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[HOME](#) > [DEALS & DEALMAKERS](#) > [FEATURED](#)

> **YOUNG GUNS SET THEIR SIGHTS ON BECOMING TOMORROW'S REAL ESTATE SUCCESS STORIES**

DEALS & DEALMAKERS

Young guns set their sights on becoming tomorrow's real estate success stories

BY **REW STAFF** • AUGUST 22, 2012

By **Al Barbarino**

The city's young real estate entrepreneurs are using unique investment strategies to become tomorrow's success stories.

In some circles, youth correlates with impatience and rash decisions, but these relative newcomers to the fierce and congested New York City market are identifying effective strategies — and valuable assets — and sticking to them.

“Because I’m young, I tend to be a little bit more selective with the properties we invest in,” said 32-year-old Adam Verner, who founded Springhouse Partners in 2010. “It’s very important to me to make prudent investment decisions to be sure that these first few deals are successful.”

Firms like Springhouse Partners focus their efforts on under-utilized and sometimes poorly-run assets, making renovations and bringing in a new set of tenants along with them.

Other firms are sticking to prime, well-known neighborhoods where upside exists in premier locations; while others are focusing on up-and-coming neighborhoods.

Springhouse has acquired \$51 million in real estate assets since its inception by securing offmarket purchases of underperforming assets in the \$8 million to \$30 million range.

Part of Verner's strategy is the identification of properties that have been mismanaged, often evident when building vacancies are high or rent isn't in line with the market, he said.

A screening process of new residents in his residential buildings ensures a "better quality tenancy" with good credit and payment histories, while extensive gut renovations naturally draw tenants in.

"At the end of day, what I need to do is provide a quality living standard," he said. "When tenants are happy, you're not going to have a problem collecting your rents."

Within a year of setting up shop, Springhouse picked up three buildings in close proximity to Columbia Presbyterian Hospital, totaling 200 residential units and roughly 10,000 s/f of retail.

The firm more recently purchased a newly-constructed 32 unit, 39,000 s/f residential building located at 90-96 Meserole Street in Williamsburg, Brooklyn for \$13.75 million; and Springhouse is currently in the process of signing its second Brooklyn contract for \$16 million, Verner said.

"We like being near transportation, hospitals and schools. The strong demographics make management not quite as labor intensive, enabling us to focus on satisfying tenants while generating strong cash flow," he said.