

The Rudin Way

**An Interview with William C. Rudin,
Co-Chair and Chief Executive Officer, Rudin Management Company Inc.**

EDITORS' NOTE William Rudin is Co-Chair and CEO of Rudin Management Company, Inc., He is the Chairman of the Real Estate Roundtable, the Association for a Better New York and the Battery Conservancy. Rudin is the Chairman-Elect for the Real Estate Board of New York and on the boards of New York University, the Metropolitan Museum of Art, the Partnership for New York City, the Economic Club of New York, the Alliance for Downtown New York, and the Citizen's Budget Commission.



William C. Rudin

COMPANY BRIEF New York-based Rudin Management Company, Inc. (RMC; rudin.com) was founded in 1925 and operates one of the largest and most respected private real estate portfolios in New York, comprising 17 office towers (more than 10-million square feet) and 20 luxury apartment buildings (more than 2,000 apartments). Rudin family projects include a residential development in partnership with Eyal Ofer's Global Holdings located in the West Village called The Greenwich Lane, and the state-of-the-art high-tech office building at the Brooklyn Navy Yard in partnership with Boston Properties called Dock 72. The company's commercial portfolio includes the Thomson Reuters' North American headquarters at 3 Times Square, 32 Avenue of the Americas, One Battery Park Plaza, and 345 Park Avenue, which is the family's flagship two million-square-foot office tower, as well as 211 E. 70th Street and 215 E. 68th Street.

Where do you see the New York City real estate market today and does the market offer growth opportunities?

Our company believes that New York City will always be a strong and solid investment. This city has all the ingredients for sustained success: access to transportation, infrastructure, and diversity of talent, culture, and industries in addition to world-class higher education and health-care. New York is a place where millennials to empty nesters, and everyone in between wants to live, work and visit.

Market data backs this up. Commercial leasing activity in Manhattan is holding steady with the first half of 2017 leasing at 20 million

square feet, which is in line with the 10-year average.

One of the trends driving this success today is a core belief that drives many of Rudin Management's investments – people want to work where they live. The demand for 24/7 live-work communities has grown in the outer boroughs, like Brooklyn and Long Island City. That led us to develop a unique project with Boston Properties called Dock 72, a 675,000 square foot state-of-the-art office building, with WeWork as

the anchor tenant, in the Brooklyn Navy Yard. Popular Brooklyn residential neighborhoods such as DUMBO, Williamsburg, Fort Greene, and Vinegar Hill are all in close proximity.

Now that the Midtown East Rezoning has passed, the area can be developed for the 21st century. With its incredible existing transportation network, and completion of the East Side Access Project just a few years away, overall access to the area will increase by over 100,000 people per day. The rezoning catalyzes the development of new world class commercial and residential buildings, just steps away from some of New York's greatest hotels and restaurants.

Would you discuss the history and heritage of Rudin Management and how the company has evolved over the years?

Our family's first acquisition of real estate started in 1905 when my great-grandfather, Louis Rudinsky, bought his first piece of property in Manhattan, at 153 East 54th Street. Louis instructed his son and my grandfather, Sam, to never sell that property. More than a hundred years later, that property remains in the family, redeveloped as a prominent 300,000 square foot commercial building, known as 641 Lexington Avenue. It is an example of what we do as a company, build on our past generation's success.

In the early 1920s, Sam and his siblings founded Rudin Management to handle the management aspects of their growing portfolio. After World War II, Sam and his sons, my Uncle Jack and my father, Lew, began to expand their holdings and positively influence the skyline, shifting from building residential properties to also building commercial properties.

Our company has grown ever since, no matter what the market conditions. In the early

1990s, as Lower Manhattan was struggling with nearly 30 million feet of vacant space, the Rudin family, along with other concerned property owners and corporations, worked creatively to revitalize Lower Manhattan. Our family developed New York's first wired office building at 55 Broad Street, which turned into a hub for high tech companies and encouraged residents and businesses to move downtown.

Today, with my cousin Eric, who serves as Co-Chair and President, and our siblings, along with the next generation, my children Samantha and Michael, who serve as Senior Vice Presidents, we continue to manage our business following the philosophy established by Sam, Jack, and Lew. Building upon their foundation, we continue our focus on innovation and creating spaces that are environmentally sustainable, technologically advanced, and promote quality of life, both in our commercial and residential buildings. We continually reinvest in our properties, to build for the modern tenant who wants to live and work close to home and have the most advanced infrastructure and amenities available.

Rudin Management is an industry leader year after year. What makes the company so special and what has been the key to its consistent success?

First, we never sell. We look for properties in New York that we believe will have long-term value for generations to come.

Second, we have always understood the importance of mass transportation. As Sam Rudin always said "If I can't get there by subway, then I don't want to own it." With today's enhanced transit options, we have slightly modified our motto to include ferry service that will be connecting our new Dock 72 to the rest of the city.

Third, Sam, a true visionary of the urban experience, made the company a pioneer in building live/work neighborhoods. He always built a residential building at nearly the same time he built a commercial tower, a practice that continues today.

Fourth, we give our tenants hands-on family service, backed by a team of true professionals, and unique amenities to continually enhance the experience of living or working in a Rudin property. Historically, we have pushed our designers and architects to think differently and to create a dynamic urban experience. We have always included larger layouts in our

residential properties, with more closet space and extra building amenities, such as gardens and open space, gyms and children's play areas.

Finally, we care about the neighborhoods where we build. We have always been a philanthropic family, and we engage civically, most notably through our involvement in the Association for a Better New York. These are the values that have positioned us for generations of success

Would you provide an overview of your properties and the common characteristics of a Rudin building?

The Rudin Family portfolio is comprised of more than 10 million square feet of commercial space spread across 17 office towers, and 20 luxury apartment buildings with more than 2,000 apartments. Dock 72 is currently under construction in the Brooklyn Navy Yard and we recently completed a residential development in the West Village called The Greenwich Lane.

Some of our most notable holdings include the Thomson Reuters' North American headquarters at 3 Times Square, 32 Avenue of the Americas, One Battery Park Plaza, 215 East 68th and 211 East 70th apartments, and 345 Park Avenue, the family's flagship two million-square-foot office tower. These properties all follow tenets of the Rudin Way such as proximity to public transportation, state of the art amenities, and connectivity.

With so much new development coming onto the market, what are the keys for older buildings to remain relevant and competitive?

We think the key to keeping older buildings competitive is reinvestment.

Our residential properties at 215 East 68th and 211 East 70th Street are great examples. At 215, with FXFOWLE and Forst Consulting, we re-cladded the façade of the nearly 50-year-old white brick exterior with the city's first ever terra-cotta rain screen wall. In addition, we reimagined our gardens that surrounded the building for passive play and a modern children's play area and, in the lower level of the building, a gym and children's playroom. At 211 East 70th we hired Skidmore, Owings & Merrill and Forst Consulting to reimagine the façade in addition to the driveway, the lobby, public halls, and a gym.

Additionally, we've gone through a residential building-wide portfolio upgrade of hallways, carpeting, wall coverings, moldings,

lighting, and enhancing the renovation of our apartments with new bathrooms and kitchens.

Another key is building efficiency. To stay ahead of the curve and make our buildings smarter, we created Nantum OS, a system designed by our company, Prescriptive Data, that empowers building operators to maximize their buildings' efficiencies while improving tenant comfort. This intelligent, machine-learning operating system allows our building engineers and operators to not only see in real time how a building is performing across a variety of systems, but also to use analytics to make proactive decisions about building operations. This system has already saved us significant costs by correcting inefficiencies.

You serve as chairman for the Association for a Better New York (ABNY). What is the mission of ABNY and what has made the organization so effective?

ABNY was started in response to the fiscal crisis of the 1970s, when my father, along with other business and civic leaders, came together to make the city a better place in which to live, work, or visit. At that time, ABNY would literally sweep the streets if that was what was needed.

Today, ABNY serves as a leading nonpartisan civic voice for policies that improve the quality of life in New York City. It is a forum where leading policy makers can introduce new ideas and also advocates for a host of issues that improve our city. As its chair, I work together with my team to weigh in on issues

ranging from land use and development projects, to public safety, education, and increased voter participation.

While the real estate industry in New York is highly competitive, business leaders in the industry work closely together to address the needs of the city. How critical is this relationship among business leaders in working together to ensure New York City remains a global leader?

I have been involved with the Real Estate Board of New York for decades, and it always amazes me how we come together to protect, improve, and advance New York's real estate, commerce, and way of life. I think we're all engrained with a sense of service to our city and our profession.

That is why I am honored to take over for Chairman Rob Speyer in January 2018 as incoming Chairman. He brought us together to do great things for our city, and now I take over at a time when the sharing economy is booming. There is no better time for collaboration than now, and I am excited by the possibilities.

How much pleasure do you get out of seeing the growth and leadership of your children in the business?

I am incredibly proud of how my children have made their mark, not just on our business at Rudin Management, but with their civic, philanthropic, and industry engagement. Their unique and refreshing points of view have been a great asset not only to RMC but to the entire city. The new aspects each Rudin generation has brought to the company has allowed us to move forward. Now that they are both parents, I can't wait to see how they impart their knowledge onto the next generation of Rudins, my grandkids, Elle and Lukas.

With all of the success that Rudin Management has achieved, do you take time to reflect and appreciate what you have accomplished?

I reflect on what we have accomplished all the time and also think about the future. My wife, Ophelia, and I are very proud of Samantha and Michael and their spouses, David and Sabrina. They have given us the two greatest gifts, Elle and Lukas. They are the ones who make me stop and appreciate the fruits of our labor and also inspire us to continue to work hard to build a better New York. ●

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My family purchased properties that were not necessarily located in what were considered prime locations. We believe in the potential of every aspect of this city.

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