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Investment Opportunity Predictions

Joel Altman, founder & chairman of The Altman Cos. in Boca Raton, Fla., discusses the most important thing investors should be aware of.

by Keith Loria | Feb 07, 2018

In 2018, Joel Altman, founder and chairman of The Altman Companies in Boca Raton, Fla., celebrates his 50th year in the development and management industries. Over those five decades, Altman has developed, constructed, acquired or managed approximately 24,000 multifamily units in Florida, Michigan, Illinois, Tennessee, Georgia, Texas and North Carolina.

The company's current strategy involves building Class A, amenity-rich, resort-style apartment buildings, which command top rents. It recently completed a five-story, 280-unit apartment community in Pembroke Pines, Fla., and is developing a $6.5 million, eight-story residential building in Tampa, which is within walking distance of the University of Tampa.

Altman recently took time out of his schedule to talk with MHN.

What are your predictions in 2018 about multifamily investment opportunities?

Due to supply concerns and the length of this development cycle, we anticipate lending to become more difficult and only the best sites getting reasonable financing terms, if any financing. We believe that there are still opportunities to be found in 2018, but site selection becomes more critical than ever.

What do you see as the trends to keep an eye on in the year ahead? What's on your radar and why?

We follow demographic and employment trends to help form our investment decisions. While many focus on the growth of the millennial generation and their impact on multifamily development, we see the rise of the Baby Boomer renter-by-choice market as a trend that is just as important. This is a very large demographic, generally with high spending power, and a taste for luxury.

What was the biggest surprise about 2017?

The continued strength of the stock market. In our high-end product, we under-built the number of larger units.

What was your strategy going into 2017, and how did it pay off?

Our strategy for 2017 was to target well-located suburban sites that offered good schools, easy commutes to well-paying jobs, close proximity to retail/entertainment, and access to transportation networks. Our theory is that there is a pool of renters that are looking for more space and lower rents than is available in the urban core, which has dominated this development cycle. Renters prefer newer product, but many cannot afford the rents in new midrises and high-rises. This strategy seems to have worked as we have three sites in predevelopment that have attracted tremendous investor interest.

What are the up-and-coming locales that you think will be big during the year?

We are big believers in neighborhoods that are urban-adjacent, just outside the core, but offer great value to renters and provide walkability and/or are just a short Uber/Lyft ride away to entertainment and shopping.

What do you feel is the most important thing that investors need to be aware of in today's multifamily environment?

The importance of site selection and the quality of product, i.e., value as renters by choice have lots of apartments to select from.