

COMMERCIAL OBSERVER

New York City's Commercial Real Estate Dynasties: The Next Generation:

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By [Carl Gaines](#) 9/19 7:15am

On a recent late-summer conference call, William Rudin, Michael Rudin and Samantha Rudin Earls—three members of one of New York City's most venerable commercial real estate families—were engaged in a bit of dactylonomy.

The three weren't trying to come up with the number of buildings currently in the family's commercial and residential portfolio, but rather were adding up the number of family members currently working at the company.

“That's two, four ...” Some names were mumbled. After a little back and forth, they settled on nine.

In a city known for the prominence of a handful of families in commercial real estate, single names like Rudin, Durst, Rose, Muss and LeFrak have come to symbolize the industry. These families have survived the worst economic catastrophe since the Great Depression while witnessing, along with the rest of us, the rise of real estate investment trusts, the top three of which now have a combined New York portfolio of roughly 67.6 million square feet.

In an era when the word ‘dynasty’ is often overused and left to trail behind words like—let's face it—‘sports’ or ‘Kardashian,’ it finds true meaning when one surveys these biggest families in New York commercial real estate. Many of them, after all, are generations old and still control vast portfolios of properties while wielding the type of power that only comes with reputation and recognition.



Lew Rudin, Bill Rudin and Jack Rudin.

They're also doing something else quite extraordinary, given the times: they're building. This past spring, Richard LeFrak and his sons spoke to *The New York Times* about their 600-acre mixed-use Jersey City development called Newport, which had entered its final phase. And, according to a spokesman, excavation work is underway on the site for Durst Fetner's multifamily tower on West 57th Street and the West Side Highway.

New York real estate is a tough business to break into, and the next generation of these families' commercial real estate elites is poised to take the reins, even as some young upstarts—undeterred by a family background that doesn't include vast real estate holdings—look to make their mark.

One member of that next generation, Ms. Rudin Earls—vice president at Rudin Management and great-granddaughter of Sam Rudin, who founded Rudin Management Co. along with his brothers—was almost bound for a different stage.

“I studied theater at Tisch at NYU for four years, and guess I didn’t have enough courage, really, to go out on auditions,” Ms. Rudin Earls explained while on the call with her father and brother.

The next-next generation of Rudins was on the call as well—Ms. Rudin Earls’s newborn daughter. She didn’t have much to add, but her presence on a call about the family business wasn’t out of the ordinary in the context of how talent is cultivated at Rudin Management.

“I would go to meetings, because our father would always invite us to meetings, even before I started working,” Ms. Rudin Earls remembered. “In 2007 I started to work full time and then one day realized, as I was walking through the lobby of our office building—345 Park—that it just felt like home to me, and I’ve never really looked back.”

Ms. Rudin Earls said that, though she still loves the theater, she was drawn in by the appeal of working for her family, whose New York office holdings alone are sizeable.

For Samantha’s brother Michael, an associate at Rudin Management, a desire to learn about the family business was solidified during the dark days following September 11, 2001. Hard times for all, they were made even darker by the death of his grandfather, Lewis Rudin, then head of the family dynasty, a little over a week later.

“I took a semester off of high school after our grandfather passed away,” he said. “I basically shadowed my father for about six months to really learn exactly what it was that our family did in real estate.” He was 16 at the time, and said that it was the first time that he could really grasp what the family did, at least in any significant way. Bill Rudin later pointed out that the idea for the time off was his wife Ophelia’s.

Regardless, after a little in-depth exposure, Michael said he knew the real estate business was for him.

Both siblings said there was no pressure to join the business—they came to it on their own, though both were immersed in it growing up. Steve Spinola, president of the Real Estate Board of New York, which will soon see another member of this new generation ascend to its chairman spot, said that this immersion is a key factor.

“For those who have grown up observing the business and experiencing it daily, the vision is innate, and it’s exciting to see what each subsequent generation will do to build upon the legacy that has been left to them,” Mr. Spinola said. “As we welcome our soon-to-be-chairman, Rob Speyer, who will be the youngest and also the first third-generation [member] of the same family to hold the title, it is clear that the younger generations of real estate families continue the tradition of a deep understanding and commitment to our city.”

Jason Muss, a principal at Muss Development and great-grandson of Isaac Muss, the firm’s founder, said that New York real estate is exciting because of its scale. For him, growing up within the business sparked an interest, but he’s quick to point out that getting into real estate without the family name “just would have been a different process.”

Isaac Muss founded Muss Development, the company Jason now leads with his father, Joshua, in 1906. Over the years, the company has owned, developed and managed about 15 million square feet of commercial real estate throughout the five boroughs and Long Island. Among its current roster of projects are the 1.5-million-square-foot, mixed-use Brooklyn Renaissance Plaza and New York Marriott at the Brooklyn Bridge, the conversion of 36,000-square-feet at 345 Adams from office to retail and the Oceana Condominium & Club—15 buildings and 1.2 million square feet on the ocean in Brighton Beach.

Like others in the real estate families’ younger generation, he said he was genuinely interested in the field and didn’t feel pressured by family members.

“I thought I was going to be a baseball player when I was about 10,” Mr. Muss said, laughing. “Besides that, listen, I went to law school probably thinking that it was going to be more like

business school than law school. I didn't intend to practice, but it's a very helpful thing for the real estate world. So I never really thought about doing anything else."

He's been working for the family business since he graduated from NYU School of Law in 1996.

But in addition to being realistic about the doors that being a Muss opened—"It puts you on a faster track, maybe"—he also insists that it isn't a requirement, and that those open doors come with not a small amount of responsibility.

"It's something that you have to constantly think about and make sure that you're living up to past generations—that you're doing things the right way," he cautioned. "People know that behind the name there's a certain reputation, which we're very fortunate to have, in terms of integrity and the way that we do business. All of us here benefit from that and make sure not to screw it up. That's job one: Don't screw up the reputation."

For every real estate dynasty looking to preserve a reputation, however, there are dozens of young upstarts busily building theirs. They're also busy building something else that dynasties generally have in abundance—capital.

"If you're speaking to real estate families—third- or fourth-generation guys—they're focused on preserving wealth," said Gregory Jones, who along with his brother Graham started GRJ—a fund that has been buying multifamily properties in Manhattan, starting with the purchase of 227 East 89th Street in November 2011.

They're good-looking and well-dressed and look more upstairs than downstairs, more Bridgehampton than bridge-and-tunnel. But the New Jersey brothers said they weren't funded by anyone. "Graham and I used our own savings," Gregory Jones said of how they got their start. "We were not funded by anyone, we were not financed by anyone, we didn't have any investors ..."

Before buying 227 East 89th Street, they had deposits on several buildings, only to have the deals fall through. It was a hair-raising process, one that involved putting large amounts of their personal savings down—Graham's earned while working at a real estate private equity firm and Gregory's from banking.

It also involved a great deal of savvy and ingenuity in finding buildings to target in the first place.

"Nobody knew that 227 East 89th Street was for sale," Graham said. "You can't buy anything that Massey Knakal is sending out to you. You've got to bring some type of value to what you're doing."

Following 227 East 89th Street, a five-story walk-up between Second and Third Avenues, the brothers bought three multifamily buildings at 50-58 East Third Street, bringing their total portfolio of buildings to four. They said that they anticipate making an additional purchase before the year is out, proving that the toughest part about breaking into the business may simply be gaining traction and momentum.

Part of the whole process of breaking in has to involve finding ways to compete with the dynasties, or at least circumvent them. So in addition to finding smaller deals like 227 East 89th Street that aren't actively being marketed, the brothers also compete, they said, by sticking their necks out further.

"Honestly, we spend a good amount of our time cold-calling owners and trying to get them to sell us their buildings," Gregory said.

"We take a lot of risks that other people aren't willing to take, because at the end of the day we really don't have any option," added Graham. "It's not like throwing darts at the dartboard, but we're willing to make bets that other people might not be willing to make."

Samantha Rudin Earls and her brother Michael currently help run Rudin Management with those numerous relatives they counted off—including their uncle Jack, who is chairman, and their cousin Eric, who is vice chairman and president.

The siblings both worked on the recently 100-percent-sold 130 West 12th Street—the family’s condominium development, which was marketed by Stribling Marketing Associates.

“I actually just had a baby, and the day my baby was born we had our first closing, and it felt like that was sort of my first baby,” Ms. Rudin Earls said. “It was such an amazing experience working with the architect and the marketing team, Stribling, and our family and the designers from Jed Johnson—Arthur Dunnam and Heather Moore.”

Michael, who stayed out in Colorado after graduating from the University of Colorado at Boulder, moved to Aspen to pursue real estate opportunities of his own and “to get my feet wet a little bit,” as he describes it. He subsequently bought a commercial building there that is currently being redeveloped.

“But when I started working for the family full time about three years ago, [that] was right around the time that we started working on 130 West 12th Street,” he said, adding that the Saint Vincent project has also been “pretty amazing to work on,” for the vantage it has provided on the different stages of development.

With their different educational backgrounds—Michael studied urban planning—the siblings bring different eyes to challenges facing commercial real estate in New York today, like sustainability and marketing. William Rudin said that it was crucial to pay close attention to ideas coming not only from his children, but from the other young people who work for the company.

“There’s no question about it,” he said. “And I think Eric and my sister Beth and my other cousins—for us, we get in a room and have discussions, and everybody puts their ideas on the table and vets them.”

He credits Michael with adding to the company’s knowledge base in sustainability and Samantha with design and marketing touches—like using pieces from her Aunt Beth Rudin DeWoody’s internationally renowned art collection to stage apartments at 310 West 12th Street. People came for the art and ended up buying. “That’s thinking outside the box and connecting the family into the whole process,” William Rudin said.

And what about that youngest Rudin on the call? Are family members already scoping out a career in commercial real estate for her? “She’s going to be a fashion model,” Samantha said of her daughter. “When you got it, you got it.”