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Opportunities exist in every market cycle if you adapt to the ever changing conditions

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Hindsight is one benefit of a 55 year legacy. At The Simon Konover Company (TSKC), we rely upon the insight gained over five decades of business to guide us daily in maintaining growth notwithstanding a stagnant commercial real estate market.

Recognize Market Drivers

Opportunities exist in every market. Continuing to do business has been a matter of identifying those opportunities and responding appropriately.

"Recently, we have been able to capitalize on our vacancies by providing attractive, aggressively priced office space to political and campaign-related uses, complementing our broad spectrum of tenants," said Elizabeth Judd, president of Konover Commercial Corporation.

Recognizing and responding to the influence of world events requires creativity. For example, recent power interruptions and omnipresent security concerns have resulted in tenants paying closer attention to building infrastructure and support services.

"Redundant power, telecommunications and security systems are key considerations for many tenants," said Judd. "Identifying changing tenant needs and positioning our properties accordingly helps us minimize turnover and attract new tenants."

Market conditions often vary across geographic regions. TSKC formed a partnership with Outlook Development Group of Franklin, Wisconsin in early 2011 to focus on real estate opportunities in the Midwest. Since then, the group has acquired properties in Milwaukee, Madison, Brookfield, Hartford, and Fort Atkinson, WI. TSKC, with its partner, currently sits poised to close and break ground on a new retail development in Chicago, IL.

Focus on Added Value

In the past few years, TSKC has strengthened its professional team, expanding capabilities and filling key leadership roles. The transition of day-to-day management from founder Simon Konover to the next generation has been realized and today the company is led by Jane Konover Coppa, CEO and James Wakim, President and COO. The company's continued growth in this challenging market has provided an opportunity to attract seasoned professionals, especially in finance and acquisitions.

Further, TSKC's in-house expertise provides added value to our third party management clients. Our multi-disciplined capabilities, such as marketing, finance, and human resources, appeal to large pools of potential clients. We leverage relationships across multiple portfolios, and pass cost savings on to owners, helping TSKC attract new public and private property management clients.

These in-house resources serve TSKC well in its ownership role. In 2006, TSKC acquired a portfolio of fifteen hotels in the Midwest. Our team streamlined hotel operations, automated processes and invested in facility upgrades that benefited hotel guests while increasing occupancy rates. The same

improvements are being implemented at the Holiday Inn Express & Suites in Roseville, Michigan which was acquired in 2011.

"Our broad and comprehensive in-house expertise makes it possible to maximize value at multiple properties," according to Peter Mason, executive vice president of Konover Hotel Corporation.

Maximize Growth Markets

Multifamily housing has been a component of our company portfolio for decades. Today, the affordable housing sector continues to grow despite market conditions. TSKC is currently serving as the developer for the Hartford Housing Authority's reconstruction of Nelton Court, which when complete will feature 80 modern town-house units.

In 2011, TSKC completed the adaptive reuse of the former Cheney Dye House, creating 57 affordable apartments. The project was financed through a combination of Low Income Housing Tax Credit proceeds provided under the American Reinvestment and Recovery Act, funds from the U.S. Department of Housing and Urban Development's HOME program, the sale of federal and state historic preservation tax credits, and a first mortgage provided by Connecticut Housing Finance Authority. This public - private partnership exemplifies the creative capital structure available in today's economy and TSKC's ability to successfully close these challenging deals.

The affordable housing market has also created the opportunity to expand third party management services. The combination of traditional building management, fiscal administration and resident support services is attractive to the market.

"Third party management of supportive and subsidized housing requires a unique skill set. Owners seek a management team capable of grant administration and fiscal management, as well as traditional property management," said Marie Mazzotta, president of Konover Residential Corp. "We expect that affordable housing will continue to be a growth area."

While commercial real estate may face significant challenges in the foreseeable future, at TSKC, with fifty plus years of experience, we will continue to identify opportunities and adapt to ever changing conditions.

Jane Konover Coppa is chief executive officer of The Simon Konover Co., West Hartford, Conn.

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