

Brokerage institutes real estate funds pool

The Oxford Company raises \$5.45 million

Friday, October 15, 2004 BY MIKE RAMSEY

News Business Reporter

The Oxford Company, an Ann Arbor-based real estate brokerage, construction and management business, has started an investment pool designed to help the company purchase property.

Over a two-month period, Oxford raised \$5.45 million from 60 investors to be used to help buy properties. Oxford will then attempt to improve their value through new leases or improvements. Investors would get annual payments based on the amount of money the properties make from tenants.

The company is no longer taking on new investors in this fund.

Prior to assembling the fund, the company would find a building and then try to assemble investors. Now Oxford has money on hand with the mandate to find properties and make them more profitable.

"Having cash available will allow the fund to respond 'ahead of the crowd' by offering sellers immediate cash and fast closings," said Jeff Hauptman, 34, Oxford's president. "We estimate that we will be able to leverage this fund into \$20 million worth of new property in the near future."

Oxford would use the capital to help finance the purchase of properties.

Oxford has told investors, who each committed between \$50,000 and \$300,000, that they should expect a return of 12.5 percent. The company has had returns of around 20 percent on previous projects, Hauptman said.

Joint ownership of properties among real estate investors is common, but Oxford's equity fund is unique among local companies, according to real estate insiders.

Hauptman said the company soon might purchase a downtown office building as one of the first equity fund projects.

Over the past eight years, Oxford has acquired eight properties totaling 460,000 square feet in 11 buildings worth \$66 million, according to a company statement. These properties include the South University Galleria; 700 KMS Place, Ann Arbor's third largest office building; and the Burlington Office Center, near Briarwood Mall.

The firm employs 19 people and had leasing, management and construction work valued at more than \$45 million in 2003. The Oxford Company owns Corporate Interiors Construction, Oxford Property Management, Oxford Commercial, and partial contributions to several real estate investments throughout the Ann Arbor area.

Mike Ramsey can be reached at mramsey@annarbornews.com or (734) 994-6864.