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## **Chestnut Hill Realty: 50 Years and Going Strong**

September 20, 2019 - Spotlights

Ed Zuker

Upon returning to Brookline from college in 1969, a 21-year-old recent University of Miami graduate, Edward Zuker, began managing apartments for his father. From an early age, his father told him that to succeed you must be willing to take chances. Heeding this advice, Ed soon opened his own apartment rental office, which he called Chestnut Hill Realty.

50 years later, Chestnut Hill Realty owns and manages 32 apartment communities comprising 5,000 units throughout Greater Boston and Rhode Island, and employs 220 people.

### A Family Business

“When I got started in business, I had an added advantage because both sides of my family had been involved in real estate,” said Zuker. “This provided me with a great foundation as well as ready access to lenders and vendors.”

“Real estate is in our family’s DNA and has always been a part of the fabric of our lives,” Zuker said. “When I was a boy, a Sunday drive to get an ice cream cone with my parents usually involved a stop at a building they were interested in purchasing or just wanted to check out.”

In 1969, Zuker became the fifth generation of his family involved in real estate when he founded Chestnut Hill Realty. Over the ensuing years, the Company evolved from being a management office for rental apartments owned by Zuker’s father to an owner/operator of apartments when he began acquiring small six- and 12-unit buildings in Brookline, Mass.

Chestnut Hill Realty’s earliest real estate acquisitions followed the oil embargo of the early 1970s, during which the prime rate sky-rocketed along with oil prices, forcing many in the industry into foreclosure because of high capital and operating costs. This was the Company’s first experience with a depressed real estate market.

“Our approach to the challenges of the market was straightforward,” Zuker said. “When meeting with a lender, I made the case that our buildings were well-maintained and fully occupied, and we were up to date with our bills. After confirming this, the loan officer called me and asked me how many more buildings I’d like to manage.”

Peter Poras

### Stand by your word

Lenders increasingly trusted Zuker and his business acumen, making it possible for him to start building his portfolio. The principles that guided Zuker in the early years of his business and formed his decisions have endured: treat everyone with respect, negotiate deals so there are no losers, and, most importantly, stand by your word.

“This practice is equally important today, where CHR’s growth is supported by the strong relationships that have been established with its lenders” said Peter Poras, President, Investment Division. “Lenders are continuously impressed that CHR consistently improves its portfolio by reinvesting in capital improvements. The proof of this is that Freddie Mac considers CHR a ‘select sponsor,’ a distinction that it only bestows on its best customers. Having this kind of relationship, along with numerous other connections with commercial banks, provides the necessary capital to support CHR’s acquisition and capital improvement programs. They recognize that CHR is in an excellent financial position with the internal infrastructure to support increased growth.” Poras emphasizes that “we are highly selective about our acquisition investments, searching for opportunities in our market area where volume and proximity will support cost savings.”

### Lessons learned in the 1970s

In the mid 1970s, Chestnut Hill Realty grew to manage 1,000 units. During this time, an elderly moneylender who later became Zuker’s “surrogate grandfather” requested landscaping for a rent-controlled property that he financed for Chestnut Hill Realty. Zuker, unsure of where he would find the funds to do landscaping on a property that charged rents of only \$250 per month, wasn’t convinced this would be a good investment, but proceeded nevertheless.

When the landscaping work was completed, Zuker was amazed as rents came in early, accompanied with notes saying what a pleasure it was to live in the community. Residents took pride in the property, picking up debris that they used to complain about. Property managers and janitors also approached their jobs with greater enthusiasm, keeping the property cleaner than before. Zuker came to understand and appreciate that these apartments were people’s homes and it was CHR’s responsibility to take care of them. “That’s when I learned that whether the property is rent controlled, market rate or luxury, your landscaping sets the tone for everyone,” said Zuker. To this day, CHR’s mission is “Managing People’s Homes with Pride.”

Zuker built Chestnut Hill Realty by listening to advice from his family and mentors over the years and by maintaining an optimistic vision through several real estate downturns.

Ridgecrest Terrace - Norwood, MA

St. Paul Gardens - 1970s

In the 1980s, CHR continued to expand its portfolio with purchases of properties in West Roxbury (Ridgecrest Terrace), Norwood (Norwood Gardens) as well as in Providence and Portsmouth, Rhode Island (Regency Plaza, Bay View Estates). The Company also acquired properties in Chestnut Hill (Hancock Village Apartments and Shopping Plaza) and Cambridge (Chauncy Court).

The late 1980s and early 1990s ushered in another period of tough times for the real estate industry. CHR, along with numerous other real estate companies, were struggling to survive when Zuker did the unexpected: he turned outward and began to focus on helping others, often in communities where CHR owned and managed housing. The experience of contributing both time and money to numerous charitable foundations and causes was gratifying, and over time CHR recovered its equilibrium and began to grow and thrive again. This tradition of giving continues to the present day with CHR making regular contributions and encouraging employees to do the same.

It is widely known that real estate is a cyclical industry. Over the decades CHR has amassed enough experience and institutional knowledge to not only survive but thrive through every subsequent downturn, including the commercial real estate crash of the '90s, the Dot-com bust in 2001, and the Great Recession of 2008-2010.

Regency Plaza - Providence, RI

Chauncy Court - Cambridge, MA

Caring for its apartment communities and providing quality customer service, including 24/7 maintenance, are top priorities for the Company. “Our buildings are often confused for condos because of how they look and how well they are maintained,” remarked Zuker. “The CHR way is to continue to reinvest and add value to our properties.”

The company is similarly committed to its 220 employees, (more than half of who have worked for CHR for more than five years, and 35 percent have worked at the company for more than 10 years). “We take care of our employees and they, in turn, look after our residents,” Zuker added.

#### Solid Foundation

After five decades of operation, Chestnut Hill Realty is prepared to take on emerging market opportunities and new challenges with strong fundamentals that include a seasoned and dedicated leadership team, a cycle-tested business acumen, a balanced and profitable property portfolio and a well-trained and motivated staff. CHR has a solid foundation for future growth and continued success.