



CELEBRATING
55 YEARS

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A tribute to a multifamily pioneer from Breuer, managing principal at of HG Cornerstone

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She networked with other property owners and their communities believing that neighbors helping neighbors would create better communities for people to live. Back when apartments were called apartments, she called them communities and created a sense of "home" for her residents. She enjoyed knowing her residents and they enjoyed living in her communities. One woman lived in one of her apartment communities for over 30 years!

I am often asked where I get my passion for real estate, and the answer is simple, it comes from my late mother, Beverly Gannaway. What better time to spotlight the woman who had such a tremendous impact on me than in a "Spotlight on Women" article?

My earliest memories are of riding in the back seat of our car while my mother either collected rent or posted notices to pay rent or quit on the first of every month. I vividly remember people not being too happy with the notice and chasing our car down the street, yelling at my mother. She calmly said, "Joann, this is a business. We provide a nice place to live, and they in turn pay us. When they don't pay, they're not keeping up their end of the deal."

Then there was the time that one of her long-term residents was injured on the job and unable to pay rent while he was recovering in the hospital. She covered his rent for four or five months until he was able to get back on his feet. She told me later that he had caught up on all of his back rent by the end of the year, and when I asked her why she had decided to cover the rent and take that kind of risk, she said it was simple, "he's an honest, hardworking man and I knew he would pay me." He had earned her loyalty by years of being trustworthy.

My mother was a property management pioneer. She was creating value in real estate in ways that would later become common practice. At one property, she replaced all of the grass with low water vegetation. I preferred the grass and commented, but she said, "Joann, do you like it enough to lose 25% of your profit to mow and water it? Besides, it's much better for the environment and eventually people will have to care about where our water is coming from.

She added trash compactors to all of her units at every property and saved money by reducing the number of trash bins and increasing trash pick up by two more days per week. "We're charged by the bin, not the pick up days," she told me. This was another huge cost savings. To add to her bin savings, I drove around with her for over a year as she purchased almost new trash compactors through the Pennysaver being sold for \$25 - \$50 instead of the \$500+ they would cost brand new. The two of us loaded many compactors into the trunk of her Chrysler Lebaron!

At another property, she converted a large bathroom into two smaller bathrooms to create a two-bedroom, two-bathroom unit, thus achieving a higher rental value. She believed that it was important to maintain and improve property, that it not only protected and improved your asset, but that the best quality property attracted the best quality residents, a win-win in her mind. She

believed deferred maintenance was only useful when you're buying a property. Someone else's lack of diligence often became her new and best asset.

One of my personal favorite stories that I really enjoy telling is of the time my mother was searching for a new acquisition. She set her sights upon a 99-unit property in an up-and-coming area that was being sold by one of the country's largest apartment REIT's. It would require strategic repositioning, but my mother was confident in her decision. That didn't stop the REIT from spreading the word that they had really pulled one over on the "small" investor by selling the property for \$1 million over its true value. Long story short, my mother negotiated the price based upon the seller and their agent holding paper and a host of other incentives, and had a projected turn-around of seven years. She then exceeded her own expectations and within three years had refinanced the property, paid all the notes and had created an additional value of over \$2 million. Connections I had with the REIT later said it was often talked about, how they had underestimated Beverly and what she could do with that property. They called on her for advice after that.

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She was a stickler for details and I often took the time to walk with her while she inspected construction or maintenance work. I had the opportunity to watch her as she inspected the new paint on her wrought iron fencing with a mirror to make certain the painter didn't miss the underside. I learned the importance of having a watchful eye and knowing what to look for, and my mother never backed down when she knew she was right.

She was a fierce negotiator and was never swayed by either shame or pride; she just knew she had to negotiate the best deal possible. She had high expectations and high standards, and balanced those with compassion, kindness and loyalty.

It was my mother's influence that encouraged me to purchase my first home at age 18, then rent it out and become a landlord myself at age 20. It was my mother who introduced me to my husband and said, "Joann, you should marry this one". She was right, and 20 years later I only wish I had listened to her boyfriend advice much earlier on!

On December 8, 2009 my mother was diagnosed with stage-four breast cancer. The doctors gave her just weeks to live. My mother was a deeply religious woman with no fear of death, but simply decided she wasn't finished here yet. With the same determination that she went through life, she fought back and lived for two more years. During that time, she and my father spent a month driving from California to Boston and back, and saw many of places they had grown to love in their 47 years of marriage.

She passed away on October 6, 2011, at just 65 years old, but almost two years after the doctors said she had just weeks. Early detection would likely have saved her life and there's a lesson in the need to be as diligent with our own health as we are with our families and businesses.

My mother was not formally educated or trained. She simply had a great head for business, an unrivaled work ethic and fierce determination. She was a beautiful redhead with a huge smile, and once you met her you would never forget her. I attribute my passion for real estate and eagerness to uncover a property's true potential to the many valuable lessons taught to me by my mother.

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