

An Enterprising Environment

An Interview with David Amsterdam, President – U.S. Capital Markets and Northeast Region, Colliers

EDITORS' NOTE David Amsterdam is President – U.S. Capital Markets and Northeast Region at Colliers. He is responsible for managing and executing investment sales, debt and equity, and structured finance transactions across the U.S. and in critical global markets. In addition, he leads the firm across all service lines in top-tier cities, including New York, Boston and Washington, D.C. Prior to joining Colliers, Amsterdam served as Partner of Perave Capital, a fully



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integrated real estate investment and advisory firm. He has previously held leadership positions at some of the most notable real estate firms in the world, including Cushman & Wakefield and SL Green Realty Corp. Amsterdam was named to Crain's New York Business 40 Under 40, an annual honor reserved for the most influential New York professionals, and in 2018, 2019, 2020 and 2021 he was named to the Commercial Observer Power 100 list. In 2019, he was named a national "Influencer in Real Estate Finance" and selected as a "Best Boss in the Business" by Real Estate Forum which also named him to its "50 Under 40" list in 2018. Amsterdam has also been named a "Rising Star" by Real Estate Weekly and was a Real Estate Board of New York nominee for "Most Promising Commercial Salesperson." He is a member of the Board of Directors of Friends of Hudson River Park and The First Tee. He is a member of the Real Estate Advisory Board of Syracuse University, and has been active in numerous charitable organizations. Amsterdam holds a BA from Syracuse University.

COMPANY BRIEF Colliers (colliers.com) is a leading diversified professional services and investment management company. With operations in 66 countries, its more than 15,000 enterprising professionals work collaboratively to provide expert advice to real estate occupiers, owners and investors. For more than 25 years, its experienced leadership with significant insider ownership has delivered compound annual investment returns of almost 20 percent for shareholders. With annualized revenues of \$3.3 billion (\$3.6 billion including affiliates) and \$45 billion of assets under management, the company maximizes the potential of property and accelerates the success of its clients and people.

How do you describe Colliers' culture and how critical is culture to the success of the company?

Commercial real estate is a competitive industry. The most talented professionals go where they believe they are most likely to succeed. Every firm is always looking for an edge to help attract the best people. At Colliers, we know that we've built the best platform in the industry. We boast a global footprint that's supported locally by the best on-the-ground professionals in the business, so when

brokers consider their ability to succeed, they know Colliers will provide them the tools they need. But what really sets us apart from the other big commercial real estate firms is a strong, top-down culture that our employees subscribe to. It's a huge advantage and it is unique among our biggest competitors.

If I had to use one word to describe our culture at Colliers, I would use "enterprising." What sets us apart is not necessarily what we do, but rather how we do it. Our enterprising environment encourages professionals to think differently, to be entrepreneurial, collaborate and to develop and share ideas that always place the success of our clients first. While other firms operate in siloed, singular environments, our brokers work closely with their colleagues across industries and across geographies, routinely relying on the expertise of our analytics, research and workplace strategy teams to support their efforts and find success.

Our mission is to encourage employees to be enterprising, collaborative, relationship-minded and experts in their fields. But above all, we encourage doing what's right. This value extends beyond the company walls and pertains to doing what's right for our clients and within our communities. A great example of our culture is how our employees continued to support one another and our clients throughout the pandemic. Even with all the uncertainty that comes with a global pandemic, we believe our employees approached the COVID-19 crisis with creativity and resiliency that benefited our clients. We look at our continued growth even through these uncertain times and attribute it to our strong company culture.

What is your outlook for New York City's commercial real estate market coming out of the pandemic?

While the Delta variant has made it tough to predict exactly when Manhattan will rebound to its pre-pandemic levels of activity and growth, our outlook for the city is very optimistic. That outlook is not just based on the fact that we love New York, but it's based on empirical trends that we've been following over the last several months.

First, the amount of space that companies have leased in Manhattan has increased every month since the spring of this year. This is mostly the result of the nationwide vaccine distribution and the fact that employers are saying that it's time to get back to the office. Some large companies with significant workforces like Goldman Sachs and Morgan Stanley are actually back in the office already and we're seeing more organizations following suit.

As a result, the "freeze" we saw on leasing activity that defined 2020 is thawing out. In August of this year, we actually saw organizations take almost 2.5 million square feet of space, which was the highest leasing level we had seen since January 2020. What's really encouraging within that statistic is that more and more tenants are signing deals to take new office space, instead of just renewing their leases. If you wind the clock back to the fourth quarter of 2020, just a third of leases we tracked were new deals or expansions. By Q1 of this year, more than half of deals were new leases and by Q2 about 70 percent of leases were tenants taking new space.

In addition to tenants taking new space, more tenants are also signing longer leases. The term of the average deal signed so far this year has increased across the board compared to 2020. This reflects organizations again committing to New York for the long haul.

What are your views on the future of work and the lasting impact that the pandemic will have on the role of the office?

The simple fact of the matter is that both employers and employees want to get back to the office. That sentiment has been backed up by the increase in office leasing activity we've seen over the last several months. The majority of our clients have expressed that while they'll likely implement some flexibility into their plans moving forward, the office will still be the centerpiece of their organization and there are a few reasons for that. First of all, junior level employees need face-to-face interaction. They need it for training purposes and they need it to understand how

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an organization operates. It's hard to learn the intricacies of a job through a computer screen. Additionally, it is extremely difficult to establish and become part of a company culture if you are not physically present.

When it comes to the future of work in New York specifically, there are several rapidly expanding industries that simply aren't compatible with remote or hybrid work environments. Some of the fastest-growing fields in the city, like life sciences and healthcare, can't operate remotely and as those sectors continue to expand, they will likely take up a larger percentage of space once occupied by different organizations and sectors.

How critical is it for Colliers to build a diverse and inclusive workforce in order to bring diverse perspectives and experiences to the table when addressing client needs?

At Colliers we know that diversity and inclusion make us better and championing these ideals is not something we take lightly. Diversity and inclusion strengthen our business by enriching our culture and we pride ourselves in attracting, developing and retaining top, diverse talent from around the world. As part of that, we have been working hard to foster an environment in which everyone at Colliers, regardless of background, gender, ethnicity, age, religion, sexual orientation or experiences feels respected and comfortable bringing their authentic selves to do their best work.

We're heavily focused on making diversity and inclusion one of our top priorities, not only because it's the right thing to do, but because it makes us better as an organization and it is one of the ways we will continue to lead our industry into the future. We not only want to attract the best and most diverse talent, we want that talent to feel comfortable approaching their work with authenticity. We want our employees to bring their authentic selves to the table, every day. When diverse people with diverse thoughts come together, you see that translate to exceptional performance and results for your business.

As the Executive Sponsor of our Working Parents and Caregivers Employee Resource Group, I am also focused on providing an outlet and avenue for those managing the difficult task of either raising a family or taking care of a family member while working full time. We have several Employee Resource Groups focused on the health, wellness and diversity of our talented team members across the globe.

What do you see as Colliers' responsibility to the communities it serves and to being a force for good in society?

Just as Colliers believes it has a responsibility to foster a strong internal culture, our firm is also committed to doing good in our communities. All Colliers professionals are encouraged to be a force for good in their communities and are provided information on how to support a range of charitable initiatives and causes that have local impact. As a result, Colliers professionals regularly contribute their time to nonprofits and other groups that are working to improve the communities and the lives of people where they live.

Personally, I am a member of the Board of Directors of Friends of Hudson River Park, the longest waterfront park in the United States, which has improved miles of underutilized piers and parking lots along Manhattan's West Side, turning it into a world-class recreation area. Hudson River Park has also been responsible for economic development and job creation, attracting \$3 billion in new construction at 94 new buildings in adjacent neighborhoods. I also serve on the Board of Directors of The First Tee, which provides learning opportunities for youth through sports, and am involved in numerous other charitable organizations.

There is much debate about New York City's recovery and rebuilding from the pandemic. Are you optimistic about New York City's future and what needs to be done to make sure that New York City remains a leading global city?

New York is one of the greatest cities in the world and its long-term recovery has never been in doubt. While the pandemic struck at the heart of New York and shut down a lot of what makes this city such a desirable “live-work-play” environment, much of that is now back. Over the last several months, the city has reawakened, with Broadway shows returning, Madison Square Garden open, the Yankees back in the Bronx, restaurants and bars staying open late, museums reopening and much more. Each of these elements are critical when it comes to supporting Manhattan's office market in that they attract top talent to live and spend money here. With those elements back, the health of the city is returning.

In addition to the entertainment aspect, it's an exciting time for New York City's transportation infrastructure. The East Side Access

project, which will bring Long Island Rail Road commuters directly into Grand Central Terminal, is scheduled to be completed next year and is probably one of the most critical upgrades to New York's commuter hubs in decades. In addition, there's the growing likelihood of approval and construction of the much-needed Gateway Project kicking off within the next few years. This project will ensure the continued and improved access of Amtrak and New Jersey Transit commuters under the Hudson River, one of the busiest commuter lines in the country.

Lastly, nearly 25 million square feet of new office construction and major renovations are expected to come online between 2022 and 2024. That's the largest supply increase in a three-year period since the 1980s. While that supply will initially create additional pressure on the market in the short term, in the long term, this new office product is paramount to keeping Manhattan as a competitive global city. The success of projects such as One Vanderbilt, 1 Manhattan West, 30 Hudson Yards and 3 World Trade Center demonstrates the strong demand tenants have for the efficiencies and quality of product to help recruit and retain talent.

What advice do you offer young people interested in building a career in the real estate industry?

I think one of the most important things that I would advise every junior person looking to make their mark in commercial real estate would be to find a mentor. Working closely with someone who is willing to give you advice, answer your questions along the way and help you build your career in the industry is invaluable. Those who have walked the steps before you have knowledge that is very difficult to find elsewhere. There is not a textbook to teach what we do each day, hence why it is important to be working in-person with your team each day.

Along those lines, I would encourage junior brokers to focus on building their network. While technology is advancing our industry quickly, this is still a traditional industry at its core and picking up the phone or meeting your contacts in person will help you stay sharp with trends, garner market intel, and really learn the business outside of your daily routine. That said, don't turn your nose up at technology. The information available at our fingertips today is astounding compared to what we had access to 20 or even 10 years ago. Become an expert in the proptech tools that will help give you and your clients a competitive edge. ●