. New York is a unique place to do business.

Institutions we currently operate for include UBS and an offshore family; we're investment partners with Vornado; and our first Chinese partner last year was HNA Airlines. We're also partners with Jamestown in Germany, which has an office in Chelsea Market; and we're partners with Rockwood Capital – we're partners on the retail of 530 Fifth Avenue with Crown Acquisitions.

We have been partners with the best names in the financial industry from GECC to Principal Life to Cerberus to Carlyle and, to this day, we have never had an argument with a partner that would cause us or them to hit a wall.

We are owner/operators and that's a bit different than all of the other firms that are ten times our size. If you invest with Cerberus, Carlyle, or Related you might be buying in Hong Kong, St. Louis, or New York; when you invest in Murray Hill, you're going to be in an office building in Manhattan.

**Could you have imagined early on that certain areas of the city would have grown as they have?**

Nothing surprises me about New York – it's so unique. There are financial districts all over the world but there is only one Wall Street; there are theatrical performances all over the world but there is only one Broadway; we have more universities, hospitals, and parks than any city of comparable size; we have 500 million square feet of office buildings – larger than the next five cities in the U.S. combined.

One thing that is surprising is that the waterfront hasn't been developed. It's enormous on the East and West side and we haven't taken advantage of it as most other waterfront cities have done in their respective regions. Related's enormous undertaking on the West side, however, will move south with entertainment and encourage uses of the waterfront that should have been implemented already. There is no place in this city unfit for habitation.

**Do you look at intellect or expertise when it comes to bringing someone into the firm or is it about culture fit and personality?**

It's about culture fit. Most of what has happened to me has been a result of good fortune and luck, but also perseverance.

The sale begins when the customer says no. Perseverance is really important for young people. We don't take on that many newbies because we don't have a training facility here, but I tell anyone under 35, walk the streets, so that when I tell you I'm looking at 444 Madison, you can tell me what the building looks like.

We talk to a lot of people offshore and the capital influx to the city is enormous. But only New Yorkers recognize there is a significant difference between 44th Street and 45th Street, for instance – 44th is one of the great streets between Fifth and Broadway and you need to recognize that there are more hotels on that three-block stretch than on any three-block stretch.

Brokers have to know your product and they have to "dial for dollars" – come in and keep dialing until somebody says, come see me.

A lot of our business comes from going to an owner to ask him to sell us his property. It is rare that we enter in with a broker to buy a building but instead go directly to the source, and they know if we shake hands, we'll come to the closing as a buyer or seller. Our reputation precedes us.

**Is it tempting to explore opportunities in the outer boroughs or elsewhere?**

There aren't many office buildings in the boroughs and any time I do get tempted, somebody bloodies my nose.

If we do two buildings a year – and we've done 152 buildings in 42 years – we're busy.

If I leave, the next generation that takes over will have the right to make its own decisions. For now, I understand New York and I'm happy to finish my career only handling Manhattan. We have opportunity in this city like no other. ●