

THE SAPIR ORGANIZATION

... ENVISIONING DOWNTOWN'S FUTURE

By Jan Wilson

To go from being an impoverished immigrant from the former Soviet Union to becoming the developer of major New York City properties in less than 30 years is the quintessential American success story. To have your son join you, expand the business, and succeed in surpassing your goals is truly the American dream.

"I am proud to follow in my father's footsteps in this business," says Alex Sapir, president of The Sapir Organization, a real estate company with a portfolio of over seven million square feet of holdings. "From him I got my belief that hard work, diligence and determination lead to success. I put what I learned by his side to use every day in my work for this firm."

Now The Sapir Organization is poised to catapult to even greater heights as the co-developer of the ultra-luxurious William Beaver House condominium project located in the burgeoning Wall Street residential district and the Trump SoHo, which will be the only new five-star hotel Downtown. "These premier properties will set a new standard for Downtown. We are successful because we are the pioneers in areas that others might imagine to be too risky."

A HUMBLE BEGINNING

Born behind the Iron Curtain, Tamir Sapir left the Soviet Union in 1973 in a wave of Jewish emigration, first settling in Israel then later migrating to the United States. "My father came to this country with only \$80 in his wallet," says



Alex Sapir

still thinks of New York as the place to be—the center of America—and my father was no different," Sapir says. Tamir got his chance to come to New York when the owner of the hardware store gave him an old Volkswagen Beetle, and the family began its trek east. "The car wasn't in the greatest shape and it broke down on the way here, but my father got out and fixed it and continued down the road," as Sapir, who was not yet born, fondly recalls the family lore.

Tamir soon found his first key to success with the purchase of a taxi medallion. "My father worked all the time," says Sapir. "My parents' plan for our family was that we would be prosperous, and they were willing to work almost constantly to make that happen." Tamir was creative in his taxi business, memorizing the schedules for flights arriving from certain countries because he knew that those passengers would likely be higher fares.

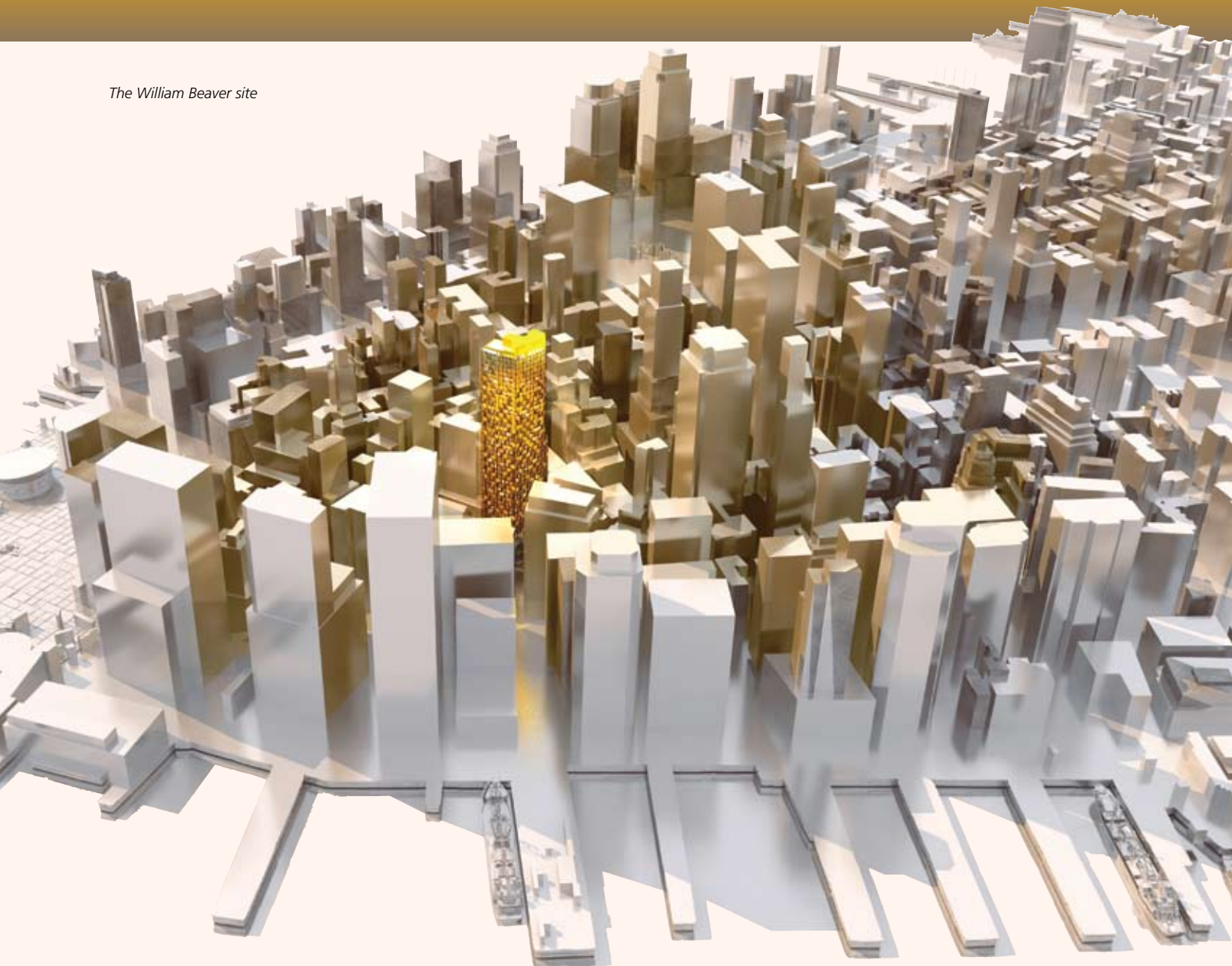
One day the elder Sapir was purchasing a stereo, and began talking to the electronic store's owner. Soon he was a partner in the store, which became the place for the Russian community in New York to purchase the latest and greatest gadgets. In 1985, he was invited to join a delegation of U.S. officials and corporate members in of the U.S.-U.S.S.R. Trade and Economics Council, the main East-West trade organization of the Soviet era. He became a member of the council, which organized meetings between U.S. corporations and Soviet officials to improve trade. Sapir parlayed this connection into becoming one of the major foreign partners for the emerging oil industry in Russia. "My father soon realized that real estate was an excellent place to invest his assets and he got into that at the right time—the early 1990s," says Sapir. "Some people thought he was crazy, but his only regret was that he didn't buy more at the prices we were seeing in those days."

"We are primed to become one of the most recognizable names in the real estate business."

Alex Sapir, President
The Sapir Organization

Sapir. The elder Sapir first settled in Louisville, Kentucky, working as a driver for the elderly and as a clerk in a hardware store, but even then, New York was on his mind. "Every immigrant

The William Beaver site



Alex Sapir's road into the business was less winding. The son spent whole weekends at his father's electronics store, soaking up his business acumen. "I'm not a replica of my father, although I think that I share many of his best traits," says Sapir. He adds that he was always interested in the real estate business, although his father wasn't actively managing the family's holdings at the time.

Of course, like every young person, the 27-year-old tried on a few different hats before setting into the family profession. "I was interested in trading; I was interested briefly in being a musician," he says. "I ultimately knew that I wanted to follow my father into business but I wanted to do it my own way. Eventually, he made me an offer that made me realize that I should be running the real estate operations."

Under Alex's leadership, The Sapir Organization is now poised to expand globally. The company is actively acquiring, repositioning and maximizing assets in additional major real estate markets, including Las Vegas, Miami and Los Angeles. As

part of this expansion, the firm is making significant investments in its properties and services in order to further position itself as one of the premier luxury real estate brands in the U.S. and abroad.

"The growth of our business and changes within it have presented logistical challenges, and The Sapir Organization has met them promptly and professionally. We're proud to occupy this historic property, and pleased to have a partner worthy of managing it."

**Anthony Orso, Managing Director
Real Estate Finance, Credit Suisse**

A VISIONARY BUYER

"They used to call my father the 'Crazy Russian,' but that's the way it always is with visionaries—people do not understand what they are doing," says Sapir. When the elder Sapir began acquiring properties in the early 1990s, they were selling for dollars per square foot in a market devastated by a recession and corporate layoffs. The purchase of **2 Broadway** in the mid-1990s made Sapir a force to be reckoned with. Acquiring the 1.6 million square foot tower for \$20 million, it was worth more than \$200 million by the end of the decade.

"We had to feed the property for many years until we could find a suitable tenant for the space, but when we did, it put our firm on the map," says Sapir. That tenant was the Metropolitan Transit Authority, which was looking to consolidate its operations, then scattered across two dozen buildings in Manhattan. On the day that the MTA announced it was selling its office building and the Coliseum at Columbus Circle to the Related Companies and Time-Warner it signed a 49-year lease for 2 Broadway.

After undergoing a more than \$100 million makeover in 1999, 2 Broadway is in pristine condition with complete lobby renovation, upgrades to all mechanical equipment including new heating and air-conditioning and full elevator and electrical upgrades.



2 Broadway

The purchase of many other outstanding commercial properties soon followed, including the landmark **11 Madison Avenue**, the U.S. headquarters of **Credit Suisse**, **260 Madison Avenue**, **261 Madison Avenue**, **384 Fifth Avenue** and **100 Church Street**.

A DYNAMIC OPERATION

Alex Sapir is fostering a forward-looking culture in his organization, one that is not afraid of change or new challenges. "We are looking for people who are ambitious, and experienced, but also very young minded," he says. "We want people who can see beyond what is possible in the real estate market today, and make the kind of pioneering decisions that we have in the past." In the

business he is joined by his sister Zina Sapir, who, as vice president, is involved in all aspects of the family real estate business along with her brother, and is particularly active in marketing, acquisition, public relations, design and corporate strategy.

Zina Sapir supervises numerous outreach efforts for The Sapir Organization, and its philanthropic arm. The firm is involved in numerous good causes, a fact that Alex Sapir reveals only reluctantly. "We help others not because of the accolades we might receive, but because it is the right thing to do," he says. "We have been given a lot by this country, and we try to give back as much as we can."



11 Madison Avenue

"The successful launch of SDS Investments has brought together three individuals with different backgrounds and talents to provide a real estate investment platform for The Sapir Organization and the other partners outside of The Sapir Organization's traditional New York City office building base."

Robert Ivanhoe, Partner, SDS and Chair of the Real Estate Practice and the New York office of Greenberg Traurig, LLP

The 40 employee headquarters staff is more like a family, Alex Sapir notes. "I have a business friendship with all of the people I work with," he says. "I believe in showing the personal side to

people—what you see is what you get.” He is an accessible manager with a strong work ethic, and one who still seeks his father’s advice and counsel. “I talk to him several times a day—we check in with each other, just as one might expect.”

As Sapir seeks to take the firm to the next level, he has coined the term “Hybrid Lifestyle,” as the marker for The Sapir Organization’s future projects. “This means the seamless integration of superior quality, modern luxury and advanced design,” he says. “We will be developing properties of unparalleled distinction by combining contemporary design incorporated into buildings that are technologically advanced.”

GREAT DEALS, NOT GOOD DEALS

In addition to investing in commercial properties, Sapir currently has a number of exciting, new projects underway. “We are looking to accelerate our growth—and our new developments have doubled the size of our portfolio.” Since 2004, the firm has invested heavily in acreage in Las Vegas, which it will be using for a non-residential development, Sapir says.



260 Madison Avenue

The Sapir Organization also has aligned itself with distinguished partners, such as Larry Davis and Robert Ivanhoe, with whom it has created SDS Investments, a real estate investment and development firm. SDS is developing the Las Vegas property. “We like new construction because you can build in efficiency that wouldn’t exist in an older building,” says Sapir. The firm is pursuing historic renovation of a building in Miami, and

with its **William Beaver House** and **Trump SoHo**, looking to bring a new kind of luxury into the Manhattan marketplace.

As a company known for its dynamic presence in the New York real estate market, Sapir says, he sees dozens of deals in a year, but takes a pass on most of them. “They are good deals for someone else, but not for us,” he says. “As a developer, I am interested in great deals, not good deals.” Right now, he believes that Manhattan continues to yield some great deals.

“The thing about Manhattan is that it is an island with a huge population,” says Sapir. “I believe that we are in the best residential market here ever. New York is very strong



261 Madison Avenue

with international buyers because of the weaker dollar, and because the international customer still feels that this is the place to be. While many fear that the bubble may be bursting in other markets across the country, there’s still a lot of room for growth here.”

“The luxury in this building will be endless, with every kind of amenity that premium buyers have come to expect, and a few that they haven’t yet thought of. With panoramic views of the expansive skyline, this building takes advantage of all Manhattan has to offer.”

Alex Sapir, President,
The Sapir Organization

FIVE-STAR LUXURY DOWNTOWN

Despite its prominence as an epicenter of high fashion and luxury residential developments, SoHo has never seen a project on the scale of the **Trump SoHo Hotel Condominium**. Scheduled for a 2009 opening in Hudson Square, the 46-story building will be located at 246 Spring Street, between Varick Street and Sixth Avenue.

“The project is right in the heart of the action, and will present something really new for this area,” says Sapir. Built in partnership with the **Bayrock Group** and the **Trump Organization**, the project will have 400 rooms, and at 454 feet high would be the tallest structure in SoHo. “The luxury in this building will be endless,” says Sapir, “Owners and guests will enjoy panoramic 360-degree views of the city and every kind of amenity that they have come to expect, and a few that they haven’t yet thought of.”

Building amenities will include a world-class restaurant, 24-hour room service, an intimate library and wine cellar, business center, SoHi (a private



Trump SoHo

rooftop club), a full-service lobby, ground-level bar and several conference spaces. In addition, the Trump SoHo will feature a pool deck with cabanas and a full-service bar, a luxurious spa and state-of-the-art fitness center. An outdoor garden will feature exquisite landscaping, decorative lighting and spacious seating areas.

The exterior of the Trump SoHo has been designed by the renowned firm, Handel Architects. Internationally acclaimed architecture and design firm Rockwell Group has modeled the spaces at the Trump SoHo on a personalized, fully-served lifestyle experience.

Of the 400 hotel condominium units, there will be 141 deluxe suites, 253 studio suites, five penthouse suites and one Presidential Suite. Some studios and deluxe suites can be combined to create luxurious two-bedroom suites. Units will range in size from approximately 422 to 905 square feet with expansive penthouses and the Presidential Suite on the three highest floors. "Our owners will be able to choose from a range of panoramic views including the Hudson River, Statue of Liberty, Empire State Building and the expansive Manhattan skyline—this building takes advantage of all Manhattan has to offer," Sapir says.

THE WILLIAM BEAVER HOUSE

Rising 47 floors above the historic Wall Street area, William Beaver House, the only ground-up residential tower currently being built in the neighborhood, is also being developed with SDS. Noted hotelier Andre Balazs is co-developing and branding the property.

The William Beaver House (so named because it's at the intersection of William and Beaver Streets), will offer 258 simplex residences, 48 furnished residences, 10 duplex residences, each with a private terrace, and three penthouses with private terraces.

"This is the most luxurious building in the Wall Street area and the sale prices are significantly higher than anyone thought that they would be," says Sapir. "This iconic building is poised to become Downtown's Time Warner Center."

The building's marketing campaign has featured a cartoon beaver, and is targeted to young, Wall Street professionals and other singles who want to live the high life and still be close to the office. However, the buyers have turned out to be from much broader circles than that, Sapir says. "We have seen young people, families and international buyers coming through the door," he says. "The perception of the Wall Street area is changing rapidly, and people want to be a part of the best, more desirable new construction there."



100 Church Street

ICONIC COMMERCIAL PROPERTIES

Sapir is known as the owner of several major commercial properties throughout Manhattan, including 11 Madison, the Class A headquarters of Credit Suisse. "Our purchase of this building was one of the biggest of 2003—only the GM Building transaction was larger," says Sapir.

"We have financed 100 Church Street twice. The Sapir Organization has a great vision for the building and they understand the New York City market as a whole. The significant amount of money they have invested renovating the building to attract high quality tenants is paying off with the great job they did signing a lease with Niche Media."

**Robert Rosenberg, Managing Director
Wachovia Securities**

Completed in three phases between 1932 and 1950, 11 Madison underwent a \$400 million renovation in the mid-1990s. Credit Suisse has also invested significantly in the property, including trading floors on two 100,000 SF floors for their equity and fixed-income departments, adding back-up power generators and fuel storage designed to allow Credit Suisse to operate in an emergency situation, as well as many high-tech conference and meeting spaces.

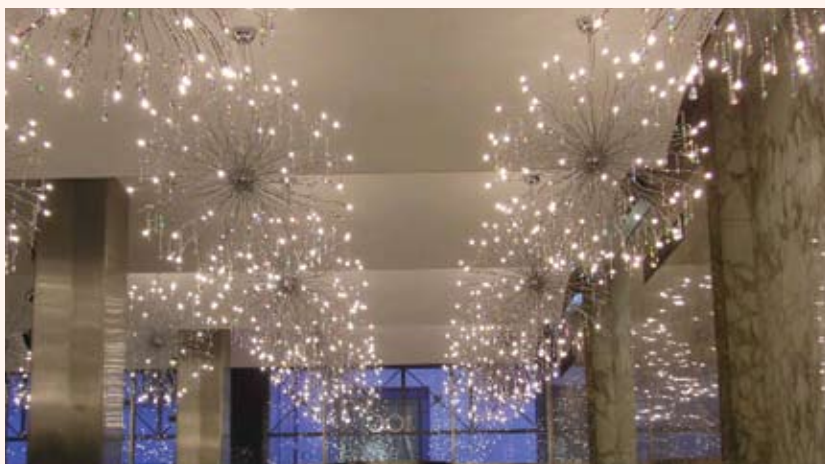
"This is a highly sought-after building due to its modern systems, large floorplates, high ceiling heights on the lower levels, elegantly appointed main lobby and amenity-rich location," says Sapir. "This building achieves similar rents to those in the heart of Midtown."

100 Church is a 21-story, 1.2 million square foot multi-tenant office building which occupies an entire city block. The building is currently undergoing a multi-million dollar capital improvement program that is transforming it into one of the finest commercial office buildings in Lower Manhattan. Building renovations include a new lobby and entryway; a complete upgrade of HVAC, electrical and mechanical systems; new elevator cabs and state-of-the-art fire/ life safety systems.

Sapir recently refinanced its existing debt on the property with a \$255 million new loan from Wachovia Securities. "Our recent loan from Wachovia is a wonderful sign of corporate confidence in the Downtown office market," declares Alex Sapir.



100 Church Street



The luxury publisher Niche Media will move its headquarters to 100 Church Street, signing a 45,419 square foot, 10-year lease. The firm joins a solid tenant roster including the New York City Law Department and The Business Integrity Commission. "There has been tremendous interest from potential tenants and significant new leasing activity at 100 Church Street. Lower Manhattan is emerging as the city's fastest growing and most vibrant commercial office market," Sapir says.

"We are excited to call 100 Church Street our new home because of the beauty of the building and the culture and history of the downtown area. We loved working with Alex and The Sapir Organization. Their level of professionalism made us extremely comfortable that our new home will be a fantastic place to see Niche grow in for years to come."

**Jason Binn, Chief Executive Officer
Niche Media**

Sapir has also upgraded its buildings at 260 and 261 Madison Avenue, with a program that included new elevators, HVAC upgrades and a complete lobby renovations. "We have taken this building up to an A-," says Sapir. "The tenant retention and service quality in those buildings is absolutely terrific. Lots of tenants have seen such growth in their businesses during their time in those

PROJECT TEAM MEMBERS

Arthur J. Gallagher
Insurance Broker

Bayrock Group LLC
International real estate investment and development firm
Project: Trump SoHo

Bovis Lend Lease
Construction Manager. Projects: William Beaver House, Trump SoHo

Constantinople & Vallone Consulting
Government Relations Consulting. Projects: 100 Church Street, William Beaver House, Trump SoHo

Core Group Marketing LLC
Marketing and Sales Team. Project: William Beaver House

Cushman & Wakefield
Real Estate Brokers

DeSimone Consulting Engineers
Structural Engineers. Projects: Trump SoHo, William Beaver House

Fried Frank
Legal Services

Greenberg Traurig Law
Comprehensive Legal Services. Projects: 100 Church Street, 11 Madison Avenue, William Beaver House, Trump SoHo

Greenberg, Trager, & Herbst
Construction and Development Legal Services. Project: Trump SoHo

Handel Architects
Architecture, Interior Design, and Planning. Project: Trump SoHo

iStar Financial
High-End Commercial Real Estate Financing

Israel Berger & Associates
Consulting and Inspection Group

Jones Day
Full Service Global Law Firm. Projects: 100 Church Street, William Beaver House

Kramer, Levin, Naftalis, & Frankel
Full service law firm

Maximus Title
Title Insurance. Projects: 100 Church Street, 11 Madison, 2 Broadway, 50 Murray Street, Trump SoHo, William Beaver House

Miller Blaker
Architectural Woodwork and Custom Furniture. Project: William Beaver House

North Fork Bank
Financing Real Estate

Newmark Knight Frank
Tenant and Landlord Representation. Project: Madison Avenue

Olshan, Grundman, Frome, Rosenweig, & Wolosky
Legal Services. Projects: 260/261 Madison Avenue

Pace Plumbing
Plumbing Contractor

Schulte, Roth, & Zabel
Legal Services. Projects: 100 Church Street, 11 Madison Avenue, 2 Broadway, 260/261 Madison Avenue, 50 Murray Street, 53 Park Place

Stantec
Architecture, Planning, Engineering, Landscape Architecture, & Transportation. Project: Trump SoHo

SDS Investments
Real Estate Investment & Development. Projects: Trump SoHo, William Beaver House

The Schonbraun McCann Group
Audit, Tax, Due Diligence. Projects: All Sapir Properties

Urban Foundation/Engineering
Sheeting, Shoring, Excavation, Underpinning, Piles, and Foundation Concrete



384 Fifth Avenue

buildings that they are reluctant to leave.” He notes that firms going from leasing half a floor to leasing several floors are not uncommon. Tenants in the buildings include HQ Global Workplaces, Met Life, Sara Lee, Primedia and AFTRA.

The firm also owns the 8-story building at **384 Fifth Avenue** that has served as its headquarters for virtually the entire life of the firm.

OTHER DOWNTOWN RESIDENCES

Sapir’s two downtown residential buildings, at **50 Murray** and **53 Park Place**, are known as the most luxurious rentals in the areas. “There are never any vacancies in these buildings—several well-known people are actually tenants there,” says Sapir.



50 Murray Street



53 Park Place

“Our waiting list has often been as high as the number of units in the buildings, which is 400. There are not too many rental buildings downtown these days—but we are going to keep these as rentals. It goes with our basic philosophy of full ownership.”

“We will continue doing what we have always done—invest in high quality deals—but on a grander scale. We are not afraid to take risks... we will continue to seize opportunities where others fear to tread.”

**Alex Sapir, President
The Sapir Organization**

ENVISIONING THE FUTURE

With projects in New York, Miami and Las Vegas, Sapir is clearly poised to lead the company that his father founded to greater success. “I am lucky that the entire family is very happy with the direction in which the company is going,” he says. “We will continue doing what we have always done—invest in high quality deals—but on a grander scale.”

He notes that the company doesn’t have a low risk tolerance and so may be able to seize opportunities where others fear to tread. “We are not afraid to take risks—this attitude comes from feeling that you don’t have much to lose,” he says.

He adds that the downtown in certain real estate markets and the credit crunch will have little impact on The Sapir Organization’s future plans. “We are all about seizing opportunity,” he says. “What is happening in the credit market has some impact on the market but less to the luxury buyer. People are still buying real estate in more than one city. People still want to live an elegant lifestyle.” As a true New York booster he also adds: “This market will always be strong because it’s the only real 24-hour city. From restaurants, to nightlife, to entertainment, there’s just more, more, more of what everyone wants, right here.” ■