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Matt Slepín:

Right.

Stephen Ross:

And the risks you'll take because you understand them more. And then how do you lay off risk? I mean, how do you do projects like this survive, because it's not like you don't make mistakes. You learn all the time. It's how you deal with those mistakes, how fast you move, and then the creativity you use in solving the problems that you didn't know about, or you learn on the job as you grow.

Matt Slepín:

Hi, this is Matt Slepín and welcome to Leading Voices in Real Estate. Today, we have a very special episode. My interview live and in person from high atop Hudson Yards on March 31st with Stephen Ross, the founder and chairman of the Related Companies. Stephen needs no introduction to our listeners, given his work at Related. However, the breadth of his activities on which we only get to scratch the surface in the interview is really what seems to drive I him now that he's in his eighties, and obviously not slowing down in terms of aspiration goals of impact, and as we discuss on the podcast, loving to compete.

To give you some headlines, in addition to Related where he continues to be the chair, Stephen is the majority owner of the Miami Dolphins. He is a major benefactor of the University of Michigan, where the Ross School of Business bears his name. He founded the World Resources Institute Ross Center for Cities in 2014. He's the founder of the RSE Venture Fund. And he's the founder of RISE, a foundation created in 2015 to harness the unifying power of sport to end racism and champion social justice. Among his many passion projects, Stephen is also now a key driver behind major development activity in downtown Detroit, which we will talk about on the show.

As I said, Stephen is not letting up on his activities. You all know that Leading Voices is your gift to me, with the opportunity to do these interviews. Together we've met legendary household names in the real estate business like today's conversation with Stephen, with Sam Zel, Gerald Hines, Art Gensler, Ned Speaker, Ron [inaudible 00:02:19], Owen Thomas and others. Each of these conversations were actually live of an in person, and I will admit to some stagefright for each. But to tell you the truth, I get equal juice and excitement from the non-household names.

Recently, people like Roseanne Haggerty, Doug Yearly, Marshall Boyd, and Julia Boyd Corso, Greg Bates, and Bob Dewitt all the way to our podcast on the [inaudible 00:02:43] movement with Laura Foot, all also live and in person a few months back. I find that I gain wisdom from all of these conversations, and that's my hope for you too. Terra Search Partners is now a week or two into our merger with the global talent solutions firm ZRG, where we're helping to build out their real estate practice globally. We talk a lot on Leading Voices about the power of business platform. And I did not realize until we started this integration with ZRG, that I've been talking about the power of platform with my guests on Leading Voices while I've sat a tiny tiny firm. ZRG, which is PE backed, does have the power of scale with fairly amazing technology, partners across the globe, and complimentary practices outside of executive search and interim placement, culture management, and business strategy.

So now in my business, I get the opportunity to walk the talk of a scaled business platform and all that it can bring, alongside of the bespoke wisdom that we've always brought to the table, all in

service to our clients. It's really exciting, and I'll look forward to sharing more. I hope that you enjoy the conversation with Stephen. This is definitely one to share with your friends and colleagues. As always, if you're enjoying this show, please follow on your favorite podcast app. Please rate us and feel free to connect with me with ideas for guests and other ideas for the show at mattterresearchpartners.com. Please enjoy the conversation with Stephen Ross.

So I'm going to say three or four things, Stephen. I'm going to say Hudson Yards, Time Warner, Dolphins, affordable housing, and go blue. Take it from here. What do you want to talk about?

Stephen Ross:

Anything you want?

Matt Slepín:

You have so many things that you do in your world and your life, and they're all so different. So I'm wondering how you balance them, prioritize them, and what you bring to them that's uniquely you and your leadership.

Stephen Ross:

Well, I mean, I like to make sure I'm never bored.

Matt Slepín:

You're definitely never bored.

Stephen Ross:

And so there's always something that has my attention at that point in time, something that's challenging. I mean, I love challenges. So I think probably that's one reason why I've grown the company and diversified it the way I am, the way it has grown. And also, I'm involved in a lot of diversified activities. And I love working and solving challenges. That's what I live for. I think that's probably the primary reason why I'm involved in so many different things, and I get bored easily.

Matt Slepín:

That's a fair deal. Is real estate the wellspring from which all of those activities come, because that's where you made your mark?

Stephen Ross:

Yeah. Well, any place where you kind of make your mark and it gives you the assets, if you will, to go ahead and do different things and allows you the time to do other things. I was first preoccupied when I first started because I had nothing [inaudible 00:05:38] I had to make a living.

Matt Slepín:

Yeah.

Stephen Ross:

And growing and building the company. And then once I had the capital that I could go outside of that, I looked at other activities and things that interested me. And then at the same time, they've all done

pretty well. So, I think probably the next impact I'll really have will be in philanthropy where I give it away, I give it back. But, that's a lot of fun as well.

Matt Slepín:

Yeah.

Stephen Ross:

And very rewarding.

Matt Slepín:

So I have so many things to ask you about, but we're going to bounce around subjects. So we're sitting in Hudson Yards. We're sitting at a place that didn't exist two years ago. And I was in your office at the Time Warner center 15 years ago, and that hadn't existed five years before that. How does that feel? And these aren't just buildings, they're places. So talk about that.

Stephen Ross:

Well, I mean, I think the dream of every real estate developer, at least myself, was to do something that was impactful and do impactful projects. I mean, I started off doing affordable housing, and then from there went into market rate housing, retail, office buildings, hotels, and now mixed use projects.

Matt Slepín:

Right.

Stephen Ross:

So the company... This is over a long span. It didn't happen overnight.

Matt Slepín:

Yeah.

Stephen Ross:

I've been in the real estate business for 51 years. I kind of started when I was about 30, so it's been a long journey, but it's been one that's continued to grow and diversify, and the challenges have become greater.

Matt Slepín:

Yeah. We're going to come back to that 30 year arc of a career. When you started, you would not have imagined building a district like Hudson Yards. You wouldn't have imagined building a corner like Lincoln Center and Time Warner. I'm just thinking, what was the leap that got to those things versus the leap from building buildings, and then the skillset involved in that leap?

Stephen Ross:

Well, I mean, once we went from and diversified from affordable housing to market rate housing, to office buildings and retail. I mean, that took time. I enjoyed learning new things, and it's a question of working together with people, bringing the best and the brightest together, and working together,

building a team. And then I went on to the next area, but it was easier to follow something if you've done it before. So, I was involved in every aspect of what we've done initially, and then moved on to doing other things and leading the way into different sectors of real estate.

Matt Slepín:

Right.

Stephen Ross:

So, I mean, I think it's easier to grow if you've done it yourself.

Matt Slepín:

Mm-hmm (affirmative).

Stephen Ross:

And so in every sector, the initial buildings, I was involved in doing that and was able to therefore understand the problems and issues that arise with the other things that were being built even though I wasn't involved on a day to day basis.

Matt Slepín:

Uh-huh (affirmative).

Stephen Ross:

And what I had told my people that I was working with, you give them a lot of leeway. You don't micromanage people.

Matt Slepín:

Right.

Stephen Ross:

But I said, if you got a problem, I'd have to be the first to know, and I want to know what your problems are.

Matt Slepín:

Right.

Stephen Ross:

But in the interim, I gave them a lot of leeway. I had worked with them. I knew what their capabilities were, and they knew what I was looking for. And the simple thing is whatever we did, we wanted to be best in class.

Matt Slepín:

Mm-hmm (affirmative).

Stephen Ross:

And so, it wasn't trying just to do something. It was really to do a better job than anybody else. And that's always been the mantra really of this company is that we want to be, first movers, and we take risks or we'll look at things a little differently right outside the box, but that I want to know and I want to be involved.

Matt Slepín:

So let's think about that for a second. I keep thinking that Time Warner Center was a leap. I'm going to get this imprecise, but you had done stuff before, you built buildings before, but here you built an area that needed that level of mixed use. And that's a skill that, a Captain Kirk skill, no man had gone there before, precisely.

Stephen Ross:

Well, I mean, I brought in Ken [inaudible 00:09:53] at that point in time who had built mixed use developments. No one had ever put it all in one building to the extent of the uses that we put into Time Warner.

Matt Slepín:

Right.

Stephen Ross:

Learned a lot.

Matt Slepín:

Yeah.

Stephen Ross:

It was a good location. I learned how complex it is in trying to do so many uses in one building.

Matt Slepín:

Right.

Stephen Ross:

And I haven't done a lot of those since. I mean, they have the risks and they don't work everywhere. New York City is... When you have a market that you oftentimes, as you enter is, you don't know how high, high is. A rising market can cover a lot of sins, if you will.

Matt Slepín:

Yes.

Stephen Ross:

So we were successful. That was probably the one project that I was the project manager of. I probably got the most amount of really enjoyment out of really being involved in. Yeah.

Matt Slepín:

And it's interesting, I'm thinking of your word best in class. I'm also thinking that you guys are long-term holders. So the goal to be best in class, to be long-term holders, and then for you, the CEO, to be as involved as a project manager and the conceptualization of something that difficult, learns lessons that then you can repeat as a company.

Stephen Ross:

Yes. I mean, absolutely. But also, when you're on top and you're the chief executive, it's having done things like that. You know what to anticipate and what to look for and so the learning curve is a lot less, even though you haven't done it before.

Matt Slepín:

Interesting. So then, talk about the organization versus you, and the learned muscle memory of a team, and then how that team has the expertise, where you could be pretty confident and could do a Hudson Yards without screwing it up.

Stephen Ross:

Well, you never do a project like Hudson Yards and say you're not going to screw it up.

Matt Slepín:

We're going to get there [crosstalk 00:11:46]

Stephen Ross:

I think success breeds success. So therefore the more success you have, the more confidence you have.

Matt Slepín:

Right.

Stephen Ross:

And the risk you'll take because you understand them more. And then how do you lay off risks? I mean, how do you do projects like this, survive? It's not like you don't make mistakes. You learn all the time.

Matt Slepín:

Right.

Stephen Ross:

It's how you deal with those mistakes, how fast you move, and then the creativity you use in solving the problems that you didn't know about, or you learn on the job as you grow.

Matt Slepín:

Let's pick that one up here, because we're in Hudson Yards and Hudson Yards was delivered, not your mistake, but the world's mistake, was delivered right into COVID.

Stephen Ross:

Well, that's a problem, and not all of the buildings will have the success that we anticipated. Certainly. I mean, when we first entered the job, we thought we'd make all our money on the residential and the retail, and hope we'd break even in office because the office market was weak at the time we did it.

Matt Slepín:

Right.

Stephen Ross:

The bottom line is what's happened. We made all our money in the office.

Matt Slepín:

Really? And you're making all your money in the office because that's the sector that confuses us the most in our industry, except maybe brand new spanking, wonderful office today is the product type that matters.

Stephen Ross:

Well, we saw the office. The office market was weak. So we saw if we could break even on the office, that the size and scope of that would allow us to attract the retail tenants, which we ended up getting. Neman Marcus, which was a real coup at the time. They were the leading department store in the country. And for them to open up in Manhattan with their first store, and show they saw what tenants we were attracting. So the retail and having that as a co-tenancy with other retailers, they were attracted to Hudson Yards. Then we knew if we had the retail with those type of tenants, we'd be able to sell the condos, and that's we thought would be very successful. And then a hotel would be, with the size and scope of this, it would need a hotel. And also, we were then growing Equinox at the same time, and saw that as an opportunity to put our first hotel, because we saw-

Matt Slepín:

Equinox hotel, not Equinox the exercise studio?

Stephen Ross:

Right. And we saw what was going on with what people lifestyle and changes in lifestyle, and felt there was a need and there was a market for an Equinox hotel. So I mean, that was our rationale. Then you have the pandemic.

Matt Slepín:

Yeah, what happened?

Stephen Ross:

We at least saw the office space. I didn't really anticipate we'd be as successful in the office, but basically we really recognized and sold it. The location, this is where young people wanted to be. Technology and firms were looking for, for new buildings because the obsolescence of all the existing or most of the existing office stock in New York, and people wanting to be here. So we sold it as a place where companies survived, if they're able to recruit talent. And the fact that Hudson Chelsea was an area

where young people wanted to be, it was a place in the city that could really grow that still had opportunity in it.

We sold it. This is what corporations needed, a place that they should be with their offices to track the kind of talent. So I saw and I believe the CEOs of the companies that we attracted and the private equity firms and all that saw this as a place that really they could bring everything together and have modern office space in a different environment. COVID has even made that more emphatic, and we were right in our thinking. And so this is probably the most coveted space, Hudson Yards in New York City. So there are offices doing well. We're still building offices, and we get the highest rents in the city and it's the location of choice. There's still people who still want the upper east side, but we're certainly holding our own or doing probably a little better than that.

Matt Slepín:

I bet you are for new office. Was it mostly leased before COVID or did most of that leasing happen during and after COVID?

Stephen Ross:

Mostly before COVID. And it's still continuing, because then don't forget then after COVID we had the bankruptcy of Neman Marcus. They moved out of that space. We're converting that to office now, which has worked out well because the retail market, that whole industry totally changed overnight. So we had a huge loss from our anticipated rents once we had Neman Marcus and them leaving or abandoning three floors, which we're converting to office with 150,000 square foot floor plates above the retail, and the demand for that has been terrific. So that's turned out, that'll work out well in this environment, replacing Neman Marcus with commercial office space.

Matt Slepín:

And condos and rental apartments?

Stephen Ross:

Well, we had condos. We had some affordable housing. There's obviously no risks to that. That filled up a hundred percent. But the condos, because of COVID and people banning New York at that point in time, no one working down here and the clock is ticking on completed buildings, our sales weren't there. So we ate up and went well beyond all the interest [inaudible 00:17:55] that we had set.

Matt Slepín:

How much does that come back?

Stephen Ross:

So, I mean, it's selling now, but our office space is now just probably 40% now, but that's only in the last month, but we probably [crosstalk 00:18:09]

Matt Slepín:

[crosstalk 00:18:09] people showing up.

Stephen Ross:

Right. Overall, the project's very successful because of the office.

Matt Slepín:

Wow. The opposite of what one would've expected.

Stephen Ross:

And that's the one part with today. If we just break even on the office to bring people here, that's our initial thought. So it shows you how you can enter a job, and this is what happens when you do a long term project, how markets can change. And you got to be flexible and adaptable, see it and then move with it. Also we had the observation deck. We had paid for that. There was no people to come or see it. So, I mean, it's been fraught with all kinds of problems. But at the same time, Hudson Yards is probably the premier location in New York and it will rebound, and we're still getting a lot of interest from office tenants here. The question is now that they're moving forward, what'll happen with the Western Yards today, but construction costs have escalated so great so we're [crosstalk 00:19:07]

Matt Slepín:

The Western Yards is the other half of Hudson Yards. It isn't yet built?

Stephen Ross:

Yeah, we bought additional land, so it's not exactly half of it, but it's probably another six and a half million square feet. Whereas today we have probably 12, 13 million square feet.

Matt Slepín:

Right. What you do know is... This is different than your economics. But what you do know is in five, 10 years, this will be an established part of the city that will be incredibly successful in a draw. And it will anchor this end of the city as a reality. You know that's the case and you will [crosstalk 00:19:40]

Stephen Ross:

Oh, there's no question about it. I mean, this would be like the center of the city, if you will.

Matt Slepín:

I think it will.

Stephen Ross:

We believe this is where all the trends are and everything.

Matt Slepín:

I had dinner with a New Yorker last night, who'd never been on the Highline. I'm from San Francisco, but I've now been on it six or seven times. I did this morning. I went to Little Island, which is like really cool.

Stephen Ross:

Right.

Matt Slepín:

Stuff's happening and it's not going to go away.

Stephen Ross:

Yeah. I mean, no, I agree. I mean, New York's changing. New York will continue to change. I think you see a lot of people leaving New York, but you have a lot of tech companies coming here, so it's going to be a different city. But certainly New York is New York and everybody has written it off so many times and they'll probably continue to write it off, but it'll certainly survive and do well. It'll just be a little different than it was in the past.

Matt Slepín:

It will continue to evolve. And we talk about this in the podcast a lot because during COVID we were wondering, okay, is it going to die? Are city's going to die? And urban environments will not die.

Stephen Ross:

No.

Matt Slepín:

But they will change, and the rhythm of it will change and people have different kinds of options.

Stephen Ross:

Well, I mean, there's probably more change occurring. We're in a transition right now.

Matt Slepín:

Yeah.

Stephen Ross:

Our whole country and the world is what's occurring right now.

Matt Slepín:

Right.

Stephen Ross:

And so, it'll be interesting to see where we end up as we enter this new world.

Matt Slepín:

We're lucky as people in the latter half of our lives and careers to be able to experience this level of change, because it's really damn interesting.

Stephen Ross:

Yes. I mean, fortunately I probably won't be here to see what it results in, but change is occurring in a much faster pace.

Matt Slepín:

Yep.

Stephen Ross:

So it'll still keep on moving very fast, but I think you can bet New York will be here. And other parts of the city, a lot of New York that's here today might not be here, but new people will come in.

Matt Slepín:

Yeah. So we're going to speed date through this, but we're talking about New York so much. And I think of you intrinsically as a New Yorker, but you're a Michigander. So talk about growing up just a little bit, talk about the University of Michigan, which I know you care about, go blue, and then how you got into this business.

Stephen Ross:

Well, yeah, I mean, I grew up... For the first 15 years of my life, I spent in Detroit, my parents moved to Florida in freshman year of high school. And then I went back to the University of Michigan. And then when I graduated law school, I got my master's in tax law at NYU. I went back to practice in Detroit, and I had just spent those two years in New York, and I guess I was single and there was nothing like New York. I moved back to New York. I didn't know anybody then or have any family here, but it certainly turned out to be a very wise move.

Matt Slepín:

Good for you.

Stephen Ross:

But you don't forget where you come from.

Matt Slepín:

Uh-huh (affirmative).

Stephen Ross:

And I've been very active with the University of Michigan throughout the years. And people have wanted me to come back to Detroit, and I saw what happened to Detroit. I mean, I certainly left at the right time, and it's 50 years later now and I think Detroit was hit bottom, and I see an opportunity in Detroit in the future. And so we're working on a very large project that will really, I think, do an awful lot in bringing Detroit really a new renaissance in Detroit, if you will.

Matt Slepín:

[inaudible 00:23:03]

Stephen Ross:

Yes, right in the heart of downtown. I mean, it won't have the same density, but it'll still be pretty dense because it is downtown.

Matt Slepín:

How much will use old buildings? How much will be all new?

Stephen Ross:

Most of it'll be new. I mean, we're partnering with the [inaudible 00:23:17] organization that owns the Little Caesars pizza as well as Detroit Tigers and Detroit Red Wings. And they had assembled over 300 acres of land downtown adjacent to it, these parking lots today. There are a few old buildings that will rehab, but we're going to be bringing to Detroit, the University of Michigan Innovation Center, which will be a new school for the University of Michigan, that'll act as a catalyst. It's a graduate school dealing with business, engineering, computer science, information science, law, all in one school, much like Cornell Tech here is in New York.

Matt Slepín:

Yep.

Stephen Ross:

And so I'm bringing that to Detroit. It's been approved by the University of Michigan. I'm giving the lead gift, and that'll act as a catalyst to the development of office buildings, retail, hotels, and residential, which will really act as a total catalyst in bringing Detroit back.

Young people want to be in Detroit. It's kind of a city where young people today are really mission driven and they understand the importance of Detroit, what a great city it was to this country. And it was really the heart of the interstate highway system in the Great Lakes. And I think that corporations are now seeing the skillset that comes out of the University of Michigan, where they're looking for talent, and where young people want to be, and the cost of living and I think everything, the stars are starting to align that when you mention to most people, they think you're nuts. But I think in the corporations we've talked to, there's a lot of interest.

And I think you'll see over the next couple years, Detroit will make a real comeback and it'll be the surprise of the country. The [inaudible 00:25:08] assembled these over 300 acres they had, and it's ready to go, and it's in the right part of Detroit. It's got everything you'd ever want. I mean, all the sport venues are within two blocks of each other, all four major teams. All the cultural venues are all within two blocks, and it's all downtown.

Matt Slepín:

So you come to New York, you're a lawyer, you started Bear Stearns?

Stephen Ross:

I started with a smaller firm, [inaudible 00:25:37], and then went to Bear Stearns.

Matt Slepín:

Okay. And then what happened? How'd you get from there to real estate?

Stephen Ross:

Well, I got fired.

Matt Slepín:

That's really important. So why did you get fired? What did you do?

Stephen Ross:

Well, the person I was working with had a great inferiority complex and I guess, he made it such that if you didn't listen to him then you didn't have a role and it didn't work out.

Matt Slepín:

Yeah.

Stephen Ross:

And so, I looked around. I went to Bear Stearns. I was at Bear Stearns. The first firm really kind of was a great firm with young guys doing exciting things, but they had financial problems. Actually the firm kind of disbanded within a month after I left.

Matt Slepín:

Okay.

Stephen Ross:

My leaving had nothing to do with that. I was a young associate.

Matt Slepín:

Right.

Stephen Ross:

But it was backed by the DuPonts, and it was a very exciting place to be. But when you put all young people with no experience together, very little limited experience, you need real leadership to stay together and they couldn't really pull it together. So anyway, I got fired from Bear Stearns and I looked. I said, no one's going to hire me. And what are my strengths? Where are the greatest opportunities? And kind of wrote a business plan for a real estate company.

Matt Slepín:

To do low income housing?

Stephen Ross:

Yes. To start doing affordable housing. But it was always the idea that, that would be the basis of something.

Matt Slepín:

Why did you start there?

Stephen Ross:

Because one, I had no capital. I knew the government programs. I'd studied that. And there was tremendous amount of government programs. They had just passed all the Johnson Great Society Programs.

Matt Slepín:

Right.

Stephen Ross:

There was a great need in the country for affordable housing, which the country really wasn't paying a lot of attention to until these programs were passed. And in those days there were business cycles. There were a lot more of them and a lot more often. So it's a question, how do you really survive during all these business cycles? So I had to believe in real estate, and you see companies going bankrupt in a down cycle. And so I figured that you had to have income coming in no matter what, when you're developing. I had no capital. The accessibility to capital... The government's programs allowed close to 100% financing and it was complex.

Matt Slepín:

Yeah.

Stephen Ross:

I love the opportunity of building something, so I saw the opportunity in affordable housing where the competition wasn't that great and would use that to build and learn how to be a developer of affordable housing. So I did that for about eight years from the time I started, and we probably built over 5,000 units in that eight year period and started seeing where the opportunities were, and developers would get their subsidies or their grants. Politically, they didn't know how to do it, so I'd buy their projects from them and execute them. And because life is all about execution.

Matt Slepín:

Right.

Stephen Ross:

And I always believed that because if you know how to execute you can succeed. And so, that was really the background of how I built Related.

Matt Slepín:

And that business became development, finance, syndication, every different part of the stack of how to get affordable housing in that case [crosstalk 00:29:14].

Stephen Ross:

And we managed it as well.

Matt Slepín:

And you managed it as well.

Stephen Ross:

Right. So that's really what the foundation of this company is, and it still is today. We have the largest portfolio of affordable housing in the country. We still build finance and manage it. And so it works great when you go to communities and people are always talking about affordable housing and they just know us for the luxury stuff we do.

Matt Slepín:

Right.

Stephen Ross:

And then all of a sudden we point out to them, the amount of affordable housing we do and projects in those areas. It surprises a lot of community groups.

Matt Slepín:

How does the base of that work? And I think you haven't sold much of it, or you haven't sold it for conversion. So how does that base affect the culture of the company that you have today?

Stephen Ross:

Well, I mean, the opportunities are great. We're buying other people's old portfolios, managing it renovating it. And I think people are really proud of what we are doing. And certainly, today it's called out a lot more because that's all people talk about is affordable housing.

Matt Slepín:

Right.

Stephen Ross:

And we never sold a unit, and we buy other units. And I think there's only one project that we've ever sold that we developed in affordable housing, and this is 50 years later.

Matt Slepín:

So you're a, I'm going to use the word steward. It's just interesting to think of a for-profit organization, clearly profit oriented. You've done well, but to be a steward of that housing over that period of time is a meaningful achievement.

Stephen Ross:

Well, it's probably the biggest need of this country, and it's going to be the biggest need going forward.

Matt Slepín:

Yep.

Stephen Ross:

As people's jobs, what they can afford to pay for their housing, and understanding it, understanding how to build it, how to finance it, it was a great background. It's a great foundation for a company, and it's something that we work with local officials on. And I think that's really important because we

understand the needs of a city, and today people are living in cities and what you need to do to go forward. And it's got to be part of every project just about.

Matt Slepín:

Yeah. Well you guys, your level of expertise, understanding. I'm friends with Bill Woody on the west coast, but I know you work nationally and it's really impressive. And observation, and I'm thinking of the word competition, so this is going to lead up to the word competition. When I became a recruiter 25 years ago or whatever, we observed your company. And one of the things we observed in your company is that you had the different divisions within affordable housing, each led by different people. And it felt, from the outside, like a competitive environment, and it felt like internal competition and action was what defined your company. I don't know if this is true or not.

Stephen Ross:

I mean, I never looked at it as internal competition. I mean, I always believed we wanted to hire the best and brightest. Or I used to even say we wanted to hire poor, hungry, driven PhDs.

Matt Slepín:

Good move. Yeah.

Stephen Ross:

You know, people. And work it together as a team. To me, you can only build a company if you're working together as a team. And everybody, given the opportunity, not being micromanaged, but being the brightest guys around and knowing we don't want to be where everybody else is, we want to live outside the box.

Matt Slepín:

Uh-huh (affirmative).

Stephen Ross:

And I think that's what we've been able to do.

Matt Slepín:

Uh-huh (affirmative).

Stephen Ross:

I mean, as you get bigger and bigger, it's harder to do. As you're diversifying to more things in more cities geographically, the company's become a lot bigger. We got people and we got great leadership.

Matt Slepín:

I want to pivot to that comment and the comment about great people who are hungry people, who are really strong and running hard, who are organized to work as a team, because you're the owner of football team. And at your level of owner of a football team, you're bringing some of these lessons and some of those perspectives to that business, if that's a business. So just talk about the parallels between how this works and how that works and where you get juice out of doing that work.

Stephen Ross:

Well, I mean, I bought a football team because I loved the challenge and thought I built a company and I had my own ways of how I thought a company should run, operate, and work together as a team, and the type of people you want to get. Building a football team is a lot more difficult because there's so many rules and regulation. It's harder to build a winning football team because it's about people. Any organization is about people. Basically, I like to pride ourselves in getting good people, training them, and making sure that they do well and stay with us, and that's how we have really grown the company. But in football there's so many rules and regulations, where you can hire, what you can do, and that's why football is such a great sport because the team can be good one year and two years later, they're playing in the Super Bowl.

Matt Slepín:

Right. You can make that happen. Talk about your pleasure from that and your pleasure from this, how you balance all of those. And we're going to start to wrap up.

Stephen Ross:

Okay. Well, I mean, I love sports and I love competition.

Matt Slepín:

Uh-huh (affirmative).

Stephen Ross:

And so, the challenge of that is really what drives me. I'm not really a hands on... I mean, I talk quite a bit with the general manager, but I don't pick players. I don't tell them who to play, what plays to run. But it's like people, you got to find the right people.

Matt Slepín:

Yeah.

Stephen Ross:

And that's what's harder than it is in business.

Matt Slepín:

Last question on Leading Voices is always advice for a young person entering, I won't say football, the real estate business.

Stephen Ross:

It's like any other business. Hard work, trying to think outside the box and persevere. I think in anything it's the ability to persevere through good times and bad, and believe in yourself and to work hard. And it's the only way you do things.

Matt Slepín:

Yeah.

Stephen Ross:

Using your brain to solve problems, not money. Too many people like to throw money to solve problems, but it's really the brains that solve the problems. And that's why you want the best and the brightest.

Matt Slepín:

Yeah. Thinking of the word structure. You can structure into solutions. It's not just the dough.

Stephen Ross:

It's not the dough.

Matt Slepín:

Yeah.

Stephen Ross:

You got to sell. People got to believe in you, the ability to track capital and people, to believe that you're going to give them the returns and you're honest and your word is good.

Matt Slepín:

If there's anything we didn't discuss in this that you think our real estate audience should know about Stephen Ross, that they don't?

Stephen Ross:

I mean, I'm 81, but I'm going strong and I'm still to be heard from.

Matt Slepín:

[inaudible 00:36:05] Keep it going.

Stephen Ross:

Thank you.

Matt Slepín:

Thank you for your time.

Stephen Ross:

Thank you.

Matt Slepín:

Thank you for listening in to Leading Voices, and I hope that you enjoyed today's episode. I have a request. If you enjoyed the episode and found it to be valuable, please share it with a friend or two. If they're podcast wary, take their smartphone in your hand and subscribe for them and teach them to listen. You'll change their life. Seriously, thanks for listening and keep in touch. You know you could reach me at matt@terrasearchpartners.com. See you next time.