

RMK Management Corp.

Q: What significant changes are you experiencing in the Midwest?

A: We have built 3,400 units over the last 10 years, almost all of which have been in suburban Chicago, which is dramatically different from downtown Chicago. Things are definitely changing. We are working on two high-rises [geared] to a high-end demographic. Even our suburban amenity package has been a bit nicer—we are definitely shooting for the B-plus and above marketplace. We are also looking for and doing more infill sites. We have one in Downers Grove—a pretty close-in suburb—where we just started construction on a 294-unit property. We are looking for more of that.

Q: How important is 'green' building in your market?

A: People are becoming conscious of the environment for many reasons, not least of which is the price of gas. Deals near train stations and deals that are a little closer in to cut down on commuting are the ones that are going to make sense.

Q: How do you compete against national players?

A: The companies that are competing with us for land in the development business here are Lincoln, AMLI, and Avalon Bay—we are all after the same sites. That is par-



Anthony Rossi, President

for the course. Everyone knows each other, we compete on a friendly basis, and once a guy is working on a deal, you don't step on his toes. We try to sell ourselves as more local, but even the bigger institutions all have local offices.

Q: What guides your strategy to remain a regional player?

A: How to grow your business is always a challenge, but you can't forget why you have been successful. We are a Chicago-based company—I'm

proud of that—and we are never going to lose our roots. If we can't do a first-class job, we are not going to do it. We have operated here and in Minneapolis since the late 1970s, and we know the markets cold. I don't want to get big just for the sake of being big. I want a good company, a quality company, and a place where people want to work.

Q: What challenges are unique to working in the Midwest?

A: We have to sell our projects. Everyone wants a deal in California and Boston. In the Midwest, you have to sell a little harder and get [financial] people out here. Sure there are some cities that grade poorly, but there are a lot of strong, vibrant economies. Year-over-year, Chicago's average annual rent growth is 4.1 percent. If I compare that to some California properties that we are invested in, it's not terribly different. The difference is in the spikes.

Q: What would you be doing if you were not in the multifamily industry?

A: I am a vice president of U.S.A. Hockey, the national governing body for 6-year-old skaters all the way up to the Olympic team. I currently run the World Champion and Olympic teams, and I am on the board of the International Ice Hockey Federation. If I wasn't doing this, I'd probably take my money and work on buying a hockey team.

About the Company

What: Multifamily owner, operator, and fee manager

Founded: 1973

Headquarters: Chicago

Employees: 200

2007 revenue: Declined to state

Units owned: 14,177

Units in development: 404 under construction; 700 in planning

Geographic coverage: Chicago and Minneapolis

About the Project

Project: Regency Place

Location: Oak Brook, Ill.

Units: 112 one-, two- and three-bedroom apartments

Rent: \$1,490 to \$3,635

Notable: Three-year entitlement process; luxury, mixed-use development; pushing downtown rents in a high-end suburban community

