

Usual Suspects

The same owners as last year top the charts—but with lower unit counts. BY LES SHAVER

The usual cast of characters topped this year's MFE Top 50 Owners list, but the largest owners didn't clock in quite as many units as they did in 2008.

The top four companies had fewer units in 2009. Boston-based Boston Capital (No. 1) moved from 166,496 units to 162,677, while SunAmerica Affordable Housing Partners (No. 2) moved from 152,315 units to 147,087 units. The two REITs, busy moving out of less desirable markets, were sellers, too. Chicago-based Equity Residential (No. 3) moved from 147,244 units to 137,007, while Denver-based AIMCO (No. 5) went from 114,782 units to 92,491 units. (The usual front-runners—MMA Financial, which ranked No. 1 on last year's list, and Stamford, Conn.-based GE Real Estate, which landed the No. 8 spot last year, declined to participate in this year's survey.)

"For us, like many other players in the market-rate business, 2009 was a year for minding our knitting and taking care of assets," says Mark Dunne, managing director for Boston Capital Real Estate Partners, a division of Boston Capital.

So, if the top owners shed units, why weren't others on the list able to claim some of these top spots? The largest owners led by too wide a margin. For instance, the gap on last year's Top 50 Owners list between AIMCO and the sixth place firm, Greenwich, Conn.-based The Richman Group Affordable Housing Corp., was nearly 30,000 units. That gap shrunk to little more than 2,000 units this year. But there was another reason—the transaction market dried up in 2009, limiting most firms' ability to add units.

"A year ago, most of the public REITs were saying they wouldn't see transactional volume in 2009 because we were

TOP 50 MULTIFAMILY OWNERS

RANK (vs. '08)	COMPANY HEADQUARTERS/CONTACT INFO (P)=PUBLIC	TOP EXECUTIVE	2009 UNITS OWNED (vs. '08)	2009 REVENUE (vs. '08, in millions)	WHAT THEY OWNED*	REGION(S)*
1 (2)	BOSTON CAPITAL Boston, MA • 617-624-8900 www.bostoncapital.com	Jack Manning	162,677 -2% ▼	N/A N/A	AFF, IL, MR	National
2 (3)	SUNAMERICA AFFORDABLE HOUSING PARTNERS (P) Los Angeles, CA • 310-772-6045 www.sunamericahousing.com	Michael L. Fowler	147,087 -3% ▼	N/A N/A	AFF, AL, IL	National
3 (4)	EQUITY RESIDENTIAL (P) Chicago, IL • 312-474-1300 www.equityapartments.com	Samuel Zell	137,007 -7% ▼	\$1,943 -7% ▼	MR	M, MA, NE, P, SA
4 (1)	NATIONAL EQUITY FUND Chicago, IL • 312-340-0600 www.nefinc.org	Joe Hagan	96,135 N/A	N/A N/A	AFF, AL, IL	National
5 (5)	APARTMENT INVESTMENT AND MANAGEMENT CO. (P) Denver, CO • 303-757-8101 www.aimco.com	Terry Considine	92,491 -18% ▼	\$1,196 -8% ▼	AFF, MR, ST	National
6 (1)	THE RICHMAN GROUP AFFORDABLE HOUSING CORP. Greenwich, CT • 203-869-0900 www.richmancapital.com	Richard P. Richman	90,346 6% ▲	N/A N/A	AFF, AL, MR	National
7 (7)	PINNACLE, AN AMS CO. Seattle, WA • 206-215-9700 www.pinnacleams.com	Stan Harrelson	68,017 -14% ▼	\$89 5% ▲	AFF, MIL, MR	ESC, GL, M, MA, P, PL, SA, WSC
8 (8)	ARCHSTONE Englewood, CO • 303-708-5959 www.archstoneapartments.com	R. Scot Sellers	62,741 -3% ▼	N/A N/A	AFF, MR	GL, M, MA, NE, P, SA, WSC
9 (11)	ALLIANT CAPITAL Woodland Hills, CA • 818-668-2800 www.alliantcapital.com	Shawn Horwitz	60,258 3% ▲	N/A N/A	AFF, IL, MR	National
10 (12)	EDWARD ROSE BUILDING ENTERPRISE Farmington Hills, MI • 248-539-2255 www.edwardrose.com	Warren Rose	55,958 2% ▲	\$359 0%	MR	ESC, GL, MA, NE
11 (10)	BLACKROCK REALTY (P) Florham Park, NJ • 973-264-2700 www.blackrock.com	Bill Finelli	55,144 -8% ▼	N/A N/A	MR, ST	M, MA, NE, P, SA, WSC
12 (14)	CAMDEN PROPERTY TRUST (P) Houston, TX • 713-354-2500 www.camdenliving.com	Richard J. Campo	51,774 -1% ▼	\$635 2% ▲	IL, MR, ST	M, MA, P, SA, WSC
13 (13)	FAIRFIELD RESIDENTIAL** San Diego, CA • 858-457-2123 www.fairfield-residential.net	Christopher Hashioka	51,196 -7% ▼	N/A N/A	AFF, MR	ESC, M, MA, NE, P, PL, SA, WSC
14 (1)	WNC & ASSOCIATES** Irvine, CA • 714-662-5565 www.wncinc.com	Wilfred Cooper	50,322 1% ▲	N/A N/A	AFF	National

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** Data compiled from various sources, including the 2010 NMHC 50 rankings

TOP 50 MULTIFAMILY OWNERS

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15 (30)	FOREST CITY ENTERPRISES (P) Cleveland, OH • 216-621-6060 www.forestcity.net	Albert B. Ratner	49,116 48% ▲	\$1,290 0%	AFF, AL, IL, MIL, MR	ESC, GL, M, MA, NE, P, SA, WSC
16 (-)	INVESCO REAL ESTATE (P) Dallas, TX • 972-715-7400 www.invescorealestate.com	David Ridley	47,990 3% ▲	N/A N/A	MR	National
17 (18)	UDR (P) Highlands Ranch, CO • 720-283-6120 www.udr.com	Thomas W. Toomey	47,328 7% ▲	\$617 10% ▲	MR	ESC, M, MA, P, SA, WSC
18 (15)	LINCOLN PROPERTY CO. Dallas, TX • 214-740-3300 www.lincolnapts.com	Tim Byrne	46,347 -2% ▼	\$1,801 -20% ▼	MIL, MR	National
19 (16)	AVALONBAY COMMUNITIES (P) Alexandria, VA • 703-329-6300 www.avalonbay.com	Bryce Blair	45,463 -1% ▼	\$852 0%	AFF, MR	GL, MA, NE, P, SA
20 (19)	THE MICHAELS ORGANIZATION Marlton, NJ • 856-596-3008 www.michaelsdevelopmentcompany.com	Michael J. Levitt	44,916 4% ▲	\$32 113% ▲	AFF, MIL, ST	National
21 (20)	MID-AMERICA APARTMENT COMMUNITIES (P) Memphis, TN • 901-682-6600 www.maac.net	H. Eric Bolton Jr.	43,604 2% ▲	\$379 2% ▲	MR	ESC, GL, M, SA, WSC
22 (17)	RAYMOND JAMES TAX CREDIT FUNDS (P) St. Petersburg, FL • 727-567-5043 www.rjtcf.com	Ron Diner	43,460 -3% ▼	N/A N/A	AFF	National
23 (-)	BELL PARTNERS Greensboro, NC • 336-232-1900 www.sdbell.com	Steven D. Bell	43,160 334% ▲	\$519 -9% ▼	AL, CCRC, IL, MR	ESC, GL, MA, NE, SA, WSC
24 (22)	THE IRVINE CO. APARTMENT COMMUNITIES Irvine, CA • 949-720-5600 www.rental-living.com	Max Gardner	42,764 3% ▲	N/A N/A	AFF, MR	P
25 (28)	JRK PROPERTY HOLDINGS Los Angeles, CA • 310-268-8344 www.jrkpropholdings.com	James Lippman	42,400 14% ▲	\$360 N/A	AFF, MR	ESC, GL, M, MA, P, PL, SA, WSC
26 (-)	DRA ADVISORS New York, NY • 212-697-4740 www.draadvisors.com	David Luski	41,982 -3% ▼	N/A N/A	MR	ESC, GL, M, P, PL, SA, WSC
27 (25)	PICERNE REAL ESTATE GROUP Phoenix, AZ • 602-279-8484 www.picerne.com	David Picerne	41,058 6% ▲	N/A N/A	AFF, IL, MIL, MR, ST	ESC, M, NE, PL, SA, WSC
28 (23)	EMPIRE AMERICAN HOLDINGS Montvale, NJ • 201-326-1661 www.empirecorporate.com	Eli Feller	40,776 0%	\$300 N/A	MR	ESC, MA, SA, WSC
29 (24)	HUNT BUILDING CO. El Paso, TX • 915-533-1122 www.huntcompanies.com	W.L. Hunt	38,802 0%	\$1,223 10% ▲	AFF, IL, MIL	National
30 (26)	SENTINEL REAL ESTATE CORP. New York, NY • 212-408-5000 www.sentinelcorp.com	John Streicker	37,500 -1% ▼	N/A N/A	MR	National
31 (27)	HOME PROPERTIES (P) Rochester, NY • 585-546-4900 www.homeproperties.com	Edward J. Pettinella	35,797 -4% ▼	\$503 -1% ▼	AFF, MR	GL, MA, NE, SA
32 (31)	THE RELATED COS.** New York, NY • 212-586-0065 www.related.com	Jeff Blau	35,578 8% ▲	N/A N/A	AFF, MR	MA, NE, P

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IN THE SPOTLIGHT

MANAGING EXPENSES and maximizing cash flow reigned supreme for the MFE Top 50 Owners in 2009. Take Irvine, Calif.-based **THE BASCOM GROUP** (No. 38), which reduced portfolio expenses on its 31,142 affordable and market-rate units by more than \$9 million last year, helping to increase portfolio NOI by more than \$11 million. In 2010, the firm plans to leverage those savings and eventually expand its acquisition activity into distressed markets such as Las Vegas and Phoenix.

Philadelphia-based **MADISON APARTMENT GROUP** (No. 48) was likewise able to improve its operations by continuing "to focus on operating results with the goal of maximizing cash flow." Madison, which owned 25,280 units at the close of 2009 after selling some 364 units, also earned a "Best Multi-Family Renovation" recognition from the *Philadelphia Business Journal* for its completion of the Madison at Montgomery project.

Similarly, Vienna, Va.-based **SOUTHERN MANAGEMENT CORP.** (No. 49), was able to hold its business steady in 2009, reporting \$300 million in revenue and an ownership portfolio of 24,108 units last year. Despite a historically difficult economic environment, the company says it averaged a 3.1 percent vacancy rate in 2009. At the end of the year, overall apartment vacancy rates for Southern Management's Baltimore and Washington, D.C., markets were a respectable 5.1 percent and 5.2 percent, respectively.

still in a period with a declining rent curve," says Ed Lange, executive vice president and chief operating officer at San Francisco-based **BRE Properties**, which came in at No. 50 on the list with 23,109 units.

This year, though, the REITs have started to buy alongside Equity, with Rochester, N.Y.-based **Home Properties** (No. 31 with 35,797 units), Palo Alto, Calif.-based **Essex Property Trust** (No. 46 with 27,248 units), and **BRE** all making purchases.

Equity CEO David Neithercut expects the buying spree to continue in 2010—possibly making REITs larger players on next year's list. "I think that the REITs have access to capital today that's a little more attractively priced, as opposed to the private guys," he says. "I'd be surprised if the public side of the equations didn't aggregate more units this year, just

because of their superior access to capital. This happens coming out of downturns. A lot of the private guys have legacy issues that preempt them from aggregating assets and taking advantage of some kind of improvement [in the market]."

Still, Lange says most REIT transactions are of a smaller variety, meaning they won't have a huge impact on next year's list. He also doesn't discount other buyers. With debt availability from Fannie Mae and Freddie Mac, Lange thinks private equity could lower its internal rate of return (IRR) and private owners (without debt issues) could be buyers.

Dunne can see overseas investors, REITs, private owners, and institutional owners increasing allocations to apartments this year—with each emphasizing and/or being more competitive in certain product and market types. "Ownership in apartments will generally become more attractive to institutional investors," he says. "Ownership by REITs, funds, and endowments will continue to grow for premium assets in 24-hour markets—and with attractive financing from Fannie Mae and Freddie Mac and even some insurance companies, private owners will continue to be active, particularly for commodity assets in secondary markets."

Right now, Lange is seeing a lot of closed-end funds (which must deploy capital) and non-traded REITs as the heavy buyers. Most of them don't have the scale to be serious challengers for the Top 50 list, though. Overall, he doesn't see the seismic changes in the apartment ownership foundation that he saw after the early '90s commercial meltdown.

"The early and mid-'90s saw a lot of new names and new companies created," Lange says. "I think that's the one piece we're not seeing yet. Even if the distressed selling is not there at the magnitude they [private buyers] would like, if you can get to an IRR [they like], does it make sense to form new platforms and buy some of these assets? That's been the missing piece [in this downturn]."

If private equity steps up or if private operators go public, new, bigger platforms could eventually make the Top 50 Owners list. But until then? It looks like the same old players will be back again next year. [M]

TOP 50 MULTIFAMILY OWNERS

RANK (vs. '08)	COMPANY HEADQUARTERS/CONTACT INFO (P)=PUBLIC	TOP EXECUTIVE	2009 UNITS OWNED (vs. '08)	2009 REVENUE (vs. '08, in millions)	WHAT THEY OWNED*	REGION(S)*
33 (36)	LINDSEY MANAGEMENT CO. Fayetteville, AR • 479-521-6686 www.lindseymanagement.com	James E. Lindsey	33,293 14% ▲	\$205 8% ▲	AFF, MR, ST	ESC, PL, WSC
34 (25)	CNC INVESTMENTS Houston, TX • 281-444-1585 www.cncapartments.com	Charlie Yalamanchilli	32,721 -22% ▼	N/A N/A	MR, ST	ESC, SA, WSC
35 (→)	CONCORD MANAGEMENT** Maitland, FL • 407-741-8600 www.ced-concord.com	Edward Wood Jr.	32,022 2% ▲	N/A N/A	IL, MR	ESC, GL, MA, SA, WSC
36 (32)	COLONIAL PROPERTIES TRUST (P) Birmingham, AL • 205-250-8700 www.colonialprop.com	Thomas H. Lowder	31,941 -1% ▼	\$340 3% ▲	MR	ESC, M, SA, WSC
37 (34)	WESTDALE REAL ESTATE INVESTMENT AND MANAGEMENT Dallas, TX • 214-515-7000 www.westdale.com	Joseph G. Beard	31,632 3% ▲	N/A N/A	MR	ESC, GL, M, P, PL, SA, WSC
38 (28)	THE BASCOM GROUP Irvine, CA • 949-955-0888 www.bascomgroup.com	Jerome A. Fink	31,142 -13% ▼	\$236 34% ▲	AFF, MR	M, P, SA, WSC
39 (33)	MORGAN PROPERTIES King of Prussia, PA • 610-265-2800 www.morgan-properties.com	Mitchell L. Morgan	30,630 -2% ▼	N/A N/A	AFF, MR	GL, MA, PL, SA
40 (→)	TRAMMELL CROW RESIDENTIAL Dallas, TX • 214-922-8400 www.tcreidential.com	Charles R. Brindell Jr.	29,857 109% ▲	\$80 -38% ▼	AFF, MR	ESC, M, MA, NE, P, SA, WSC
41 (35)	UBS REALTY INVESTORS Hartford, CT • 860-616-9000 www.ubs.com/realestate	Matthew Lynch	28,381 -3% ▼	N/A N/A	MR	GL, M, MA, NE, P, SA, WSC
42 (→)	BH EQUITIES** Des Moines, IA • 515-244-2622 www.bhmanagement.com	Harry Bookey	28,165 -16% ▼	N/A N/A	AFF, MR	ESC, GL, PL, SA, WSC
43 (→)	BBR MANAGEMENT Charlotte, NC • 704-944-0100 www.bbrmanagement.com	Philip Payne	28,119 1% ▲	N/A N/A	MR	M, PL, SA, WSC
44 (10)	BERKSHIRE PROPERTY ADVISORS Boston, MA • 617-556-1450 www.berkshirepropertyadvisors.com	Frank Apeseche	28,007 10% ▲	\$275 -5% ▼	IL, MR	GL, M, MA, NE, P, SA, WSC
45 (→)	AEW CAPITAL MANAGEMENT Boston, MA • 617-261-9000 www.aew.com	Jeffrey D. Furber	27,379 -5% ▼	N/A N/A	AL, CCRC, IL, MR, ST	National
46 (34)	ESSEX PROPERTY TRUST (P) Palo Alto, CA • 650-494-3700 www.essexpropertytrust.com	Kelth R. Guericke	27,248 1% ▲	\$411 0%	AFF, MR	P
47 (→)	MCA HOUSING PARTNERS Gardena, CA • 424-258-2800 www.housingpartners.com	Michael A. Costa	25,696 0%	\$194 N/A	AFF, IL	ESC, GL, M, MA, P, PL, SA, WSC
48 (33)	MADISON APARTMENT GROUP Philadelphia, PA • 215-496-0400 www.maglp.com	Joseph Mullen	25,280 0%	N/A N/A	MR, ST	ESC, GL, M, MA, P, SA, WSC
49 (42)	SOUTHERN MANAGEMENT CORP. Vienna, VA • 703-902-2000 www.southernmanagement.com	David H. Hillman	24,108 1% ▲	\$300 0%	AFF, MR, ST	SA
50 (46)	BRE PROPERTIES (P) San Francisco, CA • 415-445-6525 www.breproperties.com	Constance B. Moore	23,109 9% ▲	\$355 1% ▲	MR	M, P

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Bulking Up

Third-party management firms gain mass in 2009. BY LES SHAVER

The always close race between Seattle-based Pinnacle, an American Management Services Co., and Dallas-based Riverstone Residential Group for the title of the country's largest multifamily manager continued in 2009. The third-party management titans again finished one, two on the MFE Top 50 Managers list.

Pinnacle claimed the top spot with 185,219 units under management in 2009, the same number of units it managed in 2008. Riverstone Residential held onto the No. 2 spot, despite shedding more than 1,000 units and dropping to 180,000 units. Meanwhile, Charleston, S.C.-based Greystar Real Estate Partners, also primarily a third-party manager, jumped past REITS Denver-based AIMCO and Chicago-based Equity Residential to claim the third spot on this year's managers list with 151,319 units.

Greystar's move is indicative of a notable trend in the management sector—third-party managers generally collected more units in 2009 than traditional owner/operators, mainly because REITS continued to shed units in undesirable markets. Look at Folsom, Calif.-based FPI Management, whose third-party unit count increased from 51,790 in 2008 to 55,000 in 2009 (though the unit spike only pushed the firm from 14th to 13th on the list). Or The Lynd Co. in San Antonio, which jumped from 30,530 units in 2008 to 33,471 units in 2009, pushing the firm from No. 38 to No. 34 on the list.

"Last year was the biggest year of net growth since I've been here," says Dennis Treadaway, president of FPI

TOP 50 MULTIFAMILY MANAGERS

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1 (1)	PINNACLE, AN AMS CO. Seattle, WA • 206-215-9700 www.pinnacleams.com	Stan Harrison	185,219 0%	\$89 5% ▲	AFF, IL, MIL, MR, ST	ESC, GL, M, MA, P, PL, SA, WSC
2 (2)	RIVERSTONE RESIDENTIAL GROUP Dallas, TX • 214-965-6000 www.riverstoneres.com	Walt Smith	180,000 -1% ▼	\$85 N/A	AFF, IL, MR, ST	ESC, M, MA, NE, P, PL, SA, WSC
3 (5)	GREYSTAR REAL ESTATE PARTNERS Charleston, SC • 843-579-9400 www.greystar.com	Robert Faith	151,319 5% ▲	N/A N/A	AFF, IL, MR, ST	National
4 (4)	EQUITY RESIDENTIAL (P) Chicago, IL • 312-474-1300 www.equityapartments.com	Samuel Zell	137,007 -7% ▼	\$1,943 -7% ▼	MR	M, MA, NE, P, SA
5 (5)	LINCOLN PROPERTY CO. Dallas, TX • 214-740-3300 www.lincolnapts.com	Tim Byrne	132,881 2% ▲	\$1,801 -20% ▼	AFF, MIL, MR	National
6 (3)	APARTMENT INVESTMENT AND MANAGEMENT CO. (P) Denver, CO • 303-757-8101 www.aimco.com	Terry Considine	128,666 -17% ▼	\$1,196 -8% ▼	AFF, MR, ST	National
7 (7)	ARCHSTONE Englewood, CO • 303-708-5959 www.archstoneapartments.com	R. Scot Sellers	82,829 -1% ▼	N/A N/A	AFF, MR	GL, M, MA, NE, P, SA, WSC
8 (8)	WINNRESIDENTIAL Boston, MA • 617-742-4500 www.wincco.com	Samuel Ross	74,196 2% ▲	N/A N/A	AFF, AL, IL, MIL, MR	ESC, MA, NE, P, SA, WSC
9 (11)	CAMDEN PROPERTY TRUST (P) Houston, TX • 713-354-2500 www.camdenliving.com	Richard J. Campo	63,506 1% ▲	\$635 2% ▲	IL, MR, ST	ESC, M, MA, P, PL, SA, WSC
10 (10)	BELL PARTNERS Greensboro, NC • 336-232-1900 www.sdbell.com	Steven D. Bell	60,422 -2% ▼	\$519 -9% ▼	AL, CCRC, IL, MR	ESC, GL, MA, NE, SA, WSC
11 (12)	EDWARD ROSE BUILDING ENTERPRISE Farmington Hills, MI • 248-539-2255 www.edwardrosa.com	Warren Rose	55,958 2% ▲	\$359 0%	MR	ESC, GL, MA, NE
12 (11)	FAIRFIELD RESIDENTIAL** San Diego, CA • 858-457-2123 www.fairfield-residential.net	Christopher Hashioka	55,054 -9% ▼	N/A N/A	AFF, MR	ESC, M, MA, NE, P, PL, SA, WSC
13 (14)	FPI MANAGEMENT Folsom, CA • 916-357-5300 www.fpi.mgt.com	Dennis Treadaway	55,000 6% ▲	\$550 8% ▲	AFF, IL, MR, ST	M, MA, P, PL, WSC
14 (18)	UDR (P) Highlands Ranch, CO • 720-283-6120 www.udr.com	Thomas W. Toomey	51,486 16% ▲	\$617 10% ▲	MR	P, WSC

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16 (34)	FOREST CITY ENTERPRISES (P) Cleveland, OH • 216-621-6060 www.forestcity.net	Albert B. Ratner	49,116 48% ▲	\$1,290 0%	AFF, AL, IL, MIL, MR	ESC, GL, M, MA, NE, P, SA, WSC
17 (23)	WESTDALE REAL ESTATE INVESTMENT AND MANAGEMENT Dallas, TX • 214-515-7000 www.westdale.com	Joseph G. Beard	46,682 9% ▲	N/A N/A	AFF, MR, ST	ESC, GL, M, P, PL, SA, WSC
18 (22)	THE CONAM GROUP OF COS. San Diego, CA • 858-614-7200 www.conam.com	Brad Forrester	46,000 9% ▲	N/A N/A	AFF, IL, MR	M, P, PL, SA, WSC
19 (16)	ALLIANCE RESIDENTIAL CO. Phoenix, AZ • 602-778-2800 www.allresco.com	Bruce C. Ward	45,406 -8% ▼	\$16 -85% ▼	AFF, IL, MR, ST	M, P, SA, WSC
20 (17)	PICERNE REAL ESTATE GROUP Phoenix, AZ • 602-279-8484 www.picerne.com	David Picerne	44,927 0%	N/A N/A	AFF, IL, MIL, MR, ST	ESC, M, NE, PL, SA, WSC
21 (21)	MID-AMERICA APARTMENT COMMUNITIES (P) Memphis, TN • 901-682-6600 www.maac.net	H. Eric Bolton Jr.	43,604 2% ▲	\$379 2% ▲	MR	ESC, GL, M, SA, WSC
22 (27)	BH MANAGEMENT SERVICES** Des Moines, IA • 515-244-2622 www.bhmanagement.com	Harry Bookey	41,366 13% ▲	N/A N/A	AFF, MR	ESC, GL, PL, SA, WSC
23 (24)	EMPIRE AMERICAN HOLDINGS Montvale, NJ • 201-326-1661 www.empirecorporate.com	Eli Feller	40,776 0%	\$300 N/A	MR	ESC, MA, SA, WSC
24 (32)	JRK PROPERTY HOLDINGS Los Angeles, CA • 310-268-8344 www.jrkpropholdings.com	James Lippman	40,400 15% ▲	\$360 N/A	AFF, MR	ESC, GL, M, MA, P, PL, SA, WSC
25 (29)	MILESTONE MANAGEMENT Dallas, TX • 214-561-1200 www.milestone-mgt.com	Steve Lambert	40,092 12% ▲	\$320 16% ▲	MR	ESC, M, MA, SA, WSC
26 (13)	CAPSTONE REAL ESTATE SERVICES Austin, TX • 512-646-6700 www.capstonemangement.com	James W. Berkey	39,240 -26% ▼	N/A N/A	AFF, IL, MIL, MR, ST	ESC, M, P, SA, WSC
27 (19)	THE MICHAELS ORGANIZATION Marlton, NJ • 856-598-3008 www.michaelsdevelopmentcompany.com	Michael J. Lavitt	38,236 -12% ▼	\$32 113% ▲	AFF, MIL, ST	National
28 (30)	GABLES RESIDENTIAL Atlanta, GA • 404-923-5500 www.gables.com	Oavid D. Fitch	38,142 6% ▲	\$230 0%	MR	ESC, GL, MA, NE, P, SA, WSC
29 (33)	VILLAGE GREEN Farmington Hills, MI • 248-851-0600 www.villagegreen.com	Jonathan Holtzman	37,820 9% ▲	\$410 0%	AFF, MR	ESC, GL, MA, P, WSC
30 (26)	SENTINEL REAL ESTATE CORP. New York, NY • 212-408-5000 www.sentinelcorp.com	John Streicker	37,500 -1% ▼	N/A N/A	MR	National
31 (28)	THE IRVINE CO. APARTMENT COMMUNITIES Irvine, CA • 949-720-5600 www.rental-living.com	Max Gardner	37,193 2% ▲	N/A N/A	AFF, MR	P
32 (25)	HOME PROPERTIES (P) Rochester, NY • 585-546-4900 www.homeproperties.com	Edward J. Pettinella	36,947 -3% ▼	\$503 -1% ▼	AFF, MR	GL, MA, NE, SA

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** Data compiled from various sources, including the 2010 NIMCO 50 rankings

IN THE SPOTLIGHT

OVERALL, THE TOP 50 MANAGERS didn't see a drastic change in the number of units managed in 2010. Many, in fact, saw their numbers increase, often thanks to distress opportunities. For example, in 2009, the San Antonio-based THE LYND CO. (No. 34) managed 33,471 units, up 10 percent from 2008. The firm also broke ground on 616 units, landing it a first-time spot on the MFE Top 50 Builders list. The Lynd Co. says it boosted renewals to 63 percent from 55 percent and credits its implementation of an e-procurement system with additional savings over the prior year's budget.

Farmington Hills, Mich.-based VILLAGE GREEN (No. 29) also reported an increase in units managed, up 9 percent from 2008 with 37,820 units managed in 2009. The firm broke ground on several projects last year, including Mill District City Apartments in downtown Minneapolis, and projects roughly 500 starts for 2010. Additionally, the firm purchased more than 350 units and entered the Charlotte, N.C., market.

Owner and manager BELL PARTNERS (No. 10) also had a strong year, managing more than 60,000 units in 2009 and owning more than 43,000 of those units. The Greensboro, N.C.-based firm reported approximately \$519 million in revenue for last year; it bought 462 units and sold 838 units. The firm didn't make any huge splashes, such as its 2008 purchase with New York-based DRA Advisors of 25,000 apartments units from Highlands Ranch, Colo.-based UDR, but it did launch Bell Fund III, a third-party private equity fund to invest in apartments and senior housing projects.

Management. "But it wasn't as much a function of the economy as the inefficiencies of a competitor."

Christy Freeland, chairman of Riverstone, agrees. She says discontented owners were a big reason why properties changed management hands. "The number of properties that turned last year had much more to do with the property than anything else," she says. "It certainly wasn't due to acquisition or new development. For the most part, you'll find an owner who is extremely unhappy."

But there were other reasons for fee-management growth. Memphis-based

TOP 50 MULTIFAMILY MANAGERS

RANK (vs. '08)	COMPANY HEADQUARTERS/CONTACT INFO (P)=PUBLIC	TOP EXECUTIVE	2009 UNITS MANAGED (vs. '08)	2009 REVENUE (vs. '08, in millions)	WHAT THEY MANAGED*	REGION(S)*
33 (31)	COLONIAL PROPERTIES TRUST (P) Birmingham, AL • 205-250-8700 www.colonialprop.com	Thomas H. Lowder	34,230 -4% ▼	\$340 3% ▲	MR	ESC, M, SA, WSC
34 (38)	THE LYND CO. San Antonio, TX • 210-733-6125 www.thelyndco.com	A. David Lynd	33,471 10% ▲	N/A N/A	AFF, MR	ESC, GL, SA, WSC
35 (41)	LINDSEY MANAGEMENT CO. Fayetteville, AR • 479-521-6686 www.lindseymanagement.com	James E. Lindsey	33,293 13% ▲	\$205 8% ▲	AFF, MR, ST	ESC, PL, WSC
36 (35)	THE RELATED COS.** New York, NY • 212-586-0065 www.related.com	Jeff Blau	33,155 2% ▲	N/A N/A	AFF, MR	MA, NE, P
37 (—)	CONCORD MANAGEMENT** Maitland, FL • 407-741-8600 www.conc-concord.com	Edward Wood Jr.	32,022 2% ▲	N/A N/A	IL, MR	ESC, GL, MA, SA, WSC
38 (—)	ASSET PLUS COS. Houston, TX • 713-782-5800 www.assetpluscorp.com	Michael S. McGrath	31,939 84% ▲	N/A N/A	AFF, MR, ST	ESC, M, P, SA, WSC
39 (37)	MORGAN PROPERTIES King of Prussia, PA • 610-265-2800 www.morgan-properties.com	Mitchell L. Morgan	30,630 0%	N/A N/A	AFF, MR	GL, MA, PL, SA
40 (50)	THE BOZZUTO GROUP Greenbelt, MD • 301-220-0100 www.bozzuto.com	Thomas S. Bozzuto	30,157 19% ▲	\$628 19% ▲	AFF, IL, MR, ST	MA, NE, SA
41 (23)	CNC INVESTMENTS Houston, TX • 281-444-1585 www.cncapartments.com	Charlie Yalamanchil	29,913 -27% ▼	N/A N/A	MR, ST	ESC, SA, WSC
42 (—)	THE LARAMAR GROUP Greenwood Village, CO • 303-991-0094 www.laramargroup.com	David B. Woodward	29,508 33% ▲	\$12 -14% ▼	AFF, MR	National
43 (40)	AMERICAN CAMPUS COMMUNITIES (P) Austin, TX • 512-732-1000 www.studenthousing.com	William C. Bayless Jr.	29,342 -1% ▼	\$310 32% ▲	MIL, ST	National
44 (39)	THE JOHN STEWART CO. San Francisco, CA • 415-345-4400 www.jsco.net	John Stewart	28,910 -4% ▼	\$31 -3% ▼	AFF, IL	P
45 (—)	MCKINLEY** Ann Arbor, MI • 734-769-8520 www.mckinley.com	Albert M. Berriz	28,358 28% ▲	N/A N/A	MR	ESC, GL, MA, SA
46 (46)	LEDIC MANAGEMENT GROUP Memphis, TN • 901-435-7710 www.ledic.com	Pierce Ledbetter	28,348 8% ▲	N/A N/A	AFF, IL, MIL, MR	ESC, GL, M, P, PL, SA, WSC
47 (—)	BBR MANAGEMENT Charlotte, NC • 704-944-0100 www.bbrmanagement.com	Phillip Payne	28,119 1% ▲	N/A N/A	MR	M, PL, SA, WSC
48 (48)	BERKSHIRE PROPERTY ADVISORS Boston, MA • 617-556-1450 www.berkshirepropertyadvisors.com	Frank Apeseche	27,806 9% ▲	\$275 -5% ▼	IL, MR	GL, M, MA, NE, P, SA, WSC
49 (—)	BRE PROPERTIES (P) San Francisco, CA • 415-445-6525 www.breproperties.com	Constance B. Moore	27,189 5% ▲	\$355 1% ▲	MR	M, P
50 (36)	AMBLING COS. Valdosta, GA • 229-219-8000 www.ambling.com	Mike Godwin	26,990 -17% ▼	N/A N/A	AFF, IL, MR, ST	ESC, GL, MA, SA, WSC

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** Data compiled from various sources, including the 2010 NMHC 50 rankings

LEDIC Management Group (No. 46) pushed into the distressed markets last year, adding more than 4,000 lender-controlled units to its management portfolio, which increased by 8 percent from 2008.

"Banks are taking over assets and those [properties] are going to need fee-management companies," says Pierce Ledbetter, CEO of LEDIC. The extra boost from distressed properties pushed the firm from 26,132 units managed in 2008 to 28,348 units in 2009.

Last year, however, wasn't without its challenges for the management sector. Managers faced competition from a number of builders who are adding property management platforms to stay afloat while development opportunities remain scarce. Furthermore, some owners are deciding to manage their assets in-house to preserve their income stream.

"The institutional guys are all looking for a way to cut expenses," Treadaway says. "Every single one I know wants to cut their expenses, and more institutional guys could cut their property managers."

Freeland, though, sees another scenario as more likely. "I think there's a possibility that you could see some owners buy a management company," she says. "That's more of a possibility than to start from scratch. They have the market knowledge and staff they need, not to mention the back office."

Ultimately, Ledbetter thinks the trends of banks taking over assets and owners preferring to manage themselves will end up evening out, which could explain why a few third-party managers lost units in 2009. "The net units to fee management might be the same, but the mix of players may shift a bit," he says.

In 2010, property managers expect the number of units in fee management to stay about the same, unless a flood of distress hits the market and banks and special servicers give managers additional business. There's also the chance that managers may decide to add units through another method—acquisition.

"I think you will see managers buying if they have strong partners with money that has been sitting on the sidelines," says Freeland, who hints that acquisitions may be in store for Riverstone. [M]

Waiting Game

Multifamily renovations nose dive in 2009 as operators halt work until improving fundamentals can support rent increases. BY LES SHAVER

Last year, Irvine, Calif.-based The Bascom Group paced the inaugural MFE Top 25 Renovators list with 13,081 units renovated in 2008. This year's No. 1 firm clocked in less than half of that number of renovations: Irvine, Calif.-based Western National Group renovated a mere 7,042 units in 2009.

Scroll down the list and the dramatic drops continue throughout for both REITs and private, regional firms. Last year's second place renovator, Boston-based Berkshire Property Advisors, renovated 7,500 units. This year's No. 2 spot went to Dallas-based Lincoln Property Co., which renovated just 3,200 units. Last year, Denver-based Archstone ranked No. 3 with 5,808 rehabs. This year, the third spot goes to Greensboro, N.C.-based Bell Partners with 2,835 units. As for the last spot on the list? Plymouth, Minn.-based Dominion Development and Acquisition landed the No. 25 ranking last year with 1,044 units. This year, Arlington, Va.-based Clark Builders Group rounds out the list with a meager 470 units.

Just like their brethren in multifamily development, multifamily renovators undoubtedly had a rough year. First off, a lack of available financing and a glacial acquisition pace prevented renovators from buying properties. Second, an inability to get rent boosts from rehabs at currently owned properties forced operators to dramatically reduce the numbers of units renovated and scale back on the renovation packages. In short, it was extremely challenging for owners to make any money on upgrades.

Memphis-based Mid-America Apartment Communities, for instance, typically achieves rent increases in the \$70

TOP 25 MULTIFAMILY RENOVATORS

RANK (vs. '08)	COMPANY HEADQUARTERS/CONTACT INFO (P)=PUBLIC	TOP EXECUTIVE	2009 UNITS RENOVATED (vs. '08)	2009 REVENUE (vs. '08, in millions)	WHAT THEY RENOVATED*	REGION(S)*
1 (→)	WESTERN NATIONAL GROUP Irvine, CA • 949-862-6200 www.wng.com	Michael K. Hayde	7,042 N/A	N/A N/A	AFF, MR	P
2 (T2)	LINCOLN PROPERTY CO. Dallas, TX • 214-740-3300 www.lincolnapts.com	Tim Byrne	3,200 113% ▲	\$1,801 -20% ▼	MIL, MR	ESC, GL, P, WSC
3 (12)	BELL PARTNERS Greensboro, NC • 336-232-1900 www.sdbell.com	Steven D. Bell	2,835 17% ▲	\$519 -9% ▼	MR	ESC, MA, SA, WSC
4 (→)	MADISON APARTMENT GROUP Philadelphia, PA • 215-496-0400 www.maglp.com	Joseph Mullen	2,639 N/A	N/A N/A	MR	MA, P, SA
5 (→)	HOME PROPERTIES (P) Rochester, NY • 585-546-4900 homeproperties.com	Edward J. Pattinella	2,128 N/A	\$503 -1% ▼	AFF, MR	GL, MA, NE, SA
6 (7)	MID-AMERICA APARTMENT COMMUNITIES (P) Memphis, TN • 901-682-6600 www.maac.net	H. Eric Bolton Jr.	2,019 -47% ▼	\$379 2% ▲	MR	ESC, GL, M, SA, WSC
T7 (→)	LASER SUPPLY & SERVICES Pompano Beach, FL • 800-394-5273 www.lasersupply.com	Sheldon Freistat	2,000 N/A	\$16 N/A	AFF, AL, CCRC, IL	MA, NE, SA
T7 (4)	JRK PROPERTY HOLDINGS Los Angeles, CA • 310-268-8344 www.jrkpropholdings.com	James Lippman	2,000 -60% ▼	\$360 14% ▲	MR	GL, MA, PL, SA, WSC
9 (→)	HUNT BUILDING CO. El Paso, TX • 915-533-1122 www.huntcompanies.com	W.L. Hunt	1,825 78% ▲	\$1,223 10% ▲	MIL	ESC, M, MA, NE, P, SA, WSC
10 (13)	SARES-REGIS GROUP Irvine, CA 92612 • 949-756-5959 www.sares-regis.com	Jeff Stack	1,624 -29% ▼	\$339 -19% ▼	MR	M, P
11 (6)	RIVERSTONE RESIDENTIAL GROUP Dallas, TX • 214-965-6000 www.riverstoneres.com	Walt Smith	1,600 -62% ▼	N/A N/A	MR	ESC, MA, P, SA, WSC
12 (19)	VILLAGE GREEN Farmington Hills, MI • 248-851-9600 www.villagegreen.com	Jonathan Holtzman	1,401 -20% ▼	\$410 0%	MR	GL, MA
13 (→)	THE CONAM GROUP OF COS. San Diego, CA • 858-614-7200 www.conam.com	Brad Forrester	1,275 N/A	N/A N/A	MR	M, P
14 (1)	THE BASCOM GROUP Irvine, CA • 949-955-0888 www.bascomgroup.com	Jerome A. Fink	1,161 -91% ▼	\$236 34% ▲	AFF, MR	M, P, SA, WSC

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or \$80 range for kitchen and bath facelifts, among other upgrades. But lately the REIT, which landed the No. 6 spot with 2,019 units renovated in 2009, has been collecting closer to a \$50 or \$60 rent increase per unit.

Indeed, falling rents and less demand for upgraded units caused many renovators to shift focus last year. "In 2009, our focus was on keeping the existing inventory at the price that it needed to be," says Joe Mullen, president of Philadelphia-based Madison Apartment Group, which completed 2,639 units for the fourth spot on the list. "And then [we focused on] doing any upgrades, making sure we weren't doing too many and that there was still demand. At the end of the day, people are more concerned with what they're going to be paying for rent. They'll

"In 2009, our focus was on keeping the existing inventory at the price that it needed to be."

—JOE MULLEN, PRESIDENT, MADISON APARTMENT GROUP

forego the [new] cabinets and countertops as long as they are living in a clean and well-run community."

Those apartment owners brave enough to renovate often scaled back the rehab work. For instance, owners renovated kitchens instead of both kitchens and baths or re-faced cabinets instead of replacing the entire units. However once renovation work begins, it's often hard to limit the scope of work. "You could say you might upgrade the counter [in a kitchen], but what if the cabinet is 20 years old?" asks David Nischwitz, Mid-

America's senior vice president and director of property redevelopment. "If you're going to do one thing, you have to do the other."

And, sometimes, regardless of achievable rent upticks, an owner has no choice but to renovate. "There are certainly instances where we do the work because the condition of the apartment is not something that we're going to rent," says Keith Knight, vice president of capital improvements and national accounts for Rochester, N.Y.-based Home Properties, a REIT that completed 2,128 rehabs in 2009, landing it the No. 5 spot.

If a firm did have to renovate in 2009, there was one advantage—lower pricing for products and materials. "The contractors we are working with are more price sensitive [than in the past]," Nischwitz says. "They've sharpened their pencils a bit more because more [construction] companies are coming at us willing to compete on labor." [M]

TOP 25 MULTIFAMILY RENOVATORS

RANK (vs. '08)	COMPANY HEADQUARTERS/CONTACT INFO (P)=PUBLIC	TOP EXECUTIVE	2009 UNITS RENOVATED (vs. '08)	2009 REVENUE (vs. '08, in millions)	WHAT THEY RENOVATED*	REGION(S)†
15 (24)	AVALONBAY COMMUNITIES (P) Alexandria, VA • 703-329-6300 www.avalonbay.com	Bryce Blair	926 -24% ▼	\$852 0%	AFF, MR	MA, P
16 (5)	APARTMENT INVESTMENT AND MANAGEMENT CO. (P) Denver, CO • 303-757-8101 www.aimco.com	Terry Considine	681 -86% ▼	\$1,196 -8% ▼	AFF, MR, ST	GL, M, MA, NE, P, SA, WSC
17 (—)	POST APARTMENT HOMES (P) Atlanta, GA • 404-848-5600 www.postproperties.com	David P. Steckert	668 39% ▲	\$276 -2% ▼	MR	SA, WSC
18 (—)	NATIONAL COMMUNITY RENAISSANCE Rancho Cucamonga, CA • 909-483-2444 www.nationalcore.org	Orilando J. Cabrera	602 164% ▲	\$40 N/A	AFF, IL	P
T19 (T2)	SECURITY PROPERTIES Seattle, WA • 206-622-9900 www.securityproperties.com	Paul Pfeleger	600 -60% ▼	\$35 9% ▲	AFF, MR	M, MA, P
T19 (—)	BRE PROPERTIES (P) San Francisco, CA • 415-445-6525 www.breproperties.com	Constance B. Moore	600 -14% ▼	\$355 1% ▲	MR	M, P
21 (—)	MARTIN FEIN INTERESTS Houston, TX • 713-683-4810 www.mfein.com	Martin Fein	516 N/A	\$2 0%	MR	WSC
T22 (—)	THE ROCHE O'DONNELL GROUP Sandy Hook, CT • 203-426-8200 www.therochegroup.com	MaryBeth Matta	500 N/A	\$1 N/A	AFF, MR	NE
T22 (T7)	GREYSTAR REAL ESTATE PARTNERS Charleston, SC • 843-579-9400 www.greystar.com	Robert Faith	500 -75% ▼	N/A N/A	AFF, IL, MR, ST	ESC, P, WSC
24 (—)	MERCY HOUSING Denver, CO • 303-830-3300 www.merchyhousing.org	Sister Lillian Murphy	475 -44% ▼	N/A N/A	AFF, IL	GL, M, P, PL, SA
25 (—)	CLARK BUILDERS GROUP Arlington, VA • 703-294-4500 www.clarkbuildersgroup.com	Glenn Ferguson	470 45% ▲	\$485 -7% ▼	MIL	P, SA

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IN THE SPOTLIGHT

RENOVATIONS SLOWED IN 2009 but dedicated firms pounded the hammers into the ground. Pompano Beach, Fla.-based LASER SUPPLY & SERVICES (No. 7) renovated 2,000 affordable and senior housing units in 2009 and projects to rehab an additional 2,200 units in 2010. The firm, which concentrates on multifamily renovation, reported a 2009 gross revenue of \$16 million. Last year, Laser entered the West Virginia market and started a new division, Laser Energy Solutions. Going forward, the company says it will seek additional growth by focusing on senior living.

Atlanta-based POST APARTMENT HOMES (No. 17) also reported a strong year for renovations, increasing the number of units it rehabbed from 2008 to 2009 by 39 percent. Of the 19,863 market-rate units the firm owned and managed in 2009, it renovated 668. The firm sold 1,328 units during the year as well. Although it didn't enter any new markets, Post did not depart any areas and started one new development in the Washington, D.C., metro area. Having completed a significant corporate reorganization, Post refinanced its near-term debt, raised new equity, and paid off its entire line of credit.