



Austin of Stonemar Properties: Taking the long view proves successful in shopping center portfolio

May 22, 2009 - Spotlights

Since launching his own real estate investment and acquisition firm Emmet Austin has netted success by focusing on prime retail properties in a diverse mix of markets throughout the country.

As a managing partner and chief investment officer at Stonemar Properties, Austin oversees the day-to-day operations as well as new business and investments for the company's growing portfolio of strategically located shopping centers in expanding secondary markets nationwide. The company, which Austin founded with partner Jonathan Gould in 2003, has found successful footing by adhering to a highly selective, long-term view of investments in expanding markets.

"We pay close attention to the fundamentals of local economies first, analyzing locations and properties that others might have mis-priced or overlooked," Austin said. "A shopping center's existing cash flow, seasoned leases and close proximity to extremely dominant shopping malls and retail corridors are among Stonemar's highly selective criteria."

Austin notes a recent acquisition that illustrates Stonemar's carefully honed strategy: the purchase of Milford Plaza, a regional shopping center in the heart of the Milford, Conn. retail corridor, for approximately \$30 million. Partnering with The Hampshire Real Estate Companies, based in Morristown, N.J., Stonemar saw the transaction as a continuation of its model of acquiring only "best of class" anchored power centers adjacent to dominant regional malls that are already viable and successful.

"We look for healthy, income-producing properties with a great track record and strong upside potential in high-growth primary, secondary and tertiary markets," Austin said. "So while there's a lot of negative news and doom and gloom out there, we are still making deals and expanding while our competitors contract."

In addition to the Milford property, other recent acquisitions include a shopping center in West Des Moines, Iowa; two shopping centers in Jonesboro, Ark. with a combined square footage of 155,000 s/f, for \$16 million; a 350,000 s/f power center in Cookeville, Tenn.; and a 300,000 s/f shopping center in Owensboro, Ky., for \$19 million. Stonemar currently has interests in over 11 million s/f of shopping, power and outlets centers in 21 states. It is based in New York with an office in Santa Barbara, Calif.

Austin took a serious interest in real estate during his undergraduate studies in Economics at Columbia University and the London School of Economics - writing papers on New York real estate markets as an undergraduate student - but his education in real estate goes back to his upbringing in New York. His mother and father, who ran a real estate development company, indoctrinated Austin into real estate management at a young age through the family business.

It was not uncommon for him to work as a teenager alongside his father refurbishing brownstones and other properties the family owned. "It was in my blood from the beginning," he adds.

Austin later studied at New York University's Real Estate Institute, where he was a Dean's Graduate Fellow and Graduate Scholar and where he now teaches part-time. He began his career at Goldman Sachs in the energy structuring group and served as a portfolio manager at Vitol Capital Partners, a hedge fund, where he managed a portfolio of cross currency financial and physical energy assets. He later worked as a partner at Curragh Realty before launching Stonemar.

But real estate isn't Austin's only passion. During the early 1990s he played competitive soccer and trained with the U.S. Olympic team leading up to the 1992 games, after which he played soccer professionally in England for the London-based West Ham United FC team until an injury ended his athletic pursuits.

Today while others experience jitters from current real estate market conditions, Austin and Stonemar Properties continue to focus on the long view: "It's important to remember that the markets act like a pendulum and everything swings back and forth," he said. "We expand and contract and the cycles repeat themselves."

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