

Fogelman finds timing right for new acquisitions

Partnership buys three apartment properties

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Rick Fogelman and Mark Fogelman outside recently acquired property, The Orchards at Collierville

When it comes to acquiring multifamily properties, [Fogelman Properties](#)  has been on the sidelines since 2007.

Now the Memphis-based company and its affiliates are very much back in the game, taking advantage of market conditions to invest \$60 million this year in three apartment properties. It also has a contract on a fourth.

“This year, we’ve spent a lot of time and energy ramping up our acquisition programs,” **Rick Fogelman**, president and CEO of Fogelman Properties, says. “Looking back at the

last cycle, multifamily property values peaked in 2007-2008 and then declined significantly with the overall downturn in the economy. We feel very fortunate that we did not aggressively acquire properties in the peak years as many others did. And that has now positioned us to acquire properties that are in many cases 25 to 30 percent below the peak values of just a few years ago.”

In mid-June, Fogelman Venture Partners, headed by **Rick Fogelman** and [Fogelman Management Group](#)  president and COO **Mark Fogelman**, partnered with New York-based [DRA Advisors](#)  LLC to buy The Orchards at Collierville. The partnership paid \$15.7 million for the 226-unit property, which is 97 percent occupied.

In late May, the same entities purchased the 350-unit Legacy Key Apartments in Sandy Springs, Ga. Operating as G&I VI Legacy Key LLC, it paid \$17.3 million for the Atlanta suburb property, which is 95 percent occupied.

In March, Fogelman Venture Partners purchased a joint venture ownership position in the 319-unit Harrison Grande Apartments in Cary, N.C., for an undisclosed amount. DRA Advisors already owned the property.

Fogelman Properties could add 30-40 employees through these acquisitions.

Fogelman Management Group currently manages 21,000 units in 65 apartment communities. These are in 14 states across the Southeast, Southwest and Midwest.

Of these properties, 60 percent are managed for non-Fogelman ownership groups; the company provides fee management services. The remainder are Fogelman-owned properties, either through Fogelman Venture Partners or other family-owned business entities.

“From a big picture perspective, we grew and focused on the management during the years we weren’t buying properties,” **Mark Fogelman** says. “Going forward, a lot more of our focus will be on the acquisition side.”

It’s a timing issue as much as anything, according to **Rick Fogelman**.

“The market has turned around from a rent and occupancy standpoint in the past 12-18 months,” he says.

Blake Pera, senior vice president of CB Richard Ellis Memphis’ multihousing group, and vice president **Tommy Bronson III** represented the seller of The Orchards at Collierville.

“There is a consensus in the market that multifamily has bottomed out, and is headed for a strong future,” Pera says. “We are certainly seeing it in most markets in the region, including Memphis. Properties are experiencing high occupancies and they are also able to burn off the specials they have been required to offer during the recession.”

The Fogelmans feel their competitive edge is in being active in markets where it acquires properties. For example, the Fogelmans have owned and operated multifamily properties in Atlanta for 25 years.

“That’s where our leg up is,” **Rick Fogelman** says. “We have boots on the ground. We’ve got people locally who understand our markets from an operational side.”

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