

THE REVIVAL

TOP MULTIFAMILY BUILDERS REEMERGE IN 2010.

By Les Shaver

A year can make a big difference, especially in the boom and bust of multifamily building cycles. Consider that on our 2009 list (data from 2008), Atlanta-based Wood Partners finished fifth of the 50 largest multifamily builders. Or that Phoenix-based Alliance Residential held the twelfth spot that year. Yet in 2010 neither of these seemingly perennial development powerhouses even made the list of the top 50 multifamily builders.

But they are back this year in a big way. Wood started 2,027 units, rising all the way to No. 9 on this year's list of top builders. With 1,952 starts, Alliance reached the top 10, placing tenth.

They weren't alone. Several other major builders reappeared on our list, including one-time condo king The Related Group of Florida (44), Birmingham, Ala.-based REIT Colonial Properties Trust (48), Atlanta-based REIT Post Properties (35), Denver-based REIT UDR (25), Denver-based Archstone (19), and Phoenix-based Picerne Real Estate Group (17). They all made this year's top 50 after not starting a single unit in 2009.

Though multifamily development was clearly back in vogue last year, not all of the highfliers from the mid-2000s have returned. Even so, the reemergence of these private builders and the REITs meant that it took a lot more units to make the top 50 multifamily builders list. Last year, the 50th-largest builder, Indianapolis-based Flaherty & Collins Properties, needed 254 new starts to make the list. This year, it took 480 units.

Developers were drawn to the market by

improving metrics. Nationally, rents rose 2.3 percent, according to New York-based Reis, a commercial real estate research firm. That meant developers could justify construction starts by underwriting rental increases. The

REITs struck first. Arlington, Va.-based AvalonBay Communities (2,446 starts, ranking No. 3), had stockpiled cash and was waiting for signs to develop (AvalonBay actually started building again in late 2009).

THE 2010 TOP 50 MULTIFAMILY BUILDERS

RANK (09 RANK)	COMPANY/CEO/ADDRESS	2010 RENTAL STARTS (VS. '09 STARTS)	2010 REVENUE (In millions)	WHAT THEY BUILT	1-9 REGION
1 (5)	THE MICHAELS DEVELOPMENT CO. Michael J. Levitt / 3 E. Stow Rd., P.O. Box 994, Marlton, NJ 08053 / 856-596-3008 / www.themichaelsorg.com	3,747 121% ▲	\$19	AFF, IL, MIL, SH	Northeast, Southwest, Midwest, West
2 (4)	CLARK BUILDERS GROUP Glenn Ferguson / 4401 Wilson Blvd., Suite 600, Arlington, VA 22203 / 703-294-4500 / www.clarkbuildersgroup.com	2,736 60% ▲	\$367	AFF, MIL, MR, SH	Northeast, South, West
3 (37)	AVALONBAY COMMUNITIES (p) Bryce Blair / 671 N. Glebe Rd., Suite 800, Arlington, VA 22203 / 703-329-6300 / www.avalonbay.com	2,446 513% ▲	\$895	AFF, MR	Northeast, South, West
4 (-)	RELATED COS. Stephen Ross / 60 Columbus Circle, New York, NY 10023 / 212-801-1000 / www.related.com	2,376 n/a	◆	AFF	Northeast, South
5 (3)	WESTERN NATIONAL GROUP Michael K. Hayde / 8 Executive Circle, Irvine, CA 92614 / 949-862-6200 / www.wng.com	2,250 14% ▲	\$522	MR	Southwest, West
6 (2)	PINNACLE FAMILY OF COS. Rick L. Graf / 5910 N. Central Expressway, 11th Floor, Dallas, TX 75206 / 214-891-1402 / www.pinnaclefamily.com	2,138 -1% ▼	◆	AFF, MR	Southwest, South, West
7 (48)	CARLISLE DEVELOPMENT GROUP Matthew Greer / 2950 S.W. 27th Ave., Suite 200, Miami, FL 33133 / 305-476-8118 / www.carlisledevelopmentgroup.com	2,109 613% ▲	\$16	AFF	South
8 (-)	MC SHANE CONSTRUCTION CO. Jeffrey A. Raday / 9550 W. Higgins Rd., Suite 200, Rosemont, IL 60018 / 847-292-4300 / www.mcshane-construction.com	2,100 n/a	\$55	AFF, AL, IL, MR	South, Midwest
9 (-)	WOOD PARTNERS Ryan Dearborn / 1110 Northchase Pkwy., Suite 150, Marietta, GA 30067 / 770-951-8989 / www.woodpartners.com	2,027 n/a	\$117	AFF, IL, MR	Northeast, Southwest, South, Midwest, West

(p) Public ◆ Declined to share revenue numbers AFF Affordable/Subsidized AL Assisted living IL Independent living MIL Military MR Market rate SH Student housing

THE 2010 TOP 50 MULTIFAMILY BUILDERS						10-30
RANK (⁰⁹ RANK)	COMPANY/CEO/ADDRESS	2010 RENTAL STARTS (VS. '09 STARTS)	2010 REVENUE (In millions)	WHAT THEY BUILT	REGION	
10 (-)	ALLIANCE RESIDENTIAL CO. Bruce Ward / 2415 E. Camelback Rd., Suite 600, Phoenix, AZ 85016 / 602-778-2800 / www.allresco.com	1,952 n/a	\$16	AFF, MR	South, West	
11 (9)	THE NRP GROUP Alan F. Scott / 5309 Transportation Blvd., Cleveland, OH 44125 / 216-475-8900 / www.nrpgroup.com	1,941 38% ▲	\$200	AFF, IL, MR	Southwest, South, Midwest	
12 (7)	HARKINS BUILDERS Richard Lombardo / 2201 Warwick Way, Marriottsville, MD 21104 / 410-750-2600 / www.harkinsbuilders.com	1,828 25% ▲	\$210	AFF, AL, IL, MIL, MR, SH	Northeast	
13 (6)	A.G. SPANOS COS. Dean A. Spanos / 10100 Trinity Pkwy., 5th Floor, Stockton, CA 95219 / 209-478-7954 / www.agspanos.com	1,719 3% ▲	◆	MR	Northeast, Southwest, Midwest, West	
14 (25)	C.F. JORDAN CONSTRUCTION Mark Lear / 9639 Greenville Ave., Dallas, TX 75243 / 214-349-7900 / www.cfjordan.com	1,613 159% ▲	\$43	MIL, MR, SH	Southwest	
15 (-)	CONSTRUCTION ENTERPRISES Bill Landers / 325 Seaboard Lane, Suite 170, Franklin, TN 37067 / 615-332-8880 / www.constructionenterprises.com	1,596 n/a	\$92	MR, SH	Southwest, South	
16 (41)	VOLUNTEERS OF AMERICA Patrick Sheridan / 1660 Duke St., Alexandria, VA 22314 / 703-341-5095 / www.voa.org	1,451 309% ▲	◆	AFF, IL, MR	Northeast, Southwest, South, Midwest, West	
17 (-)	PICERNE REAL ESTATE GROUP David R. Picerne / 1420 E. Missouri, Suite 100, Phoenix, AZ 85014 / 602-279-8484 / www.picerne.com	1,336 n/a	◆	AFF, MIL	Northeast, Southwest, South, Midwest	
18 (10)	AMBLING COS. Mike Godwin / 348 Enterprise Dr., Valdosta, GA 31601 / 229-244-2800 / www.ambling.com	1,334 2% ▲	◆	AFF, MR, SH	Southwest, South	
19 (-)	ARCHSTONE Scot Sellers / 9200 E. Panorama Circle, Ste. 400, Englewood, CO 80112 / 303-708-5959 / www.archstoneapartments.com	1,163 n/a	◆	MR	South	
20 (1)	LINDSEY MANAGEMENT CO. James E. Lindsey / 1200 E. Joyce Blvd., 6th Floor, Fayetteville, AR 72703 / 479-521-6686 / www.lindseymanagement.com	1,122 -49% ▼	\$210	MR	Southwest, South	
21 (15)	WEIS BUILDERS Jay Weis / 7645 Lyndale Ave. S., Suite 300, Minneapolis, MN 55423 / 612-243-5000 / www.weisbuilders.com	1,109 21% ▲	\$167	AFF, AL, IL, SH	Midwest	
22 (28)	THE BOZZUTO GROUP Thomas S. Bozzuto / 7850 Walker Dr., Suite 400, Greenbelt, MD 20770 / 301-220-0100 / www.bozzuto.com	1,076 86% ▲	\$692	AFF, MR	Northeast	
23 (19)	IRVINE CO. APARTMENT COMMUNITIES Kevin Baldrige / 110 Innovation Dr., Irvine, CA 92617 / 949-720-5000 / www.rental-living.com	1,074 26% ▲	◆	MR	West	
24 (18)	SUMMIT CONTRACTING GROUP Marc Padgett / 6877 Phillips Industrial Blvd., Jacksonville, FL 32256 / 904-268-5500 / www.summitcontractors.com	1,068 22% ▲	\$59	AFF, IL, MR	Northeast, South, Midwest	
25 (-)	UDR (p) Thomas W. Toomey / 1745 Shea Center Dr., Suite 200, Highlands Ranch, CO 80129 / 720-283-6120 / www.udr.com	930 n/a	\$634	MR	Northeast, Southwest, West	
26 (-)	PENNRose PROPERTIES Richard K. Barnhardt / 1301 N. 31st St., Philadelphia, PA 19121 / 267-386-8666 / www.pennrose.com	862 n/a	◆	AFF, MR	Northeast, South	
27 (-)	AMERICAN CAMPUS COMMUNITIES (p) Bill Bayless / 12700 Hill Country Blvd., Suite T-200, Austin, TX 78738 / 512-732-1000 / www.americancampus.com	810 n/a	\$303	MR, SH	Midwest, West	
28 (36)	THE WODA GROUP Jeffrey J. Woda; David Cooper / 229 Huber Village Blvd., Westerville, OH 43081 / 614-396-3200 / www.wodagroup.com	774 71% ▲	\$89	AFF	Northeast, South, Midwest	
29 (-)	MCCORMACK BARON SALAZAR Richard D. Baron / 720 Olive St., St. Louis, MO 63101 / 314-621-3400 / www.mccormackbaron.com	739 n/a	◆	AFF, MR	Southwest, South, Midwest, West	
30 (-)	THE PACIFIC COS. Caleb Roope / 430 E. State St., Suite 100, Eagle, ID 83616 / 208-461-0022 / www.tpchousing.com	728 n/a	\$30	AFF, IL	Southwest, Midwest, West	

(p) Public ◆ Declined to share revenue numbers AFF Affordable/Subsidized AL Assisted living IL Independent living MIL Military MR Market rate SH Student housing

Private builders had a much bigger challenge. They may have had the land for new buildings, but debt markets remained frozen for most of the year. As financing began to thaw as 2010 progressed, several private companies began to slowly move back in as well.

“The private builders had sites they owned or controlled that needed to be monetized,” says Scot Sellers, CEO of Denver-based Archstone, which placed 19 on this year’s list with 1,163 starts. “The focus on doing this created more new-development activity.”

REGIONAL PREFERENCES

Though multifamily construction began a renaissance in 2010, companies didn’t build everywhere. The Washington, D.C., area, with its strong government job base, topped the list of preferable places to develop. Arlington, Va.-based builder Clark Builders Group rode that wave (along with its military housing business) to 2,736 starts, which was good for No. 2 on the builder list.

“Nobody on a national basis lost interest in the D.C. market,” says Keith Anderson, president of Clark Builders Group. “We always felt like someone would find a way to make deals work [in Washington], and it would recover more quickly than other markets. That turned out to be true.”

Other coastal areas, such as Boston, New York, and certain California cities also saw apartment construction begin to return as 2010 progressed. On the other hand, markets with high vacancies, such as Memphis, Tenn., and Jacksonville, Fla., still have inventory that needs to be worked through.

THE 2010 TOP 50 MULTIFAMILY BUILDERS

31-50

RANK (09 RANK)	COMPANY/CEO/ADDRESS	2010 RENTAL STARTS (VS. '09 STARTS)	2010 REVENUE (In millions)	WHAT THEY BUILT	REGION
31 (-)	ICI CONSTRUCTION Chris Sidwa / 5057 Keller Springs Rd., Suite 200, Addison, TX 75001 / 972-387-8000 / www.icidallas.com	721 n/a	\$111	AFF, AL, IL, MR	Southwest
32 (39)	AMLI RESIDENTIAL Greg Mutz / 200 W. Monroe, Suite 2200, Chicago, IL 60606 / 312-283-4700 / www.amli.com	696 86% ▲	\$255	MR	Southwest, South
33 (-)	JEFFERSON APARTMENT GROUP Jim Butz / 1420 Spring Hill Rd., Suite 420, McLean, VA 22102 / 703-563-5200 / www.jeffersonapartmentgroup.com	686 n/a	◆	MR	Northeast
34 (-)	L+M DEVELOPMENT PARTNERS Ron Moelis / 1865 Palmer Ave., Suite 203, Larchmont, NY 10538 / 212-233-0638 / www.lmdevpartners.com	676 n/a	◆	AFF, MR	Northeast, Southwest, West
35 (-)	POST PROPERTIES (p) David P. Stockert / 4401 Northside Pkwy., Suite 800, Atlanta, GA 30327 / 404-846-5000 / www.postproperties.com	642 n/a	\$285	MR	Northeast, Southwest
36 (33)	GALAXY BUILDERS Arun Verma / 4729 College Park, San Antonio, TX 78249 / 210-493-0550 / www.thegalaxycompanies.com	625 25% ▲	\$34	AFF, IL, MR	Southwest
36 (26)	THE LYND CO. A. David Lynd / 8000 IH-10 W., Suite 1200, San Antonio, TX 78230 / 210-733-9125 / www.lyndworld.com	625 1% ▲	◆	MR	Southwest, Midwest
38 (45)	CAMDEN PROPERTY TRUST (p) Richard J. Campo / Three Greenway Plaza, Suite 1300, Houston, TX 77046 / 713-354-2500 / www.camdenliving.com	607 93% ▲	\$610	MR	South
39 (-)	MCWHINNEY Chad McWhinney / 2725 Rocky Mountain Ave., Suite 200, Loveland, CO 80538 / 970-962-9990 / www.mcwhinney.com	603 n/a	\$2	MR	Southwest, Midwest
40 (-)	CONIFER REALTY (p) Timothy D. Fournier / 183 E. Main St., Suite 600, Rochester, NY 14604 / 585-324-0500 / www.coniferliving.com	600 n/a	◆	AFF, IL	Northeast, South, Midwest
41 (13)	KWA CONSTRUCTION Keller W. Webster / 16800 Westgrove Dr., Suite 300, Addison, TX 75001 / 214-978-0177 / www.kwaconstruction.com	594 -37% ▼	\$35	AFF, IL, MR, SH	Southwest
42 (12)	FLOURNOY CONSTRUCTION CO. J. Randolph Osborne / 1100 Brookstone Centre Pkwy., Columbus, GA 31904 / 706-689-8830 / www.flournoyconstruction.com	585 -40% ▼	\$69	MR	Southwest, South
43 (-)	CHELSEA INVESTMENT CORP. James Schmid / 5993 Avenida Encinas, Suite 101, Carlsbad, CA 92008 / 760-456-6000 / www.chelseainvestco.com	550 n/a	\$32	AFF, IL	Southwest, West
44 (-)	THE RELATED GROUP Jorge Perez / 315 S. Biscayne Blvd., 4th Floor, Miami, FL 33131 / 305-460-9900 / www.relatedgroup.com	534 n/a	\$961	AFF, MR	South
45 (-)	ENTERPRISE HOMES Chickie Grayson / 312 N. Martin Luther King Jr. Blvd., Baltimore, MD 21201 / 410-332-7400 / www.enterprisecommunity.com/home	513 n/a	◆	AFF	Northeast
46 (-)	COLUMBIA RESIDENTIAL Noel Khalil / 1718 Peachtree St. N.W., Suite 684, Atlanta, GA 30309 / 404-874-5000 / www.columbiare.com	509 n/a	\$11	IL	South
47 (-)	ROEM DEVELOPMENT CORP./ ROEM BUILDERS Robert Emami / 1650 Lafayette St., Santa Clara, CA 95050 / 408-984-5600 / www.roemcorp.com	487 n/a	◆	AFF, IL	West
48 (-)	COLONIAL PROPERTIES TRUST (p) Thomas H. Lowder / 2101 6th Ave. N., Suite 750, Birmingham, AL 35203 / 205-250-8700 / www.colonialprop.com	486 n/a	\$309	MR	South
48 (-)	BISCAYNE HOUSING GROUP Michael Cox; Gonzalo DeRamon / 150 S.E. 2nd Ave., Suite 1302, Miami, FL 33131 / 305-372-5795 / www.biscaynehousing.com	486 n/a	◆	AFF	South
50 (50)	FLAHERTY & COLLINS PROPERTIES David Flaherty / 8900 Keystone Crossing, Suite 1200, Indianapolis, IN 46240 / 317-816-9300 / www.flahertycollins.com	480 89% ▲	\$20	AFF, MR	Midwest

“There are a lot of markets that are not ready for new development,” says Jim Butz of McLean, Va.-based Jefferson Apartment Group (which debuted on the list at No. 33 with 686 units after it spun off from Dallas-based JPI, a top builder before the downturn). “We have to keep in mind that a lot of people are still suffering from overbuilding.”

A LOOK AHEAD

Despite strong rent increases in 2010 and the slow return of construction debt, not every multifamily company elected to turn a shovel in 2010. The leadership at Atlanta-based Trammell Crow Residential, burdened by debt issues on its existing portfolio, had to spin out a new company, Dallas-based Mill Creek Residential. Mill Creek didn't start any units in 2010. But it is planning 3,000 starts in 2011.

Making next year's list is shaping up to be quite a competition. Buoyed by what analysts expect to be historically strong demand over the next few years, low supply, and improving debt markets, optimism in the multifamily development world is reaching highs not palpable since the mid-2000s.

“We're expecting a significant increase relative to 2010, but still not approaching historic levels and normal levels,” says Joe Keough, CFO at Wood Partners. “We're looking to more than double our volume in 2011.”

For other builders who have land and can get their hands on debt, 2011 promises to be even better than 2010. **B**

(p) Public	◆ Declined to share revenue numbers	AFF Affordable/ Subsidized	AL Assisted living	IL Independent living	MIL Military	MR Market rate	SH Student housing
---------------	--	----------------------------------	-----------------------	--------------------------	-----------------	-------------------	-----------------------