

REBNY's Role

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

EDITORS' NOTE Steven Spinola served as President of the New York City Public Development Corporation before assuming his current role in June of 1986. Previously, he 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. Prior to entering municipal government, he served as a legislative assistant on the staff of the New York State Assembly Education Committee. He holds a B.A. 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 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. Founded in 1896, 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.

When you look at the global economic crisis over the past 24 months, how much impact did you see on the real estate market in New York and where are we today in regard to the market coming back?

The good news for New York is that it didn't hit us as badly as it has hit the rest of the country. The original projections for job losses were 300,000 and we didn't come anywhere close to that in New York City, so the vacancy rates for office space did not rise to the levels we feared.

Although we saw declines in residential rents as well as sale prices, the numbers did not plummet as some expected and prices – rentals and sales – have been picking back up. We still have probably one of the top three office

markets in the country. There are not a lot of large floor plates around for current tenants. For newer or larger tenants that want such floor plates, there are not many choices. That is also keeping the rents somewhat up and is, in part, because we didn't overbuild in the city of New York.

Where are we going to go from here? Everything is tied to Washington these days, and whether they're sending fear or hope through the financial world. We need to continue to speak up for Wall Street and get elected officials to stop treating them like they're the only villain in town.

On the residential side, many said the 20 percent year over year increases we were seeing could not last. Should we have known that it wasn't sustainable?

Didn't everybody say it was coming? Four years ago, we saw the bubble stories in the newspapers.

But people have to recognize that even with the drop that we have had, owning property in the borough of Manhattan long-term is almost never a losing proposition – it bounces back.

What impact has technology had on REBNY and its members?

We have the most comprehensive and accurate listing of residential property for Manhattan and Brooklyn that exists. It's the lists that the brokers use, and we're continuing to upgrade that service.

Also, this year, we created a REBNY Action Center on our Web site where we invite and encourage our members to reach out to our elected officials on key issues.

One issue was the ill-conceived idea of having the terrorist trial in lower Manhattan. It was REBNY who raised the first voice in opposition to that. We spoke to elected officials, Homeland Security, and representatives in the White House, while asking our members to start e-mailing our elected officials about the devastating impact the trial would have on lower Manhattan.

The other issue we are concerned about is the extension of the number 7 subway line in Manhattan, to serve the far West Side. Using the new technology, we collected 6,500 signatures from our members and the community urging our elected officials to restore the plan for the station at 41st Street and 10th Avenue.

Have you been happy with the public/private partnership dialogue, and has the communication been open and effective?

We have had a very good relationship with City Hall for over 16 years, under Mayors Bloomberg and Giuliani. Although we don't always agree, we always get the opportunity to make our case, and decisions are made in the best interest for the city of New York.

Albany is more complicated, and Washington has become more troublesome, regarding taxes and legislation that affect Wall Street or real estate.

The REBNY Action Center was created so our members could speak directly to representatives in Washington and in Albany, and we continue to do that.

The New York real estate sector is a close-knit group that cares about much more than just their buildings – they care about the overall health of the city. How critical has that been for the city?

We're probably the only board or trade association in the country that has such a broad membership. New York is different from the rest of the country in one important way: two-thirds of the people who live in New York rent instead of owning their place of residence. This is the exact opposite from the rest of the country, where two-thirds own their own homes.

Commercial and residential owners build and retain ownership. As a result, they continue to be an important part of New York City. So they play key roles with the major institutions that are in the city, and that includes government. When the Mayor says he needs our help on a bill, 99 percent of the time, we help out.

You can also name almost any charitable institution, and sitting on their board of directors, you're going to find a few of my members. They recognize the importance that those charitable institutions play in the city of New York.

Mary Ann Tighe is the first female Chairman of REBNY. Will you talk about her impact?

It's wonderful. We haven't had a broker as Chair in a long time, and Mary Ann is one of the best brokers in New York. She has overcome just about every barrier there is in the real estate industry so it's appropriate that she is the first female Chairman. She brings a great deal of energy to the job and has encouraged our members to be actively involved in policy matters. ●