

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.

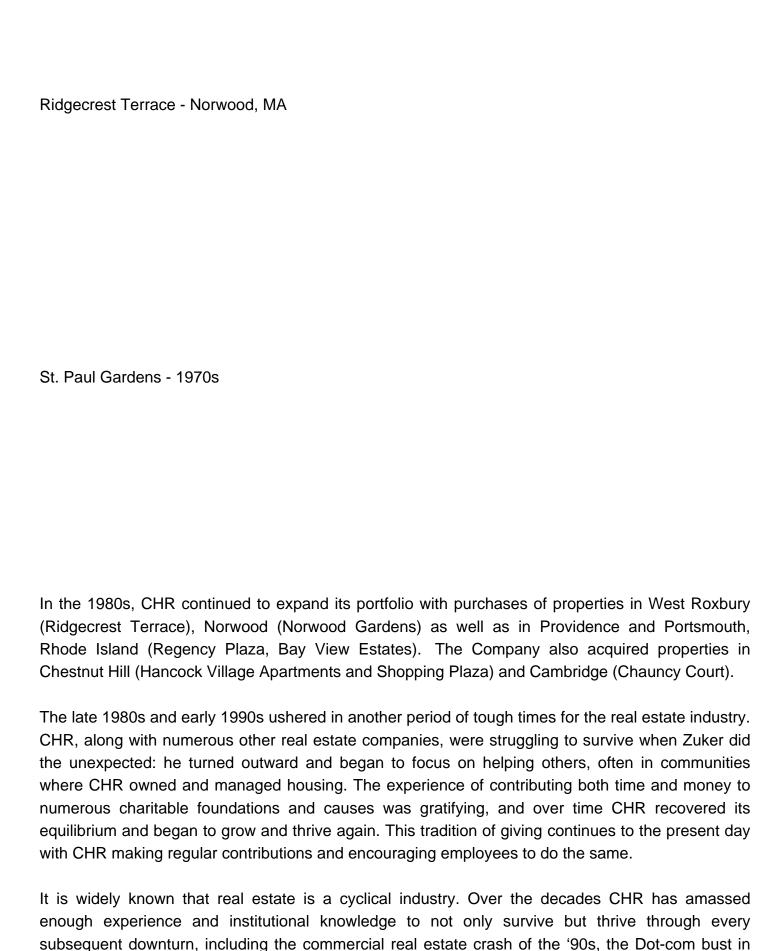
"This practice is equally important today, where CHR's growth is supported by the strong relationships that have been established with its lenders" said Peter Poras, President, Investment Division. "Lenders are continuously impressed that CHR consistently improves its portfolio by reinvesting in capital 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

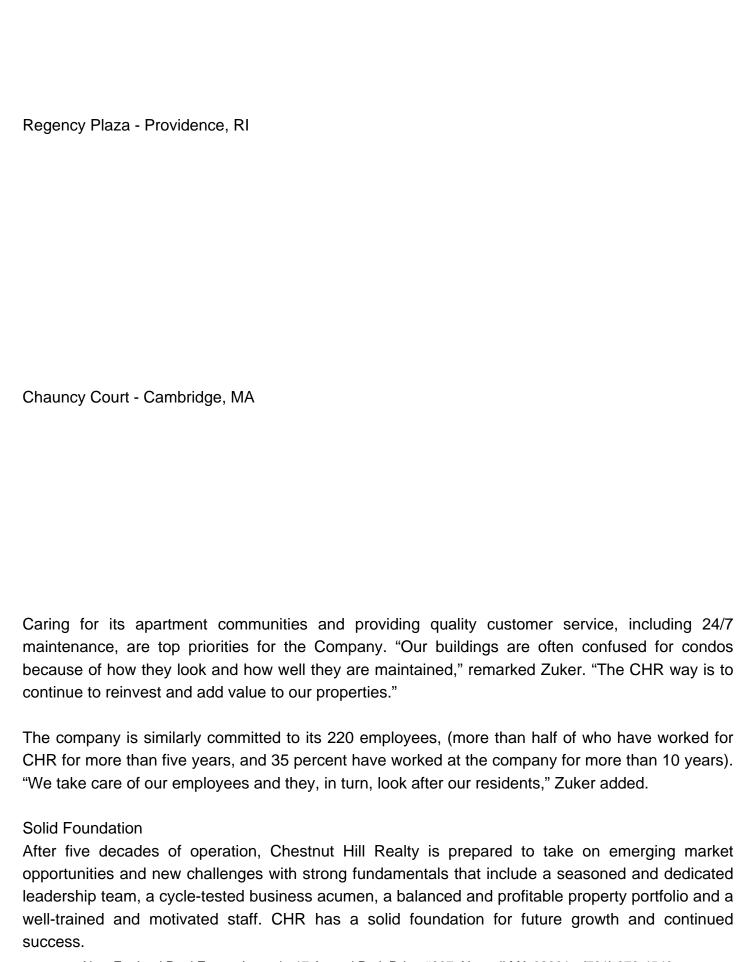
In the mid 1970s, Chestnut Hill Realty grew to manage 1,000 units. During this time, an elderly moneylender who later became Zuker's "surrogate grandfather" requested landscaping for a rent-controlled property that he financed for Chestnut Hill Realty. Zuker, unsure of where he would find the funds to 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.



2001, and the Great Recession of 2008-2010.



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