

Highly Impactful Projects

An Interview with Marty Burger,
Chief Executive Officer, Silverstein Properties

EDITORS' NOTE Marty Burger joined Silverstein in February 2010, and was named Co-CEO in 2011 and CEO in 2013. He is in charge of the day-to-day operations of the company and leads Silverstein's efforts to develop new projects in the United States, China, Eastern Europe, and Israel. Prior to this, Burger was President and Chief Executive Officer of Artisan Real Estate Ventures, a company he founded in 2006. Burger spent 15 years at Related, serving as President of Related Las Vegas and Executive Vice President of Related Companies, L.P. He was also a Principal and Chief Investment Officer for Related Urban Development (mixed-use division), Related Lodging Group (hotel division), and Related Experiences (sponsorship division). From 1994 to 1997, Burger was a vice president at The Blackstone Group. From 1993 to 1994, he worked for Goldman Sachs' Whitehall Real Estate funds. He received a Bachelor of Science degree in Economics from the Wharton School of the University of Pennsylvania.



Marty Burger

COMPANY BRIEF Silverstein Properties, Inc. (silversteinproperties.com), is a full service real estate development and investment firm that has developed, owned, and managed over 40 million square feet of office, residential, and retail space. The firm, based in Manhattan, has \$10 billion worth of development activity in the pipeline, including rebuilding the World Trade Center.

Can you talk about how far the World Trade Center site has come?

This year is shaping up to be a banner year for the World Trade Center and for all those who never gave up on Lower Manhattan. 7 World Trade Center is 100 percent leased. We have leased 80 percent of 4 WTC to great companies like SNY, IEX, Zurich, MediaMath, and Morningstar and many of those companies have moved into the building.

3 WTC is rising at a rate of one floor per week – concrete has topped out and glass curtain wall is rising quickly, enclosing the building. In December, our anchor tenant GroupM finalized an expansion adding 170,000 square feet to the existing 520,000 square feet signed in 2014. The building is currently 28 percent leased and will open in Spring 2018.

The Santiago Calatrava-designed WTC Transportation Hub opened in March and is already full of commuters and visitors. 4 WTC now has direct underground access to 11 subway lines and the PATH trains. Westfield's shops are open, including Eataly at the base of 4 WTC. Ultimately, our tenants will have access to 500,000 square feet of destination retail at the Trade Center and another 350,000

square feet at Brookfield Place, including Saks 5th Avenue.

In addition, the Performing Arts Center recently announced a major gift from Ronald Perelman, which will add a vital cultural component to the neighborhood starting in 2020.

We started an incubator space, an upscale HQ Regus-type space called Silver Suites Offices on our 46th floor, and out of that space, we have had four companies move on to 4 World Trade Center, and three of the companies were bought by other companies – one of them was bought by Microsoft for \$210 million; it was open for nine months in our space here. This building alone has been a huge success.

Another thing that happened this year that was very significant was Greenwich Street, which for the first time in 60-something years became a through-street. It's no longer part of the World Trade Center Plaza; it's the main thoroughfare through the center of the World Trade Center, and it is open to pedestrians.

The only site that remains is 2 World Trade Center. Unfortunately, we had a great run with 21st Century Fox and News Corp. to try and get a building built for them. We redesigned it, everyone loved it, and it made us think differently about the space and the building, and what we were and how Tribeca is coming together with the World Trade Center.

It's a 100-story building, almost three million square feet. Unfortunately, due to timing of the stock market, Fox couldn't commit at the time but we liked the design so much we kept it, and we're going to hopefully find a tenant shortly that will take the majority of the building.

Can you talk about how Four Seasons is developing Downtown?

This is the first true five-star hotel in Downtown with an incredible outside restaurant – Wolfgang



The World Trade Center, a Silverstein project

Puck's Cut steakhouse – and the first time that Wolfgang Puck has come to New York with a major restaurant.

We were excited to have it open in September along with the hotel. We have sold almost 80 percent of our residential units at really great pricing. This building is 926 feet tall, at almost \$1 billion in costs, and it has been incredibly successful.

Architecturally, it's also a beautiful building and adds to the character of Downtown. The executives that are down here will be able to use the Four Seasons and its services.

Does the size and scale of your Downtown projects limit how much you can do in other places?

There are other developers who aren't as big as us who are doing more projects than we are, but we tend to work on very complex, highly impactful projects. Anything we're working on is changing a neighborhood.

At Silverstein Properties, we have a very deep field of talented people. Our biggest challenge is that we find that our contractors, architects, and engineers are spread too thin. We have to add more people to each job in order to oversee them to get our projects finished.

Do you see opportunity for new affordable housing projects in New York?

Until the mayor and the governor can get together and create a 421-a program that will help produce both affordable housing and market-rate housing, not much can happen because the numbers just don't work. Even though there has been a slight adjustment in the market, land prices really haven't come down that much. On the condo side, there has been a cooling of anything over \$3 million. There is so much product out there now. ●