# Bullish on New York

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


*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 JPMorgan Chase and at Heller Financial, where he worked in Private Equity, Acquisitions, Finance, and Asset-backed transactions. He holds a Bachelor of Arts degree in Philosophy from Syracuse University.*

**COMPANY BRIEF** *Fisher Brothers (www.fisherbrothers.com) 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 in 1986 and Sandhurst Associates in 1992 to provide onsite management for other building owners.*

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

**Have we undergone a full recovery and how strong do you see the New York City market today?**

From a residential point of view, technically, the average price is still lower than it was. There are the headline condos that are setting record prices; the rental market is as strong as it has ever been; rents continue to rise, vacancy is low, and the average condo has strong demand – I'm talking about Manhattan, though Williamsburg has enjoyed benefit, as well as Queens.

Commercially, prices paid are as high as they have ever been, especially for Class A offices, but that is a result of low interest rates. The demand for office space is better, but it has been a tepid recovery in the jobs market.

**Does that type of environment lend itself to opportunity?**

It's difficult to build a new rental building today because of land prices but I'm happy to say we're building 800,000 square feet of rental.

For the right location, there is opportunity in the condo market. There is always risk, but the low interest rate environment has been helpful. We have enjoyed a level of political stability over the past decade, which has also helped.

I'm bullish on New York. The more problems there are around the world, the more flight of capital there is to a place like New York City.

In commercial, all of these lawsuits and potential regulatory issues are getting ironed out and the banks are lending again, so the environment is getting better.

**Is New York still your key focus?**

No. We have 1.5 million square feet of Class A space in Washington, D.C., which is part of our core holdings; we are also in the process of building what I think will be an exciting 400,000-square-foot multi-family building in D.C. and we'll be looking for more projects down there.

In New York, we have an additional 400,000 square feet of high-end condo space that we're developing and we're finishing two small projects; we also did the Beekman Hotel with Silverstein Properties.

Florida is a place we would look, as well as Boston on a selective basis.

**What developments are taking place on the investment side of the business?**

We run everything from hedge funds to private equity, and we have done some corporate investing. Where the market is today, the rising tide lifts all boats, so it's a welcome change from 2008.

It's more complex than this but it all starts and ends with how quantitative easing is going to play out. You can see what happens with a comment that wasn't that extreme but created extensive turmoil in the market. It's tougher to predict that side.

That said, we're going to have to stop chasing the dragon. People complain about the Fed but they're making money hand over fist on it. But that will create some opportunity if you're selective. You have to watch the credit, watch maturities, be careful matching assets to liabilities, and in the stock market follow good companies which, even in a rising interest rate environment, will continue to make money. If they offer a good product that has demand, they will do alright.

**Is real estate truly the backbone of New York City?**

Everybody thinks the developer is a bad guy, but if you take what we pay in real estate tax and add that to income tax, it's clear that we fund a significant sum of tax dollars in the city.

New York is a diverse economy. The tech industry is viable in New York and with Cornell Technion, it's going to be that much more viable. I don't think financial services are going anywhere. Health care, especially biotech, plays a major role, as does education and media and entertainment.

In a world increasingly flattened through technology, proximity to intellectual capital is appealing. We are here because we crave that intellectual interaction.

**How critical is it that the next mayor engages the business community?**

A good leader can't be all things to all people, but he or she can get the right people in the job who are thoughtful and practical, and not driven by extreme ideology but who believe in success.

A lot of people believe New York can never return to the bad old days but that is not true. We want this to be a safe place for children, for crime to stay low, and to keep knowledge-based workers here. Wealthy New Yorkers pay a high tax rate today. They could save a lot of money by leaving New York but they stay here for quality of life. Yet, it can turn and we have to be cognizant of that. ●