



Winston C. Fisher

EDITORS' NOTE Winston Fisher is a member of the Real Estate & Construction Council of Lincoln Center and serves on the board of the Realty Foundation of New York. He is on the board of trustees at Syracuse University and serves on the Facilities and Academic Affairs Committees. He is also on the Board of Visitors for Syracuse University's College of Arts and Science. Fisher is the Executive Vice Chairman of the Fisher House Foundation, is on the board of the Intrepid Sea, Air & Space Museum, and serves on the Executive Committee. He is also Chairman of the Intrepid Relief Fund. Prior to joining Fisher Brothers in 2000, he worked as an analyst at JP Morgan Chase. Subsequently, he joined Heller Financial working in Private Equity, Acquisitions, Finance, and Asset-backed transactions in 1999. He holds a Bachelor of Arts degree in Philosophy from Syracuse University.

COMPANY BRIEF Fisher Brothers was founded in 1915 by Martin Fisher, who was joined by brothers Larry and Zachary Fisher. Over the next several decades, Fisher Brothers built residential properties in Brooklyn, Queens, Long Island, Riverdale, Mount Vernon, and later Manhattan. Fisher Brothers began putting up commercial buildings in the mid-'50s. Midtown tower construction and ownership rose to exceed eight million square feet of Class A office space. Fisher Brothers rewrote its business plan in the mid-'70s, adopting a new strategy that called for selling off its residential properties while continuing to develop and manage commercial real estate investments, and diversifying its investment portfolio into non-real estate sectors. With the decision to capitalize on the firm's capabilities as a builder and manager, the partnership formed Plaza Construction Company in 1986 and Sandhurst Associates in 1992 to provide on-site management for other building owners.

Fisher Brothers has emerged as a highly diversified financial investment force. Assets currently under management exceed \$6 billion,

Conservative Entrepreneurs

An Interview with Winston C. Fisher,
Partner, Finance, Acquisitions and New Development, Fisher Brothers

with a substantial portion strategically invested in a broad spectrum of financial markets and ventures, including opportunistic overnight investments in treasuries and repos, as well as building refinancings and construction loans. Today, the firm is led by partners Arnold, Kenneth, Steven, and Winston Fisher, and each assumes primary responsibility for a different aspect of the business.

How broad is the Fisher Brothers business today?

Fisher Brothers today has four pillars of business that define us: commercial real estate, and within the commercial real estate sector, we are full-service operators – we lease, we manage, we clean, we run security, and we run our two garages. We own five-million square feet in New York and we manage another million square feet. We have a million and a half feet in Washington, D.C. We have also owned buildings in Florida and Connecticut, and run some buildings in Las Vegas. Our commercial activity is even greater than what people think.

The second area that defines Fisher Brothers is development, which is quite a sophisticated and large organization. We have over one million square feet today in various stages of development. We are active in New York, Washington, D.C., Las Vegas, and Florida and our construction company has offices in California, Florida, and D.C., and they do work in Boston. We're also actively working on acquisitions daily. We focus on full-service developments be it as a third-party contractor or a principal investor in multi-family, commercial, or mixed use.

The third area is financial investing in real estate and that includes activities like the FB co-sponsoring of Citi-Investment fund. We are actively making residential loans; we just did a multi-family acquisition loan; we did a land loan: and we're looking at various other things. Financial investing in real estate also includes more passive private equity-style investments. This is a fairly active business for FB.

Our fourth area is non-real estate investing, which includes everything from investing in private equity and/or hedge funds to making personal venture capital investments in tech companies. We go wherever we see opportunities.

I've always described Fisher Brothers as conservative entrepreneurs. Although we are analytical, we like to think that, at the end of the day, no matter what our numbers say, we trust our gut.

How does the firm maintain its entrepreneurial culture despite its size?

I have to make sure that we maintain a sense of how to constantly innovate. While there are over 600 people that work at Fisher Brothers, the nucleus is still a small group of people who are constantly striving for improvement.

How do you differentiate in the competitive New York space?

Real estate has become a more sophisticated market – there are some very good operators out there. Property location is important and we are pretty fortunate in that sense. You can also differentiate in the little things. We have CEOs calling about bathroom supplies and the partners take those phone calls.

Is this a time of opportunity for Fisher Brothers?

There are certain markets that are as hot as they have ever been: New York City, Washington, and gateway cities. Secondary markets continue to struggle – they are second tier. In 2009/2010, New York was still the recipient of capital, albeit not as much as today. Nobody would touch secondary markets. Today, people are moving into secondary markets to enhance their yield – that is, creating a rebound.

You have to buy right. Some large assets today are trading as a flight to safety for foreign capital or as highly leveraged money – that is not what we do. Those deals always end up the same way. We bought a piece of property downtown at a fair price. Over the long run, this will create generational wealth.

Will LEED be a given going forward?

I think so. Corporations today are sensitive to being green. It's not going to happen overnight because standards have to be developed for how to retrofit buildings in a cost effective way to make them green.

Landlords can't do it all. If a tenant wants to go through a ton of power, that's not our problem, but that can keep the building from being green when it's outside of our control.

The nuances of how you become green have to develop but, ultimately, it's the right thing to do.

Your family is known for the many causes it supports.

Every family has a culture and everybody has the family dynamic – we give back. While I'm smart and do well, I also realize that I'm lucky. One must have humility and always remember that a lot of people are less fortunate. True happiness in life comes from serving others. ●