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## Profile

### Denver apartments are cornerstone of Lorenzen's career

by Jill Jamieson-Nichols

Packing years of experience as an apartment broker, owner and property manager into a single box, Jim Lorenzen has turned the key on the next phase of his career.

Lorenzen, 50, recently left Marcus & Millichap — where he worked for 22 years — to help central Denver apartment owners increase the value of their properties through management and renovation.

Lorenzen actually started Cornerstone Apartment Services Inc. nine years ago, while selling apartments at Marcus & Millichap. He'd acquired four vintage buildings in central Denver and found that by renovating them, he could raise rents, improve tenant profiles and cut expenses. The challenges were management and keeping a construction crew busy.

At the same time, Lorenzen frequently would sell properties to clients who wanted to add value and sell, but didn't have the ability to take on management or a significant renovation project. Creating Cornerstone Apartment Services, he could step in and keep his crew working, and also provide necessary management. The company still manages the first third-party property it took on.

Just over a year ago, Lorenzen received a call from a woman to whom he'd sold a 24-unit building in 2001. She was unable to get the property leased up, there were problem tenants, and she didn't know what direction to take.

"It's very easy to manage apartment buildings in good times. It's a lot of work in bad times," commented Lorenzen.



Jim Lorenzen

Cornerstone stepped in and got the property stabilized, and Lorenzen sold it at a top-dollar price.

"That's when the light bulb sort of clicked," he said, adding that while the window for buying and renovating properties for sale at a profit closed with the market's downturn, the opportunity arose to help owners of underperforming assets increase income and position their properties for sale.

"We step in and get them up and going so we can get a higher value for our sellers," said Lorenzen, adding sometimes that can mean renovation, more effective management or both. "We think we've got a successful business model that we can run with and adapt as market conditions change."

Cornerstone manages 13 central Denver buildings, or 400 units. The buildings are approximately 95 percent occupied, compared with a submarket average of 90 percent.

"We're trying to provide the

same professional management experience that you have in an institutional property for the small-apartment owner," Lorenzen said.

Managing only central Denver properties, the company plans to start offering tenant amenities such as a common business center and, eventually, fitness facility.

A Davenport, Iowa, native, Lorenzen always wanted to own his own business. He earned his undergraduate degree from Colorado College and a Master of Business Administration from the University of Iowa. Then he worked in a family trucking business while, at age 25, serving as Iowa's youngest state representative. When industry deregulation forced the family to sell the business, Lorenzen and his wife, Gina, drew circles on a map and landed in Denver.

"We moved out here without any jobs," he said, adding that, with cranes towering over the skyline, they determined real estate was the business to be in.

Lorenzen joined Marcus & Millichap in 1982, focusing on westside office building sales. During the "dark days" of the mid- to late 1980s, he sold everything from ministorage warehouses to mobile home parks.

With recovery dependent on jobs that would bring new people to town, "I thought the first market that would come back would be the apartment market," he said. Wanting to get into ownership, he saw less risk and more economies of scale in apartments, and Lorenzen specialized in working with the type of buyer he wanted to become: the small, private investor.

Lorenzen bought his first

building, a 48-unit property in Cheyenne, Wyo., in 1986. One of partners was Wayne Johnson, whose son, Greg, now works for Cornerstone.

Like other brokers, Lorenzen considers himself a "deal junkie."

"I continue to enjoy that, but I also have a creative side to me, and I think the opportunity to renovate properties is a chance to improve the central Denver market." While brokers don't always realize the fruits of their labor, he said, "In this world, you always see the result of your efforts."

Lorenzen is a member of the Apartment Association of Metro Denver and also serves on the board of the Colorado Ballet. He and his wife, a residential broker, live in Denver's Crestmoor Park neighborhood with their two teenagers, Tom and Kara.

Lorenzen enjoys skiing and golf, and, while he is interested in politics, he's more interested in his career than in repeating a run at public office.

"It's a tough business these days, and I'm having too much fun doing what I'm doing," he commented.

Lorenzen sees a strong future for central Denver's apartment market, which he said had become a lifestyle choice for renters and a place where investors want to put their money.

"I think that ownership interest in the neighborhood will continue to support the gentrification that's going on," he said. "We're seeing people move back into the central Denver market, and I think we're just at the beginning of that. This is a really exciting time." ▲