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MAY JUNE 2006

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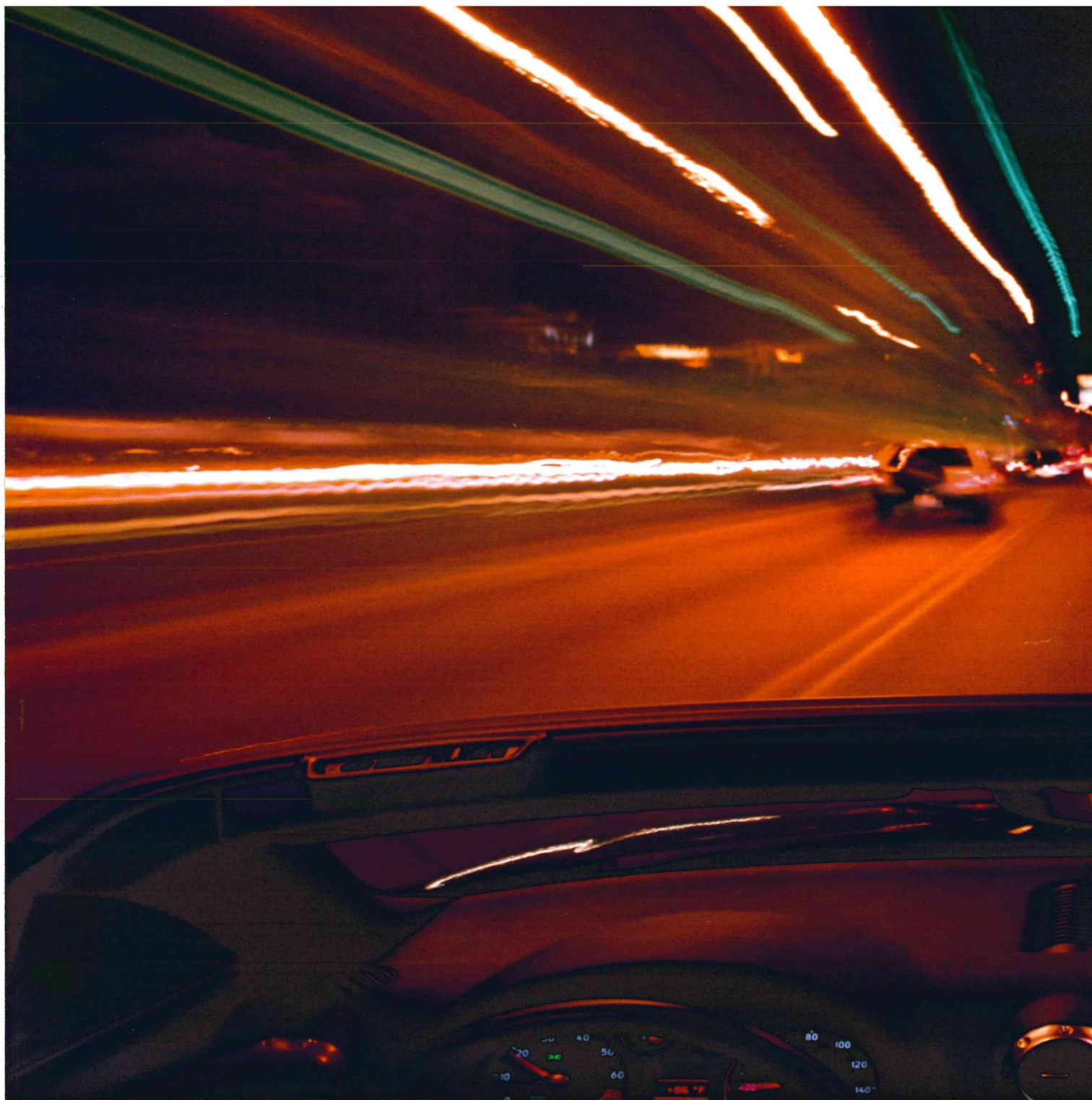
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UPTOWN IN DALLAS, TEXAS.

ING reaps \$90M-plus from Gables UpTown properties

DALLAS Lion Gables Apartment Fund LP, now Uptown's largest multifamily owner, has capitalized on inherited assets by selling a 422-unit State Thomas block to Reef and the 290-unit State Thomas Ravello to Principal Financial Group. Uptown's fast-paced sales of all product type have made it hard for local brokers to keep tabs on deal sizes, but ballpark estimates are placing the combined trades above the \$90-million mark.

Chicago-based Reef got the 93%-leased State Thomas Brownstones, CityView Flats and State Thomas Townhomes, spanning nearly seven full blocks on 13.25 acres, at the heart of the priciest close-in market in the city. "In our minds, this is one of the most desirable places to live for the 25 to 35 age group," says Brad Gries, vice president in Chicago, who negotiated the purchase from a closed-end fund managed by the New York City-based ING Clarion Partners as it sheds assets from the takeover of Gables Residential Trust. In keeping with the Boca Raton, Florida-based Gables' restrictions, Reef has renamed its purchase to Manchester State Thomas.

Gries tells GlobeSt.com that the all-cash deal closed as an intended 10-year hold or more. "It's a core deal for us" he says. With some rents at below-market rates, he says the door is open for some immediate upside as well as over the long haul. "It's a stabilized long-term deal in the right location to perform long term," he stresses.

According to the Holliday Fenoglio Fowler LP summary, the State Thomas Brownstones and CityView Flats at 3010 State Street have 245 one- and two-bedroom units ranging from 1,051 square feet to 1,457 square feet, with monthly rents going from \$1,504 to \$1,815. The 177 townhouses range from 1,010 sf to 2,222 square foot in one, two- and three-bedroom floor plans. Their monthly rents are \$1,415 to \$2,680. The complexes were developed in 2001-03.

The Des Moines-based Principal isn't discussing its acquisition of the Ravello at 2610 Allen Street. The 95%-leased, three-year-old asset has one-, two- and three-bedroom units, ranging from 708 square feet to 2,699 square feet. Rents are \$1,032 to \$2,933 per month.

The mid-rise properties came to market as a portfolio. HFF managing director William Miller says there were a handful of offers for the full lot although the decision to split it didn't have any affect on the take-home pay for ING Clarion. In all, more than 30 offers came in for the offering, which went full circle in 3.5 months. The majority of would-be buyers were institutions and private equity from the US. "We're extremely happy with how the process played out and the price," Miller says. "Everyone performed very well."

Not only did quality and location drive the prices, but "it was one of the first opportunities for buyers to own a significant amount of

properties in that particular submarket," explains Miller, who teamed with HFF associate director Roberto Casas to sell the prizes.

"Given construction costs and land prices today, it's hard to replace these assets," Casas adds. "There's just not a lot of land left in Uptown and what's left is going to go vertical."

Local multifamily experts believe the Reef purchase set a new record for mid-rise product in Uptown. The 102-unit Gables Pearl Street, now Topaz Townhomes, sold last month for roughly \$167,000 per unit to Atlanta-based Choice Condominiums LLC. The price jumps considerably for high-rise product, but the 267-unit Ashton commanded nearly \$386,000 per unit just a few weeks ago while last year's market brought \$309,000 per apartment for the 63-unit Travis at Knox.

"The Dallas properties sold by HFF are part of ING Clarion's strategy of capitalizing on strong fundamentals in both the Dallas market and the multifamily sector nationally," Rob Greer, senior director at ING Clarion, says in a press release. "Dallas, like other major US cities, is experiencing a significant population shift back to the urban core. The State Thomas neighborhood is among the highest quality infill urban areas in the city ideally positioned to take advantage of the Uptown District's unparalleled amenity base."

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THE ART OF CONDOS

ATHENA PROPERTIES

	UNITS	LOCATION
111 Central Park	47	New York
A Condominiums	250	New Jersey
Jersey City II	1,000	New Jersey
McAuthor Court	130	Washington D.C.
North Las Vegas	1,200	Nevada
Parc Reston	336	Virginia
Parc Reston Towers	360	Virginia
The 903	330	Rhode Island
The Grove at Arlington	190	Virginia
The Waverly	399	Florida

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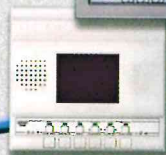
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It's a family with a long and colorful history in real estate, politics, civil issues, and ah yes, the New York social scene. Louie Dubin makes a point of living larger than life; that might explain the flair in his properties.

Louis "Louie" Dubin is president and CEO of The Athena Group, a privately-held real estate investment company he founded in 1993. The Taubman family (patriarch A. Alfred Taubman, founder of the Taubman Centers) has been an active investor in Athena since its inception; his son, Robert, is a board member.

Based in New York City, the firm has an impressive portfolio with some fairly dazzling for sale condominium products hitting the market in the greater Washington, D.C. and New York areas in the next months, as well as Rhode Island, Los Angeles and Las Vegas. Louie has been busy.

And to think, he gave up teaching tennis for this. At least that's what he'd be doing if he weren't following the family legacy into real estate, or putting to use his JD from Washington College of Law at American University.

Dubin is a fourth-generation developer, but that's just the beginning of a story of passion for making a mark on the world.

"My great grandfather, granddad, my father, were all developers," says Dubin. "I've been immersed in the business since I was a kid. I've always felt comfortable in it."

Dubin's undergraduate degree is from Washington and Lee University. Directly out of law school, he went to work for his family's development firm, The Dubin Companies, as principal and general counsel. There he developed single-family, high-rise condominiums and planned communities at an aggregate value of \$100 million.

"I became a developer younger than most," says Dubin. Whether it's hard wired, or the fact that he lived with the business

his whole life, he quickly acclimated to the high risk environment. "Taking on the daunting risks of running a development company was comfortable," he says.

NATHAN AND HARRY D. MYERBERG

Generations before, Dubin's great-grandfather was a major housing developer in Baltimore founding N.J. Myerberg and Sons. Probably his greatest claim to fame was his trade skill as one of the nation's first electrical contractors. Nathan helped to electrify major cities across the mid-Atlantic and built many of the first dual (gas and electric) buildings through the country's precarious transition to electricity.

Louie's grandfather, Harry D. Myerberg, reluctantly followed in his father's footsteps.

From Baltimore, Harry first followed his brother to New York to work in the entertainment industry and became manager of Warner Brothers' theaters in northern New Jersey and New York City. It's said that he considered moving to Los Angeles and joining 20th Century Fox, but changed his mind and returned to Baltimore to join the family building and development business which eventually came to be called Myerberg Brothers.

Over his seventy year career, Harry constructed thousands of homes throughout Maryland and Florida: 4,000 garden apartments, 3,700 townhouses and 2,000 single-family homes in the Baltimore-Annapolis area, 5,000 retirement apartments in Florida, and a number of strip shopping centers. During World War II, Harry worked with his brothers, Edward and Jay, to construct military housing at Fort Meade.

After the war, he met with former first

lady Eleanor Roosevelt to discuss ways to racially integrate construction work sites.

"He had success on some of his sites, and on some he did not. It was a time of segregated America," said his daughter Nancy Myerberg Zirkin of Chevy Chase, deputy director of the Leadership Conference on Civil Rights.

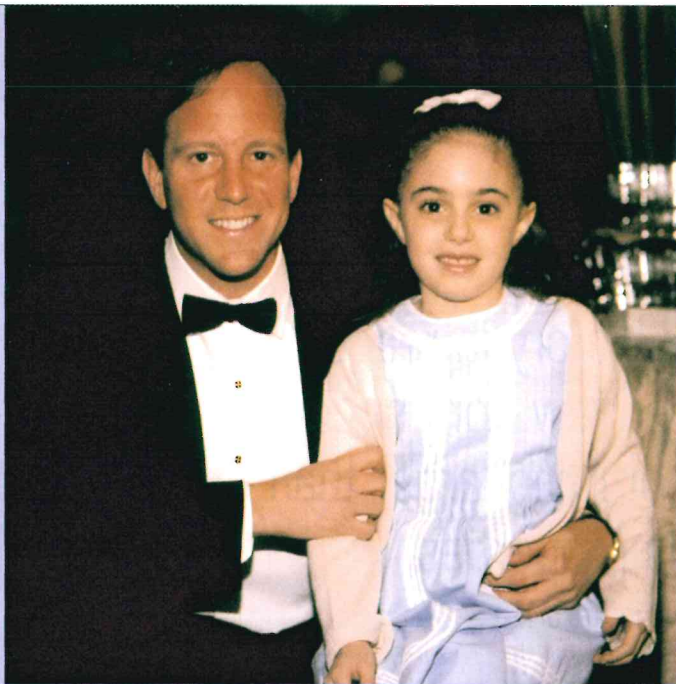
He also constructed low-income housing and was an adviser to the federal government when the Department of Housing and Urban Development was established in the 1960s.

"He was a believer in providing housing for low- and moderate-income people," said Zirkin, who called her father an "enthusiastic advocate for civil rights."

RICHARD & ELIZABETH DUBIN

Harry's son-in-law and Louie's father and first employer out of law school, Dick Dubin, also became a developer forming Dubin Builders Company in Bethesda, Maryland. The company's portfolio includes both commercial and residential. Dick Dubin developed over 7,000 multifamily units spanning 3,000 rental and 4,000 for sale over the course of his career. Most of these were in the Baltimore-Washington area and in various partnerships, though primarily with the National Housing Partnership (NHP) under Warren Buffet's ownership.

Probably most notable is Dick and Elizabeth's status as the definitive Washington power couple, as they will be found on the A-list of every event on the Washington scene from the National Symphony Orchestra Ball to the elite Washington's Social List. Louie's mother Elizabeth Myerberg Dubin was appointed by



LOUIS M. DUBIN AND HIS DAUGHTER, TATIANA DUBIN. 10 YEAR OLD TATIANA WORKS IN HER DAD'S OFFICE TWO DAYS A WEEK AND ASPIRES TO BE THE FIFTH GENERATION OF REAL ESTATE DEVELOPERS IN THE FAMILY



ELIZABETH MYERBERG DUBIN, RICHARD DUBIN, LOUIS M. DUBIN, HARRY D. MYERBERG - 2ND, 3RD AND 4TH GENERATION OF REAL ESTATE DEVELOPERS

President Bush as a member of the President's Committee on the Arts and the Humanities. Elizabeth and Dick Dubin run a number of foundations and grants, and are extremely involved on the political scene, somehow finding a way to partner even with differing party memberships.

A CHIP OFF THE OLD BLOCKS

It's clear that Louie is a product of his family's ideals and values. After working for his father, he went on to work as director of the National Land Fund for The Resolution Trust Corporation where he created and directed the \$1.7 billion National Land Fund. Louie says, "In the early 90s, I went to work for the RTC. I was a federal official running clean up for all the non-performing land in the United States."

This disposition program was the RTC's first limited partnership between the private sector and government. It was notably an impressive accomplishment as *Institutional Investor* magazine awarded it their coveted "1993 Real Estate Deal of the Year."

"It was remarkable," says Louie. "No government employee had ever won that award. And the experience made me familiar with high finance, as well as the structure of very large real estate deals."

THE ATHENA GROUP

Today, Louie's directive is to build to a wide

open market segment looking for mid-level priced product. "My focus is to provide housing that is of value," he stresses. "There's a lot of product built over the last few years that is moving toward a higher and higher price point; it's becoming unattainable for most people." Louie believes there is a large segment of mid-range buyers looking for value-priced housing that still offers the fit and finish of a more expensive product. "We continually look for opportunities to provide value to homeowners and investors," Louie says. "In fact, we're building more median priced product than higher end."

"Most companies have not focused on the mid-market and we've found it to be a great niche. There are more people in that market than any other," states Louie. "They've anxiously waited for more affordable housing opportunities to make their purchase; we provide that opportunity."

When it comes to the hottest markets for mid-level priced product, Louie is squarely fixed on Washington D.C., New York City and the New Jersey waterfront, yet the company is stretching outward.

"One of our newest products is in Providence, Rhode Island," he says. "It's called 'The 903,' and it's priced at almost \$200 a foot less than the nearest competitor; we're about \$350 a foot and the nearest competitor is \$550 a foot. It's a great value

for the consumer." He continues, "Many can't afford the \$550 product, so we've stepped in to provide a lower-tiered product that is typically unavailable in this market."

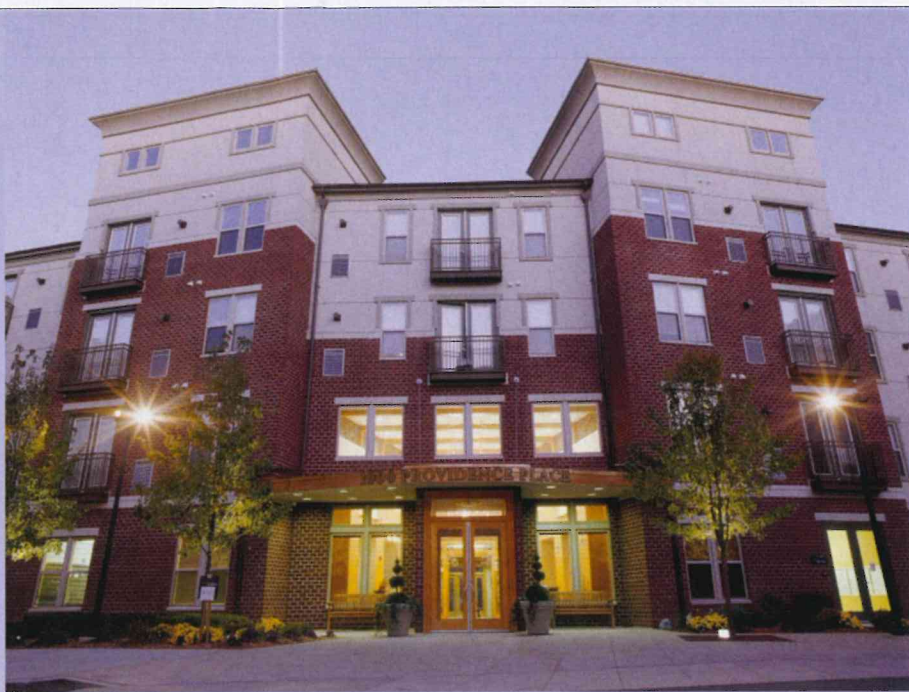
The Athena Group is continuing to expand in a number of new markets with the mid-level price concept. Louie confides, "We'll announce two new products in Los Angeles in the next month."

Athena recently announced a project in Las Vegas aimed at long-needed workforce housing for casino and defense workers. The company is in the planning stages on additional million feet of retail in Vegas, as well.

Targeting the mid-level home buying market reflects Athena's corporate vision and long-range goals. "It speaks to growth and diversification," states Louie. "We're now on both coasts in most of major growth markets. Today we have about 4,500 housing units in production and our goal over the next five years is to double that. We are in a growth mode."

Says Louie, "Because we're on the sales side of the business, it isn't necessarily cash flow oriented; it's total dollars and total return oriented. We're a little more patient than the multifamily rental view of the market."

'Florida' is the question begging to be asked when one thinks of condos. The market has exploded, and many wonder what the tried and true condo builders think of the bloated



THE 903 THIS 330 UNIT COMMUNITY CONSISTS OF STUDIO LOFTS, 1 AND 2 BEDROOM CONDOS THAT ARE WITHIN WALKING DISTANCE OF THE BEST SHOPPING, DINING AND ENTERTAINMENT IN PROVIDENCE, RHODE ISLAND. AMENITIES INCLUDE A PRIVATE POOL, CLUBHOUSE WITH BILLIARD TABLE AND TEACHING KITCHEN, STATE OF THE ART GYM, PRIVATE MOVIE THEATER, CONCIERGE AND 24-HOUR SECURITY.

market conditions.

"We're still in the South Florida market on the resale side. We have a brokerage company there," says Louis. "We're really waiting for the froth to burn off before we re-enter there." As to the condo rage in play, Louie agrees: "There's a tremendous disequilibrium between supply and demand. In some cases a bubble condition exists, in other locations, it's a resetting of price."

MATCHING MARKET TO PRODUCT

Athena relies on a sophisticated, by the numbers, methodology of selecting markets ripe for development.

"Ken Rosen of Rosen Consulting out of San Francisco does the macroeconomic forecast for us in terms of job growth and household formation in key cities in the U.S.," confides Louie. "We closely monitor job growth and long term population trends. We're keen on markets where people are working and the population is growing. We're in half a dozen of the top ten job growth markets—that's job growth both on a percentage and on an absolute basis. We then have our acquisitions people focus on those markets where we think the median and long term prospects provide the best opportunity." Once the property is acquired, Louie's brother, Harry, runs the national sales and marketing for Athena. Harry

makes certain product amenities and packaging line up with the market demographics.

BUILDING THE BEST

When hiring and recruiting talent, Louie looks to education, then proven performance. Partial to the top east coast programs, the company relies heavily on the Masters in real estate candidates to deliver the vision to the buyer.

"We recruit MBAs," says Louie. "We look for well rounded individuals with both financial and other esoteric skills." Louie sees the most successful development company lined with people who are tactile with numbers, as well as with concepts and form. Focusing on the numbers is only part of the equation. He makes a point of teaching the younger people in the company the full breadth of development from planning, design, sales and marketing, construction to construction management, even if they have nothing to do with those functions. Louie says, "It fuels their growth if they're exposed to all the disciplines early on."

The company provides just such exposure at the all-hands development meetings. These weekly meetings include twenty professionals from different organizational levels, discussing what's going on with various projects, and has become a forum for teaching the younger people the business.

HOW IS ATHENA DIFFERENT?

One of significant differences that sets Athena apart from other developers is its proprietary fund. The fund is typically raised by one of the big investment banks: Morgan Stanley put together Athena's first fund four years ago. UBS did a follow up fund only months ago.

It provides Athena a large pot of proprietary capital in a blind pool. Louis states, "We can select any project we'd like to do. That pool of money allows us to do 12-15 new projects every 3 years. We have the proprietary capital in hand, ready to go."

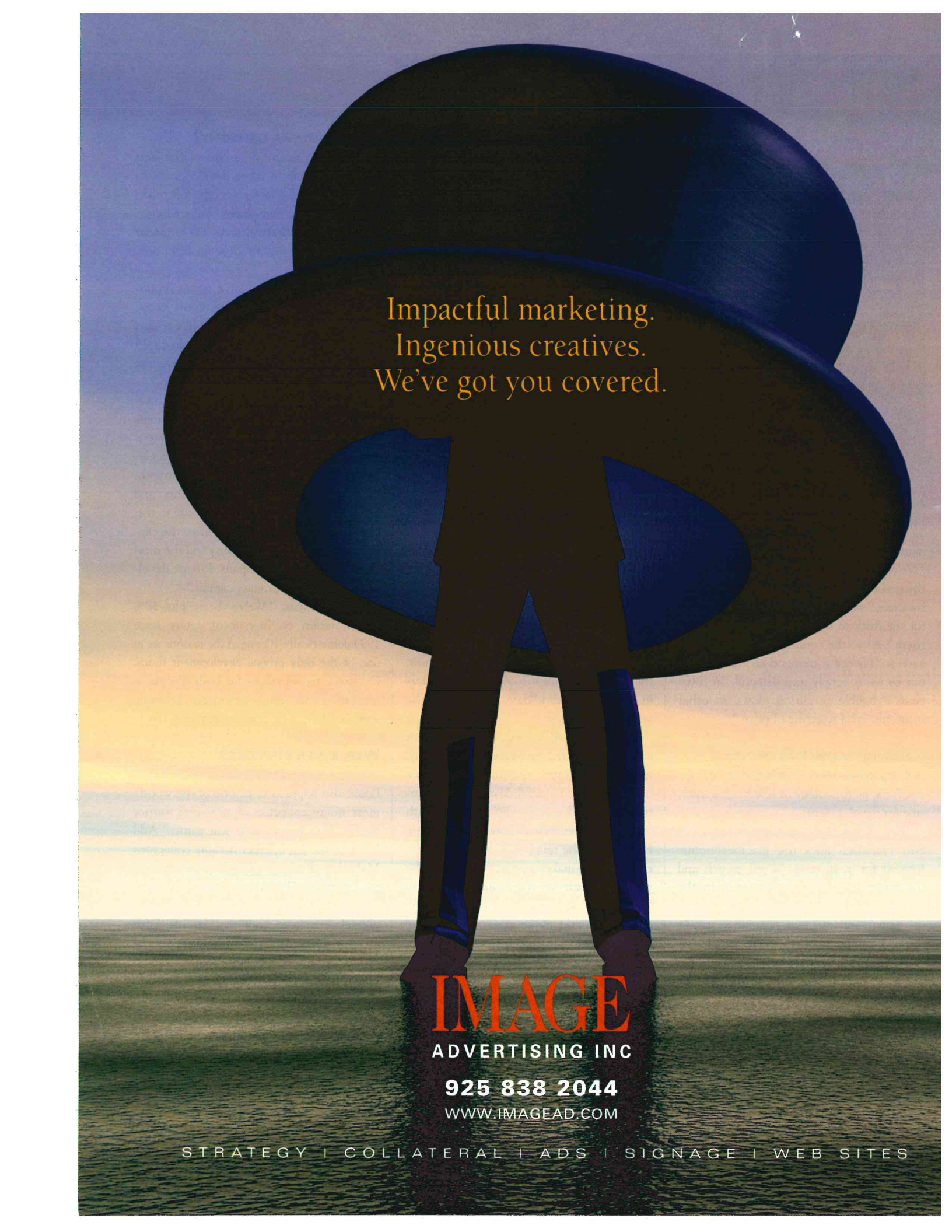
For large deals, Athena will solicit partners, but continues to hold an advantage over private developers who must seek out capital. The fact that Athena is privately-held allows it to be more nimble than public companies with more restraints and many more issues. Louie says, "We're in this kind of nether land where we have the capitalization of a public company and the nimbleness of a private company. Private developers lack the proprietary capital."

He continues, "We've been plus-30% annual return on investment equity since 1993 domestically. It's one of the reasons we're one of the only private development funds. Our track record speaks for itself. People at institutions are very comfortable investing with us. I have a lot of my money in it, too."

WAR GAMER STRATEGIES

Like the multi-faceted Dubin that he is, Louie also happens to be one of the world's most ardent collectors of miniature warrior figures. He's known as a 'war gamer.' Add Louie to the list of other notable collectors: Malcolm Forbes, Winston Churchill, Robert Louis Stevenson. His 5,000-piece army fight their eternally-poised battles in plexiglass-encased dioramas in his Fifth Avenue office. Dubin's toy soldiers consist of W. Britain, Heyde and Mignot figures (the top three firms in lead, hollow-cast soldier manufacturing).

When asked about what notable battle strategies might inspire him in running his firm, Louie is quick to respond. "Never fight a battle on two fronts. If you have two big issues going, boil it down to one and deal with the other one later. What happened when Napoleon fought on two fronts? He lost." ■

A person is standing on a beach, holding a very large, dark blue umbrella. The person is wearing dark pants and blue socks. The background is a sunset or sunrise over the ocean, with a gradient of colors from blue at the top to orange and yellow near the horizon. The person's shadow is cast on the sand.

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