

The **BLACKSWAN** Ten of 2009

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As the year winds down (thank God!), every list imaginable is trotted out online and in print for the innumerable list-obsessed crazies i.e. my wife. There is a “best of, worst of” list for everything ([List of Lists](#)) from music, to art, to architecture, to political ads, to even the paranormal, and now, most important of them all, ours – Alternative Real Estate.

So here is my addition to the white noise of year end lists assembled from our site and chosen by frequency of appearance; financial impact and completely subjective, innovative approach.- ***THE TOP TEN BLACKSWAN REAL ESTATE FIRMS OF 2009***. They are not ranked in any particular order and I attempted to include a good cross-section of companies and players from the gamut of the alternative real estate categories we cover. The role and category will follow the name of each listee.

1. **Ochsner Health System**, *Provider/ Healthcare Real Estate*

Ochsner Health System is a non-profit, academic, multi-specialty, healthcare delivery system dedicated to patient care, research and education. The system includes seven hospitals and over 35 health centers located throughout Southeast Louisiana. Ochsner was ranked as “Best” Hospital by *U.S. News and World Report* in 2007 and as one of the 50 “Best Hospitals in America” in Heart & Heart Surgery, Urology and ENT in 2009. Ochsner has more than 11,000 employees system-wide.

I chose the Ochsner Baptist Medical Center for this list because of their award-winning MOB development project in uptown New Orleans involving the redevelopment of more than 1 million square feet of medical services space through the innovative use of U.S. Treasury’s [New Market Tax Credit Program](#). Its an underutilized program that we should all learn more about for innovative financing.

2. **Engel Burman Group**, *Developer & Operator/ Senior Housing*

A privately owned senior housing developer based in Lynbrook, NY, Engel Burman have a stellar reputation for land use innovation and senior housing operating acumen. Some of their BLACKSWAN Real Estate firsts are:

- Largest land variance ever granted in the Town of Hempstead The land beneath The Bristol at East Meadow, The BelAire and the Fulton Commons nursing home
- First developers to use Industrial Development Agency (IDA) funds for an Assisted Living development

This year they are about to announce a joint venture to develop a 139 bed Assisted Living facility on the largest senior housing development in the country in Westchester, NY – North Street Community, LLC’s Senior Living Campus.

3. Harrison Street Real Estate Capital, *Private Equity/ Healthcare Real Estate, Student Housing, Self Storage*

Harrison Street Real Estate Capital, LLC is a real estate private equity firm that was founded in 2005. This firm currently owns or has under development approximately \$1.8 billion in real estate assets which includes over 12,000 student housing beds, 3,900 senior housing / assisted living units, over 44,500 self-storage units, 2,000 marina berths and 920,000 sq. ft. of net rentable medical office space and their properties are located in 29 states.

I have included Harrison Street in this list because not only do they embrace the range of BLACKSWAN Real Estate ideas known as the HES Approach for Healthcare, Education and Storage while promoting the culture of innovation and contrarian thinking I swear by to outperform expected outcomes.

4. Signature Bank, *Lender / Healthcare Real Estate, Student Housing, Self Storage*

Signature Bank (NASDAQ: SBNY) is a full-service commercial bank with a steadily growing number of real estate clients in the tri-state area. They focus on serving the financial needs of privately owned businesses such as healthcare real estate owners, student housing developers and senior housing operators. They also provide a variety of loan servicers to all of our clients such as: physicians, hospitals, and universities.

I included them because of their acceptance of BLACKSWAN assets and the fact that they never stopped lending during the past year when other so-called behemoths were paralyzed with fear from their own toxic assets. Also, they were the first bank to return the TARP funds that were forced upon them. Kudos!

5. Pacific Medical Buildings (PMB), *Developer & Operator/ Medical Office Buildings*

PMB specializes exclusively in the development and management of medical office buildings, outpatient facilities and parking structures for hospitals, medical groups and universities. The firm currently owns and manages more than 44 facilities totaling approximately 3 million square feet with over 7,000 structured parking stalls, and has nine more projects under development that will total 720,000 square feet with 2,000 structured parking stalls.

So why put them on the list '09? Not only did they raise large amounts of cash recapitalizing assets by being one of the first to JV with a REIT – Nationwide Health Properties ([NHP.N](#)) – as part of their \$2 billion deal in 2008, but they recently announced the development of three new medical office buildings and one parking structure in Southern California. This will bring the company's total amount of managed medical office space to more than 3 million square feet across seven states. No resting on their laurels.

6. Capstone Development Companies, *Developer & Operator/ Student Housing*

A 20 year old firm focused exclusively on student housing development, management and construction. To date, Capstone has partnered with more colleges and universities to develop

student housing than any other firm — 54 campuses / 31,000+ beds. Total student housing developed - **\$2.3 billion. Total beds managed - 14,000+**. But their BLACKSWAN—“ness” is due to their development of the first dorm at Queens College’s; not many folks take the plunge in student housing in New York City. Capstone also won 2009 awards for their state-of-the-art, twin-towered, 13-story, 667 unit bed project on Arizona State University’s downtown Phoenix campus.

7. Perkins Eastman Architects, Architect/Senior Housing, Healthcare, Student Housing

Even though they are a huge firm (and yes, expensive), their healthcare and student housing groups are responsive, creative and best-in-class. And Perkins was also far ahead of the curve employing sustainable practices for these asset types.

8. Healthcare Trust of America (formerly Grubb & Ellis Healthcare REIT), REIT/Medical Office & Senior Housing

I debated this pick because anyone can choose a giant REIT for notice. But in the end I felt that any company, regardless of size, that can raise \$1 billion (that’s with a ‘b’) in the public markets since its inception in 2006 and into the teeth of the financial hurricane, and then close on 154 buildings, most of those in 2009, deserves some award. Here it is.

9. GreenPearl, Online Publisher/ Medical Office, Student Housing, Distressed Assets

Let it never be said that our publication – www.BLACKSWANzine.com – cannot acknowledge a peer’s work. GreenPearl is an online AND in-person real estate networking platform for industry executives and investors. Their website is as good a networking platform as I’ve seen. Great site for keeping track of industry events as well.

10. InterFace Conference Group, Conference Organizer / Medical Office, Student Housing, Distressed Assets

France Publications’ InterFace Conference Group offers industry leaders an invaluable source of information, BLACKSWAN Real Estate ideas and conferences. Led by conference veteran Richard Kelley, they are beating the more established players by not boring us with the same old, tired faces and predictable formats.