

BEYOND THE BUSINESS CARD

GIVING YOU THE BACKSTORY BEFORE THE FACE-TO-FACE MEETING

BURREL MAGNUSSON

COMPANY: The Essex Group, Essex Realty Management Inc.

EXPERTISE: Property management, development, investment

HEADQUARTERS: Irvine

EDUCATION: Business administration, California State University at Long Beach

INDUSTRY ACTIVITIES: Guest speaker and panelist for organizations, including the American Institute of Architects and the NAIOP. Member of Urban Land Institute, NAIOP and the International Council of Shopping Centers.

Burrel Magnusson has been the essence of Essex for nearly 40 years. As owner of The Essex Group and a principal in both Essex Realty Management Inc. and Essex Properties, he has been involved in the development and management of investment-oriented properties since 1971. Under his direction, the firms have developed and managed office buildings, industrial parks and retail centers aggregating more than \$1 billion in total value.

Magnusson said the service part of the company has received a boost from Essex's new distressed-asset program, in which it is assisting banks and other lenders in REO and underperforming loan situations. Most recently, the company won a contract for an 800,000-square-foot multi-tenant industrial project from a private investor who needed assistance and chose Essex to help.

What made you want to get into real estate?

I had served as an intern during my college days for a firm in Los Angeles named Real Estate Research Corp. I worked part time for them while attending school, and I was exposed to real estate and some really quite talented people. That was my first brush with real estate and it kind of stuck. When I graduated from college, a firm that I had done some work for contacted me and offered me a job, and that made the decision.

What non-real estate experience is in your background that you draw on in your real estate work?

I guess it would be financial analysis and my work experience as an intern at Real Estate Research Corp., providing a really broad background in market research and financial analysis prior to getting into the actual business. RERC was a firm based in Chicago founded by the Downs family that were market analysts and appraisers, and did a great deal of consulting for institutions, cities and private real estate organizations.

What is the most challenging aspect of your job?

The most challenging aspect of the job today is trying to maintain asset value for all of our clients. And so I suppose that would translate to extensive tenant-relations work and real focus on maintaining your tenant base, expanding those tenants that want to grow and reducing tenant space for those who are contracting, but, in all cases, keeping the tenant.

What do you see as the biggest pitfall in the industry today?

Hindsight always is great, but certainly being overly aggressive in the development of properties over the last couple of years has put a lot of development organizations in harm's way.

Excessive leverage has really placed a real burden on those organizations that have developed properties and relied upon a continuation of above-normal market appreciation.

What keeps you up at night?

In a small organization, I suppose it's always thinking about the financial exposure and cash flow, especially in tough times like this. You're constantly looking at the company, the welfare of the employees and the cash-flow constraints that you have to deal with during these tough times.

From a positive standpoint, it's looking forward to the opportunities of a great investing climate, a good opportunity to buy real estate and take advantage of a very depressed market. Markets tend to overcorrect both on the upside and the downside, and you need to be in a position to take advantage of both. Part of my focus, which is a good thing these days, is to position the company to do so.

What's your benchmark for success?

I think it's balanced criteria. [It's] building a long-term organization, having it be profitable, contributing to the community in various charitable endeavors, and making sure you're doing as much for your employees as you possibly can. You want good employees, and we try desperately to provide flexibility for moms and dads that gives them the time they need for their personal lives. I can't tell you how many people within the organization tell us on a daily basis that the flexibility we provide timewise really helps at home. I don't want to overuse the phrase, but balance in your business and personal life is probably the secret to being happy and successful.

If you could relive one day in your life, what would it be?

I think [the day I got married] would be a good one. My wife and I married in college. At the time, I dropped out while she finished school. I went back to school and finished up. It's 45 years later and I think it was a great decision on my part. Fortunately, I found a gal that was in sync with that decision.

What's your favorite street or neighborhood?

I like the Corona del Mar neighborhood in Orange County. I happen to live there. It's small, it is charming, it's kind of quaint. You can walk everywhere to all services — restaurants, banks, markets — everything is there, plus it has great beaches. It's a part of Newport Beach.

What is in the trunk of your car?

I have a dog leash, a doggie bone and another play bone. You have to know that I take my Golden Retriever, who is named Izzy, to the office with me every day. I think it adds a whole other dimension to the workplace. I can't let her have the run of the office because, quite frankly, she's just not trustworthy. She'll get into trouble, [but] everyone enjoys seeing and petting her.

What is something most people don't know about you?

I'm an avid traveler, and I have traveled extensively in Asia and throughout the world. I enjoy photography as an offshoot of those travels.

If you weren't doing this, what would you be doing?

Maybe I would be a travel guide or an outfitter for high mountain treks.

— Julie Nakashima

