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A professional headshot of Jonathan Morgan, a man with dark hair, smiling, wearing a dark pinstriped suit jacket, a white dress shirt, and a blue patterned tie. The photo is framed by a thin white border.

**JONATHAN MORGAN,
MORGAN PROPERTIES**

THE DEAL GUY

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The Deal Guy

Jonathan Morgan learned real estate management from the best in the business – his father, Mitchell L. Morgan. Today, he's leading Morgan Properties to new levels of growth, influence and significance.

He's a worthy successor to a seminal figure in the national multifamily industry, a second-generation leader who inherited his father's famous drive, determination, and business smarts, and is carrying his baton into the future.

He's Jonathan Morgan, heir apparent to the multifamily empire built by his dad, Mitch. When Morgan came on in 2011, Morgan Properties owned and managed 22,000 wholly-owned residential units. Under his leadership, the firm has closed 15 transactions with seven equity investors, to acquire more than \$1.5 billion in assets and 12,000 units. That's a total of 117 apartment communities with 33,000 units in 10 states. In five short years, Morgan propelled an already formidable family business to extraordinary levels of success. And he's not stopping there.

"In general, we feel the wind is at our back," says Morgan, President of Morgan Properties JV. "The fundamentals are strong, the industry has never been stronger, and as long as interest rates stay relatively low, we're in a very attractive environment to grow. Multifamily is the industry darling now. It's where you want to invest. Because everyone needs a place to live."

Even in a robust industry, that level of investment takes confidence, conviction and an intuitive grasp of market dynamics, backed by a strong business model and a healthy balance sheet. For Morgan and his siblings, Brittany and Jason, multifamily is in the DNA. "We were taught the business at a young age – at home, over the dinner table, and on-site at all our properties," he says. "For me, it was like being a kid in a candy store. I got to know the painters and the maintenance guys, the facilities and operations people – it's a family business, so a lot of the people have been there forever. It was our passion as kids, and for me, it's even more so now."

After graduating from the University of Pennsylvania, he headed for New York, where he worked for Bear Stearns in commercial mortgage-backed securities. And yes, he was there in 2008, when the global investment bank became one of the first casualties of the Great Recession.

"I had a pretty amazing first experience – it's maybe out of context to say 'amazing' in this case, but for a young guy to see that kind of downturn, it really humbled me," he says. From there, Morgan moved to Apollo Real Estate Advisors before earning his MBA at Columbia Business School and finally returning to Morgan Properties. "And I haven't looked back," he says.



Jonathan Morgan, president of Morgan Properties JV who is also a PAA East board member, has quickly made his presence felt within the company as well as the industry overall

All in the Family

It all goes back to Mitch Morgan, who started his career, quite literally, on a shoestring. "Selling shoes was how I paid for school," Morgan said, in a 2004 interview with his alumna publication, the Temple University Times. "The shoe store taught me a lot about buying, marketing, budgeting and other aspects of business – I may have learned more ... from selling shoes than I did in my classes."

Juggling school and his sales job, Morgan earned degrees in both accounting and law, then worked for a real estate developer as the "deal guy," identifying acquisition opportunities, says his son, Jonathan. Apparently, he was a quick study – Morgan was barely 30 when he bought set the cornerstone of his own empire. He bought Kingswood, a 770-unit, multifamily community in King of Prussia, and in short order, added two communities in Lansdale for a total of 1,400 units. With the newly christened Morgan Properties, a superstar of the industry was born.

Deal-wise, Jonathan Morgan is on the lookout for properties like Kingswood – which the family still owns, after more than three decades: "Garden-style, larger apartments that have common-area amenities, like a fitness center, a clubhouse, dog parks... That is a typical community for us."

The majority of renters are young families looking for an attractive community in the suburbs with a good school district – and of course, all those amenities. "We're turnaround specialists," says Jonathan. "We like to take distressed opportunities, stabilize occupancy, add value through renovations, raise rents strategically, and then ultimately capitalize the investment."

"Our company is historically a long-term holder; we like to roll up our sleeves and really add value. But sometimes we have investors and partners who like to sell and realize the investment. And at times like that, we consider dispositions." He compares the company to "a publicly traded REIT (real estate investment trust), but at the same time, we're quick and nimble, and our facilities guys count nails." Morgan Properties occupants also include older adults who want to size down, and millennials who want to remain footloose. "The American dream of a white picket fence may have shifted a bit with urbanization, but our residents have a high quality of life, and they prefer it that way. People want more space to raise their families, and that's the nature of what we do and the service we provide." Though Morgan is clearly bullish about the future, "We're disciplined," he adds. "Sometimes you need to be acquisitive, and some-

times you need to pump the brakes. Sometimes the market can be a bit frothy.”

Room to Grow

In the post-recession era, more Americans are choosing to rent than buy, and would-be buyers face much stricter lending requirements. As a result, through 2030 there will be five new renters for each new homeowner in the United States, predicts the Urban Institute. A January study from real-estate researcher Reis Inc. reported that rents rose 4.6 percent in 2015, the biggest gain since the pre-recession years. And from 2006 to 2014, nearly 22 million more people rented in U.S. metro areas, with a concentration in the suburbs, according to a study from New York University’s Furman Center and Capital One.

The field is rich with opportunity, and Morgan is taking advantage of it. “I’m extremely focused and passionate about what I’m doing, and I do a lot of things that my father, at this stage in his career, is just not as eager to do. He’s successful and has an amazing company, and he jokes that now, he’s just fine playing golf.

“He also doesn’t like to ‘dial for dollars,’ as he would say – attracting equity investors – but that’s what I really love,” he continued, with obvious enthusiasm. “I love growing our platform and finding new acquisition opportunities. I love to bring in strong, like-minded capital partners to help us continue to grow the business” – such as the Saudi Arabia-based Olayan Group, the company’s partner in a 2014 deal to buy 2,671 apartments in Maryland and Virginia. The price tag: \$309 million.

Asked what makes him such a successful dealmaker, Morgan replies, “It’s the mindset my father gave me. It’s a grit, a hard-working mentality. I know if I want something, I need to go get it.”

He’s doing exactly that. Last year, Morgan Properties ranked No. 36 on the National Multifamily Housing Council’s list of largest U.S. apartment owners (up from No. 43 in 2014). Don’t be surprised if it inches higher still in 2016.

“I can’t talk about any deals in the pipeline, but I would stay tuned,” Morgan says. “Soon enough you’ll hear about some transactions. We’re always working on deals.”

Following the Leader

While Jonathan Morgan handles the growth side of the enterprise, and younger brother Jason prepares to join the family business, their sister Brittany – formerly a lawyer in the New York City office of Greenberg Traurig – is Senior Vice President of Strategic Operations. In that capacity, she works on repositioning the company’s fully-owned properties (about 22,000 of those 33,000 units).

“We plan to put more capital into assets we’ve had for 10-plus years, improve them, and take them to the next level,” she explains. Last year, the family celebrated 30 years of Morgan Properties. It was a natural time to reflect on the road behind them, and look to the path ahead.

“My father is a remarkable person who came from humble beginnings and built this empire,” says Brittany. “Yet he’s still so humble and so modest.”



Jonathan has continued both the company and industry impact that Mitch has established over the first three decades of Morgan Properties

“My father has been a tremendous mentor and visionary, and all of our culture stems from him,” adds her brother. “I feel privileged to be part of the second generation, to see the business into the future and grow the platform, not only in our portfolio holdings but in our capital relationships. That’s my role as president of Morgan Properties JV – to oversee our joint-venture portfolio and run the day-to-day, but also to position us for growth going forward.”



Brittany Morgan serves as the company’s SVP of Strategic Planning and forms an effective team with her brother and dad

While looking forward, Morgan also looks back – as the son of a real estate magnate, and the son of a shoe salesman.

“We know where we come from,” he says of the family business. “We don’t have an identity crisis: we’re a Class B apartment owner-operator that sticks to our knitting and knows our strengths. Right now, we’re a second-generation family business, but we hope it’ll be a third-generation business one day.” (Morgan recently became a first-time father, to son Jordan.)

“It’s exciting,” he says. “Our foundation is strong. But we’ve got big shoes to fill.”

Following the example set by his father, Morgan is advancing toward the future, continuing a tradition of excellence, integrity, and above all, community. ■



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