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Burton Carol grows by being cautious, caring



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Joy Anzalone, left, executive vice president and chief operating officer, and Rob G. Risman, president and chief executive officer, guide Burton Carol Management LLC, which spun out of Consolidated Management in 2010.

By KIMBERLY BONVISSUTO

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At a time when many multifamily property managers were shifting into conservative mode to ride out the economic downturn between 2007 and 2009, Burton Carol Management LLC was out shopping for properties.

Joy Anzalone, executive vice president and chief operating officer of the Warrensville Heights property management company, said Burton Carol is disciplined in its approach to business and is a long-term holder of real estate.

"In good times or bad, we've always got an eye toward the future," Ms. Anzalone said.

"We're looking to grow. We're very disciplined in making sure we take care of our real estate."

David Davenport, senior vice president of Bellwether Enterprise Real Estate Capital in Cleveland, called Ms. Anzalone and Rob G. Risman, president and chief executive officer of Burton Carol, "salt of the earth" people who have expertise in every aspect of apartment management, from engineering to aesthetics to operations and financing. He said their business skills saw them through a rough economy.

"Because they had been relatively conservative over the years and made prudent decisions and did things right, they kept true to their core values," Mr. Davenport said.

Burton Carol was spun out of Consolidated Management in 2010, when the longstanding property management company split. Burton Carol — named after Mr. Risman's parents, William Burton and Marion Carol Risman — became an apartment property manager, while BEK Developers LLC — headed by Consolidated Management co-founder Bob Risman — manages other commercial properties from its Beachwood headquarters.

Today, Burton Carol owns and manages 22 multifamily apartment complexes in Ohio, Michigan and Florida, along with two office buildings. The company also oversees the Bilmar Beach Resort and Sloppy Joe's restaurant in Florida.

Ms. Anzalone said the company's goal is to add two properties annually that fall within specific criteria — 200 units or more and located within a two-hour flight or drive from its established divisions in Warrensville Heights, south Michigan and St. Petersburg, Fla.

Growing intelligently

At the same time, the company is renovating properties, upgrading units and adding amenities — like pools and clubhouses — in this positive lending environment. She said the outlook for multifamily properties is good, as occupancy in the last year and a half is better than it has been over the last 10 years.

"We're pretty cautious and conservative," said president and CEO Rob G. Risman. "Although our company has been involved in all different classes of real estate — commercial, retail, office,



industrial and hospitality — since starting Burton Carol in 2010, our focus has pretty much been on multi-family.”

Mr. Risman said Burton Carol is not a portfolio buyer and that its focus is on growing intelligently. He said the company's niche is buying, repositioning and creating value.

“We don't overleverage our properties at all,” he said. “We set aside much more than the average owners and managers for operations so that we can always take the best care of our assets.”

“We always put money back into our properties. We don't spend wastefully. I learned a long time ago from my father to take care of your properties.”

Ralph McGreevy, executive vice president of the Northeast Ohio Apartment Association, has worked alongside Ms. Anzalone, NOAA president, for several years. Mr. McGreevy said Burton Carol is passionate about housing and makes a point of going above and beyond for its residents.

“They are a group of overachievers when it comes to customer satisfaction,” Mr. McGreevy said. “This is a 24-hour daily business. You need people sensitive to the needs of others and they are exemplary on that.”

Times are changing

Burton Carol recently bought Arbor Court apartments in Mayfield Heights and is building a new 3,000-square-foot clubhouse that will serve as the leasing center, exercise room and common area for residents. Ms. Anzalone said the company also is doing a major renovation of common areas at the Parkside Towers Apartments in Strongsville.

Mr. Risman and Ms. Anzalone said the economic downturn in recent years changed the face of today's renter.

More renters are middle-aged, making a lifestyle choice to rent and have the flexibility to use their money to travel and do things without the worry that comes with home ownership, including increasing real estate taxes and upkeep.

And for their rent, Ms. Anzalone said, they have a staff that dotes on them 24 hours a day, along with amenities that only come with multimillion dollar homes: swimming pools, exercise rooms, tennis courts, clubhouses and fire pits.

“A lot of people are beginning to believe that owning a home is not so much the American dream any more, and maybe they are better off putting their money elsewhere,” Mr. Risman said. “A lot of people are finding they don't want to be tied to payments and responsibilities owning a home saddle them with. Even with historically low interest rates, we're finding a lot of people are not being lured into buying a home.”

Both Mr. Risman and Ms. Anzalone agree their employees set the company apart from other property management firms.

People power

Ms. Anzalone started with the company as a housekeeper 31 years ago. Today, she helps manage about 200 employees. But her story is not unique. Virtually everyone in key positions within the company worked his or her way up from the bottom, with many employed for more than 15 years.

“Our key to our success is our people, above all else. We have a tremendous amount of longevity,” Ms. Anzalone said. “Our employees are as special to us as the real estate.”

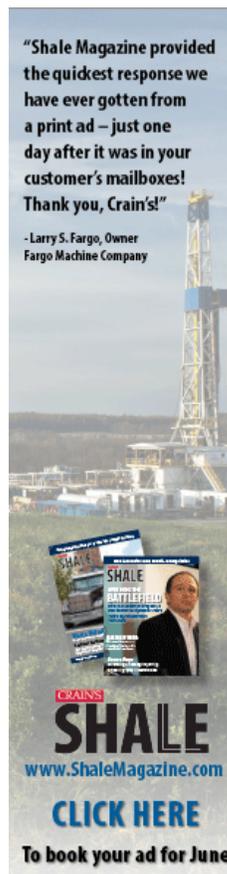
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