

A Commitment to Excellence

An Interview with Jerry I. Speyer, Chairman and Co-Chief Executive Officer, Tishman Speyer

EDITORS' NOTE Jerry Speyer is one of the two founding partners of the company. He is Chairman of the Museum of Modern Art and Vice Chair of New York-Presbyterian Hospital. He is the former Chairman of the Board of Directors of the Federal Reserve Bank of New York; Chairman Emeritus of Columbia University; Chairman Emeritus of the Real Estate Board of New York; Chair Emeritus, Partnership for New York City; and past President of the Board of Trustees of the Dalton School. Speyer's other board affiliations include Yankee Global Enterprises,



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the Municipal Art Society of New York, Columbia Business School Board of Overseers, the Asia Society, the Lang Lang International Music Foundation, the National September 11 Memorial & Museum, the National Committee on United States-China Relations, and the Kennedy Center Corporate Fund Board. Speyer is a Trustee of the Städel Museum, Frankfurt, Germany. He is a member of the Council on Foreign Relations and the Business Roundtable. Speyer graduated from Columbia College and received an M.B.A. from Columbia University Graduate School of Business.

COMPANY BRIEF Tishman Speyer (www.tishmanspeyer.com) is one of the leading developers, owners, operators, and asset managers of first class real estate worldwide. Active across North America, Europe, South America, and Asia, Tishman Speyer is relied upon by many of the world's most prestigious corporations to meet their office space needs. As of June 2013, the firm had acquired, developed and/or managed a portfolio of over 123 million square feet with a total value of approximately \$64.8 billion since its founding in 1978. Signature assets include New York's Rockefeller Center and the Chrysler Center; São Paulo's Torre Norte, Ventura Corporate Towers in Rio de Janeiro, and OpernTurm in Frankfurt. Tishman Speyer also has projects at different stages of development in Brasília, Chengdu, Frankfurt, Gurgaon, Hyderabad, Paris, Rio de Janeiro, San Francisco, São Paolo, Shanghai, Suzhou, and Tianjin.

How does Tishman Speyer differentiate within the industry?

I attribute our success to three things. We place the greatest value on our relationships with partners, investors, lenders, and tenants; we pay close attention to people and human capital; and we have a commitment to excellence in everything we do.

What is the state of the real estate market in New York today and has it fully recovered from the global economic crisis of 2008?

The real estate market in New York is stable, but we are still working through the consequences of the Great Recession. Unemployment is still high. The economic growth is slow but steady.

New York is not living up to its potential in terms of job growth and economic expansion.

In New York, sales prices of luxury condos and Class-A office buildings are healthy, but for different reasons. People want to own apartments in New York City and international buyers are supporting this strong demand. Prices for

office buildings have been strong, fueled by the lack of availability of good property in NYC and a good outlook for the city.

Are you surprised when you see the type of development and the growth happening in places like the Lower East Side, Chelsea, the Meatpacking District, and Brooklyn?

I am impressed by the scale of what has been happening in Manhattan and Brooklyn. It is a cliché to say that New York reinvents itself every generation, but it's true. A good example is what we are seeing around the Bowery – an area that was once desolate has now been reborn.

In many cases, however, there are catalysts that encourage development. Consider, for example, Chelsea: a lot of credit should go to Mayor Bloomberg for championing the High Line.

Will much of Tishman Speyer's growth come from international markets and is the U.S. still a viable option?

We have high aspirations for our business in China, where there are still incredible growth prospects. The combination of urbanization, favorable demographics, and the growth of the Chinese consumer's buying power will drive the future of China's economy. At Tishman Speyer in China, we had 90 investment professionals as of November 2011. Today, we have 200 professionals working in China.

However, certain cities in the U.S. are doing well, like San Francisco, where we are developing apartments and office space.

I believe the best is ahead in the U.S. if we can energize economic growth with sensible tax policy and entitlement reform.

Is there an effective understanding of the impact of real estate on New York's economy?

Yes, and this understanding is even recognized overseas.

However, the real estate industry itself does not fill our buildings. We need vibrant businesses

to fill our office buildings and their employees need homes. The key to success for real estate in New York is the vibrancy and dynamism of the city. As New York continues to attract first-rate talent, everything else will follow.

How valuable has it been to have a Mayor who comes from the private sector and understands the needs of the business community?

Mayor Bloomberg has been a terrific leader for New York City. His business experience was an asset but that is only part of the story. Mayor Bloomberg stewarded the city through the worst economic crisis in our lives. He has attracted new tech businesses to New York and ensured long-term success by encouraging engineering and scientific education. In addition, he has improved our city by generously supporting the arts, reforming public education, and championing public health.

Mayor Bloomberg's impact on New York was the result of much more than his private sector experience. We are all the beneficiaries of his public service.

What makes the Partnership for New York City so effective and would you highlight the need for a strong public/private partnership in the city?

There are two things that set the Partnership for New York City apart: the commitment of the Partnership's voluntary leadership and Kathy Wylde's (President & CEO) leadership.

Public/private partnerships are often the best way to tackle ambitious projects. This is particularly true when times are tough and we have to make do with less.

We are falling behind in terms of investing in our infrastructure. We must maintain and renew New York's infrastructure in order to continue to prosper. If we do not harness the nimble thinking and capital of the private sector, we will not be able to afford even a fraction of the infrastructure work needed to maintain our competitiveness.

Business leaders of New York compete with each other daily, but a close working relationship exists when it comes to addressing the city's needs. Are you surprised at how close this relationship is and what makes New York so special in this regard?

New York business leaders come together for the greater good. We recognize that we have a shared destiny and are all in it together. If we maintain the livability and vibrancy of New York, the city will continue to attract the most talented, creative, and intelligent people in the world. Each of our businesses will thrive. So the collaboration is both enlightened and self-serving at the same time. ●