TRENTON, N.J. -- Many people agonize for months before deciding to buy a house. Jonas P. Lee is more decisive: He often buys several in a day.

This year, the 38-year-old Mr. Lee says he plans to buy more than 1,000 homes for Redbrick Partners LP, a New York firm he runs with the help of an MIT economist to invest in single-family rental property. What millions of mom-and-pop landlords do locally, Redbrick is trying to do on a grander scale.

Mr. Lee, a former Web entrepreneur who grew up in New York's posh Westchester County, doesn't see much value in most suburbs at today's lofty prices. Instead, he is buying in working-class neighborhoods in such cities as Baltimore, Philadelphia and Trenton. Even there, however, he is running into tough competition from people determined to cash in on America's decade-long housing boom.

On average, house prices in the U.S. have jumped 85% over the past decade, according to the Office of Federal Housing Enterprise Oversight. Prices have soared largely because low interest rates have cut the cost of financing a home. In coastal areas, the rise has been far steeper. In California, for example, prices have more than doubled in just the past five years.

Mr. Lee's venture is an unusual sign of the investment frenzy now surrounding residential real estate. The National Association of Realtors estimates that 23% of home purchases last year involved investment properties. Redbrick's pitch is that investors can join this gold rush without the ordeals of being a landlord.

Many real-estate investment trusts and other funds invest in apartment buildings. But the complications of owning hundreds of single-family homes are so daunting that large real-estate companies generally shun that market.

One of Mr. Lee's tactics is to find a landlord who owns 20 or 30 houses and has been worn down by the trials of collecting rent and fixing leaky toilets. Redbrick then can buy homes in bulk and hire local managers to take care of the properties. He also uses a formula created by his economist partners to identify markets -- usually low-profile working-class neighborhoods -- that have undervalued homes with potential for high rents.

Redbrick's first fund, which started with $3 million of equity and has used borrowings to acquire about $10 million of properties, has produced an estimated return of 50% after fees since closing to new investors in December 2003, Mr. Lee says. Redbrick has told investors in its first two funds that it expects average annual returns in the 18% range.

Formed three years ago by Mr. Lee and a partner, Redbrick's two funds have now raised about $16 million of equity, primarily from individuals. So far, the firm has bought more than 500 homes in the Northeast.
One recent morning, Mr. Lee spent about five minutes touring a four-bedroom row house on Hewitt Street in Trenton. He noted pipes that needed insulation, a sloping bathroom floor and a basement strewn with cotton swabs and other rubbish.

"You didn't do much work here," Mr. Lee told the owner, Glenn Kramsky, who specializes in buying houses to fix up and sell quickly.

"We did a lot of work," Mr. Kramsky said. "It was nasty."

A few days later, Mr. Lee agreed to buy the house, and four others nearby, from Mr. Kramsky for an average of about $75,000 each. He figures he can find tenants for them paying between $800 and $1,200 a month and eventually sell the homes at a profit.

To choose its markets, Redbrick is turning to economic models. One of Mr. Lee's partners is William Wheaton, an economics professor at the Massachusetts Institute of Technology and former director of the MIT Center for Real Estate. Dr. Wheaton crunches numbers on local economies and housing markets. The firm also has studied the costs of being a landlord, including vacancies, bad debt and management time. Most "amateur" landlords, Mr. Lee says, fail to factor in all their costs and "just don't know what they're doing."

Still, no amount of science can take the unpredictability out of being a landlord. Last year, pipes burst in eight of Redbrick's houses during a cold snap in Trenton. A house Mr. Lee thought would require about $5,000 of work has so far soaked up $11,000, including a new sewer line and 18 window screens demanded by a housing inspector.

One of the biggest challenges is deciding when to believe the tenants' excuses. One tenant told Redbrick she couldn't pay her rent because she had just been diagnosed with cancer. Another said his mother had just died in a car crash. Both stories proved untrue, Mr. Lee says. Then there was the tenant who shot his girlfriend to death in a Redbrick home. One of the company's employees had to wipe the blood off the walls.

Stephen DeNardo, chief executive of RiverOak Investment Corp., of Stamford, Conn., agreed to invest $2 million in a Redbrick fund last year, after spending several hours with the founders and touring some of their rental homes. "I think it's a hard business," Mr. DeNardo says, but "they have a good handle on where to invest and where to stay away from." RiverOak manages a $25 million real-estate fund, mostly invested in office buildings, apartments buildings and industrial property.

Others are dubious about the prospects for turning the tricky, local business of being a family's landlord into a national enterprise. Some have tried similar notions, with less-than-encouraging results.

In the early 1980s, Equity Programs Investment Corp., or Epic, owned by a now-defunct Maryland thrift, managed more than 300 investment partnerships that controlled about 20,000 homes, mostly bought from builders. Epic defaulted on more than $1 billion of mortgages in 1985 and collapsed.

More recently, some real-estate executives have considered investing in single-family housing and concluded it would be too difficult to return a decent profit. Among them is Richard J. Campo, chief executive officer of Camden Property Trust, a Houston-based real-estate investment trust which owns large apartment buildings. He says it would be far more costly to lease and maintain houses scattered over a wide area than it is to deal with large numbers of apartments in a single building.

Mr. Campo also says it would be hard for a large company, with overhead and the need to provide attractive returns to investors, to compete with small operators who dominate single-family rentals. "Mom and pop have very low overhead," he says, partly because they often can fix a door handle themselves rather than hire an expensive professional.

Other companies have found different ways to play the single-family housing market. Hearthstone Inc., an investment company in San Rafael, Calif., invests alongside builders in large developments
of new homes, putting between $20 million and $50 million into a typical project. Buying homes that are already built and occupied would be hard to do on the scale needed by institutional investors, says James Pugash, chief executive of Hearthstone.

Redbrick says people who rent houses tend to have children and so usually are more settled than apartment dwellers. That means the house renters are likely to remain tenants longer, reducing the costs of finding new tenants, the company says.

Mr. Lee, who earned a masters degree from Harvard Business School in 1993, moved into real estate after leaving his previous start-up, a Web site that sells gift certificates. Real estate attracted him partly because of his experience as owner of a home in a converted Manhattan industrial building. He bought the co-op home in 1999 for $176,000, made improvements and recently had it appraised at more than $1 million. His investments in stock and bond funds never seemed to do as well.

He teamed up with Tom Skinner, a former McKinsey & Co. consultant with a doctorate in economics from MIT. At first, they thought they should concentrate on finding towns with the best potential for house-price gains. But, working with the models of Dr. Wheaton, the MIT professor, they concluded home prices had risen so fast in much of the U.S. that it would be too risky to focus heavily on appreciation.

They found an analogy in the stock market: At the beginning of a bull market, it often makes sense to buy growth stocks, ones with rapidly rising earnings. But if the market looks expensive and could be heading for a dip, many investors prefer stocks with high dividend yields, which promise steady income. The housing equivalent of dividends is rent.

They decided to look for strong rental markets. Redbrick calculates what it calls "rental yield," defined as the annual rent, minus all costs borne by the landlord, divided by the value of the house. In prosperous suburbs, Mr. Lee says, the yield would be about 3% or 4%, because rents are low in relation to home prices in such areas. In thriving working-class neighborhoods, though, yields can reach 6% or more, he says, because rents there are high compared with home prices.

The higher yield can be a "signal of mispricing," meaning the homes are a bargain and eventually will appreciate, Mr. Lee says.

Dr. Wheaton, who is a partner in Redbrick, uses data from the Office of Federal Housing Enterprise Oversight and the Census Bureau to find out where average rents are high relative to house prices. He studies economic data to find cities where job and income growth is likely to be healthy. He also looks at supply, steering clear of Texas, for instance, because "they build houses like rabbits multiply."

Choosing the right city isn't enough. In urban areas, one blighted block may be recovering while the next is a refuge for drug dealers. Redbrick has hired local property managers in several cities to oversee its units and help figure out which neighborhoods are the best bets.

Much of the challenge lies in estimating how much improvement a house will need and how much rent it will bring in. In the basement of the house in Trenton, Michael Davis, Redbrick's local property manager, points to a tangle of pipes. "These will be bursting at some point," he says, unless insulation is applied. In the bathroom, he opens a window only to see it slam back down. Mr. Lee makes a few notes and estimates the house needs $5,000 of work, including a bathroom makeover. The rent, he figures, should be around $1,050 to $1,100 a month.

The next neighborhood they view seems rougher. One house bears a sign reading "Beware of Pit Bull." Two doors down, they tour an unoccupied house where the refrigerator lies on its side in the middle of a pink kitchen spattered with grease. In the attic, they find water damage and crumbling bricks. "This is a gut rehab," Mr. Lee says, crossing it off his list.
Some properties can be ruled out immediately. Standing in front of one Trenton row house, Mr. Davis points to the front porch floor and says: "Got a little slant going there."

"Little!" Mr. Lee says. "Forty-five degrees."

When houses for sale come with tenants, Messrs. Lee and Davis try to size them up quickly, too. Mr. Davis says there are some obvious signs of a good tenant: "There's not food in the corner. There's not bugs crawling all over the walls, and there's not a hole in the wall that wasn't there before."

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Ray A. Smith contributed to this article.
Red Brick Partners Assignment

William N. Goetzmann

Review the Wall Street Journal Article on Red Brick and their proposal to investors.

Qualitative Issues:

Consider the investment proposal from the perspective of an institutional investor. How attractive is the opportunity presented? What factors are likely to contribute to its success or failure? Is the team the right one? Is their past experience appropriate? Have they figured the general costs and risk correctly?

Quantitative Issues:

Consider the return and risk and correlation of the proposed investment. What is the risk and return of housing historically? What are the chances that we are now in a housing bubble? What is the potential upside and downside of the strategy? Do you buy the idea of higher yield indicating potential for growth?

Portfolio Analysis:

Using OFHEO data look at the trends in the national housing market. How do they correlate to returns to other major asset classes? How do they correlate to commercial property returns? Is housing a good portfolio asset?

Strategic Analysis: Use the OFHEO data for the New Jersey housing market and the Texas housing market. Do you see any reason why Redbrick would steer clear of one and invest in another? Can you find evidence that you can forecast any future trends? Feel free to choose a state of your own interest and investigate to possibility that it is a potential candidate for a Red Brick investment.
Redbrick III, LP
Investor presentation

- DRAFT -
3/22/05

Redbrick Partners, LP is a real estate investment management firm. Our mission is to institutionalize equity investment activity in single-family housing.

Our core business is creating and managing real estate investment partnerships (REIPs) that allow individuals and organizations to invest in the equity of a diversified portfolio of single-family housing. These funds seek to provide double-digit net returns, strong annual cash dividends, low downside risk, and little correlation with equities and long-term bonds.
This document does not constitute an offer to sell or a solicitation of an offer to buy the limited partnership interests described herein. No such offer or solicitation will be made prior to the delivery of a definitive offering memorandum and other materials relating to the matters herein. Before making an investment decision with respect to the partnership, potential investors are advised to carefully read the offering memorandum, the limited partnership agreement and the related subscription documents. Further, potential investors are advised to consult with their tax, legal and financial advisors.

This document contains a preliminary summary of the purpose and principal business terms of the partnership; this summary does not purport to be complete and is qualified in its entirety by reference to the more detailed discussion contained in the private offering memorandum and the actual text of the limited partnership agreement.

The General Partner has the ability in its sole discretion to change the strategy described herein.

This document is being provided to you on a confidential basis solely to assist you in deciding whether or not to proceed with a further investigation of an investment in Redbrick III, LP.

Some of the statements contained herein are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Fund’s actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of these terms or other comparable terminology.

Although the Fund and General Partner believe that the expectations reflected in the forward-looking statements are reasonable, guarantees of future results, levels of activity, performance or achievements cannot be made. Moreover, neither the Fund, the General Partner nor any other person or entity assumes responsibility for the accuracy and completeness of forward-looking statements. No person or entity is under any duty to update any of the forward-looking statements to conform them to actual results.
Overview

- Single-family housing (SFH) real estate is a large and attractive asset class
  - Risk-adjusted returns have exceeded all other major asset classes over the last 30 years
  - Returns are not correlated with stocks & bonds
  - Rental income is shielded from current taxes
  - Pricing inefficiencies are common due to lack of professional market participants

- Redbrick manages the first institutional-class SFH real estate funds
  - “Hands-free” for investors
  - Diversified across many markets and properties

- Redbrick has unique capabilities
  - Sector innovator with strong track record
  - Sophisticated research & forecasting capabilities
  - Broad acquisitions network & deep pipeline
  - Local property management infrastructure

- Redbrick III launches on April 15, 2005
  - $50MM equity
  - 16% IRR target net of fees (including 6%-9% annual cash distributions)

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Size of major U.S. asset classes

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Held by Institutions</th>
<th>Held by Individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>$21T</td>
<td>$0T</td>
</tr>
<tr>
<td>SFH</td>
<td>$15T</td>
<td>$14T</td>
</tr>
<tr>
<td>Equities</td>
<td>$5T</td>
<td>$0T</td>
</tr>
<tr>
<td>Commercial</td>
<td>$5T</td>
<td>$0T</td>
</tr>
</tbody>
</table>

Source: Federal Reserve Flow of Funds, NMHC, Geltner & Miller, Census Bureau - Property Owners and Managers Survey, Wall St. Journal, NCREIF, internal estimates
Why invest in SFH?
There are several attractive aspects of the SFH asset class.

Strong returns, low volatility
- Average return: 12%
- Std. dev: 3.5%

Depreciation shields most taxes
- Tax loss
- Net after tax

Low correlations = strong diversification benefits

Natural hedge against rent declines

- Lower rents are often due to an increased demand in home ownership

Source: OFHEO and internal analysis

Note: correlations are rolling 5-year since 1976, except Multifamily for which date starts in 1978
Source: Ibbotson & Associates, OFHEO, Miller, internal analysis, BLS, NAREIT, NCREIF
Why invest in a fund?

Investing in a SFH fund has a variety of advantages over buying and managing homes on your own.

Diversification across hundreds of properties

Diversification across many homes in a given market reduces property-level risk

Diversification across many markets reduces market-level risk

Professional management: “hands-free” for investors

Skilled urban economists can select markets with strong appreciation potential

Experienced acquisitions professionals that have established broker relationships can get early access to attractive deals

Dedicated local managers with experience, systems, and contacts can substantially improve operating performance

Economies of scale

Scale lowers prices and improves responsiveness from third parties (insurance, legal, plumbers, electricians, etc.)

Scale allows for dedicated property managers and maintenance staff, leading to lower costs and improved responsiveness

Scale allows for supplies to be purchased at volume discounts

Limited liability: no personal guarantees

Mortgage providers have no recourse to investors

Insurance claimants have no recourse to investors
Why invest with Redbrick?

Redbrick has the specialized expertise and capabilities needed to manage SFH funds.

Local property management infrastructure

- Local staff/offices in all target markets (CT, NY, NJ, PA, MD)
- Experienced property managers and maintenance teams
- Vetted third-party vendor relationships
- Experience in condo management and lease option programs
- Run by executives with experience in managing over 125,000 residential units nationwide
- In development: new local offices as additional markets are opened

Proprietary research & forecasting capabilities

- Redbrick's economists have developed sophisticated modeling techniques that produce long-term appreciation forecasts for most major U.S. markets
- Redbrick’s forecasting techniques were developed by the founder of Torto-Wheaton, regarded as the leading forecasters of commercial real estate prices
- In development: appreciation forecasts at the zip code level

Extensive acquisitions network and pipeline

- $150MM+ deal pipeline--mostly private deals direct to large landlords
- Network of brokers that know Redbrick’s requirements and have completed multiple deals
- Network of rehabbers that sell finished product at wholesale prices to Redbrick
- Database of over 3,000 landlords with 50,000 homes in our target markets
- In development: direct-to-owner retail program at 15%-20% discount

Flexible, reliable, & low-cost financing sources

- Network of banks that have been able to meet the unique requirements of Redbrick's strategy--and do so at attractive rates
- In development: a $50MM+ interest-only warehouse line to streamline acquisitions, reduce debt spreads, and maximize yearly cash distributions

Experienced property managers and maintenance teams
Strategies that enhance returns

SFH returns can be enhanced by employing a variety of value-added strategies (opportunities for alpha).

- Sell lease options
- Select markets using appreciation forecasts
- Seek condo conversion margin
- Drive discounts with cash & institutional clout
- Buy lower-priced homes in working class areas
- Buy in urban areas

- SFH returns can be enhanced by employing a variety of value-added strategies (opportunities for alpha).

- Drive discounts with cash & institutional clout
  - Discount to retail price: 5%-15%
  - Higher yields/year: +3%

- Buy in urban areas
  - Higher appreciation/year: +1%
How has Redbrick performed?

Redbrick has launched two funds to date. Both are performing at or above expectations.

**Redbrick Partners Fund, LP**
Launched mid-2003

- **Status**
  - $3MM in equity, $10MM in property
  - Portfolio of 123 homes
  - 100% invested

- **Performance**
  - First year (2004): 50.2% IRR after fees
  - 7-year target IRR of 23% after fees
  - 6.5% vacancy rate

**Redbrick II, LP**
Launched mid-2004

- **Status**
  - $13MM in equity, $40MM when fully invested
  - Current portfolio of ~400 homes
  - 72% invested as of 3/22/05

- **Performance**
  - On target to finish acquisitions by mid-2005
  - 7-year target IRR of 18% after fees

**Market-wide appreciation rates in target markets, 2004**
Redbrick III, LP

• **Strategy**
  • Invest in SFH rentals (8-10 cap) and condo conversions with good cash flows (7-8 cap) in markets with above average prospects of appreciation
  • Target working-class urban neighborhoods primarily in the Northeast and Mid-Atlantic regions
  • Incur moderate leverage of 70%
  • Deliver 6% to 9% annual dividends (post-stabilization) and a 16%+ net IRR

• **Terms**
  • 7-year life with up to three 1-year extensions
  • Annual investment management fee: 2% of equity invested
  • Carry: 20% of profits with a hurdle of 8% and a 50/50 catch-up
  • Initial acquisition fee: 2% of asset price
  • Property-level costs: pass-through

• **Timing & size**
  • Fund open to new investors from 5/1/05 to 7/31/05
  • $50MM target equity raise
Back-up information
Redbrick organization

Redbrick III Advisory Board

Abbott Stillman
Morton Dear
David Sherman

Blake Eagle
Nancy Lashine
John Gibbons

Executive Board

Jonas Lee
Managing Partner

Thomas Skinner
Managing Partner

Management

Donald Markey
COO, CFO

Accountants

Property Managers

Asst. Property Managers & field staff

Acquisitions

Jonas Lee
Director, Acquisitions

Acquisitions Directors

Closing Assistants

Capital Markets

Thomas Skinner
Director, Capital Markets

Financing Assistants

Research

Dr. William Wheaton
Chief Economist

Research Assistants
Select SFH data

Value of $1 invested in stocks vs. $1 in SFH since 1975

![Graph showing the value of $1 invested in stocks vs. $1 in SFH since 1975.]

Note: Single family returns are levered 70% to equate volatility to equal that of the S&P 500.
Source: OFHEO, Ibbotson, internal analysis

U.S. SFH vs. S&P returns
Unlevered, 1975-2003

<table>
<thead>
<tr>
<th></th>
<th>Return</th>
<th>Std. Dev</th>
<th>Sharpe</th>
<th>Sortino</th>
<th>Downstd dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500</td>
<td>13.1%</td>
<td>16.0%</td>
<td>0.4</td>
<td>0.7</td>
<td>10.3%</td>
</tr>
<tr>
<td>SFH</td>
<td>12.0%</td>
<td>3.6%</td>
<td>1.6</td>
<td>8.8</td>
<td>0.6%</td>
</tr>
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</table>

Source: OFHEO, internal analysis

Risk-adjusted returns 1975-2003

Note: the volatility of all asset classes are normalized to a 16% standard deviation (same as the S&P 500) using debt at 200 bps over T-bills
Source: NAREIT, NCREIF, Ibbotson & Associates, BLS, U.S. Census, OFHEO, internal analysis

The impact of the addition of SFH on the efficient frontier

With SFH assets
Without SFH assets

Expected return
Expected risk
Select SFH data


- 34MM homes
- 20+ unit buildings: 7.8 MM units (25%)
- 5-19 unit buildings: 8.1 MM units (25%)
- 1-4 unit buildings: 18.2 MM units (50%)

All rental housing (100%)

Source: U.S. Census

**U.K. single-family housing fund returns**

- Unlevered
- 2001: 17.1%
- 2002: 20.1%
- 2003: 11.5%

Rent after costs: 6.1%, 5.4%, 4.3%
Appreciation: 10.9%, 14.7%, 7.2%

Source: IPD UK Residential Investment Index, 2003
Note: The first year data is available is 2001

**U.S. owner-occupied vs. rented homes**

- 76MM homes
- 16% rented
- 84% owner-occupied

All Single-family

Source: U.S. Census
Acquisitions pipeline

Redbrick’s Acquisition team is constantly evaluating deals. As of 3/22/05, there are deals representing over $150MM in properties under review—mostly large portfolios presented directly by the owner.

- **Current sources of deals**
  - **Commercial brokers** that have done business with Redbrick and know to immediately contact us with certain types of deals
  - **Seller direct relationships** based on Redbrick brand awareness
  - **Redbrick property managers** who are constantly on the lookout for owner sales and other private deals
  - **Rehabbers** that look to Redbrick for fast deals at wholesale prices in order to quickly recycle limited capital

- **Developing sources of deals**
  - **Direct marketing** to large landlords in target markets using a database of over 3,000 landlords and 50,000 properties
  - **Retail marketing** to individual home sellers looking for a quick cash deal without broker fees

### Deals under evaluation as of 3/22/05

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>Value</th>
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<tr>
<td>New York, NY</td>
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<td>Philadelphia, PA</td>
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<tr>
<td>Baltimore, MD</td>
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<tr>
<td>Puerto Rico</td>
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<tr>
<td>Aberdeen, DE</td>
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<tr>
<td>Columbus, OH</td>
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<td>Trenton, NJ</td>
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<td>Hartford, CT</td>
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<td>Philadelphia, PA</td>
<td>110</td>
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<td>Detroit, MI</td>
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<td>Westhaven, CT</td>
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<td>Ithica, NY</td>
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<tr>
<td>Trenton, NJ</td>
<td>33</td>
<td>$1,518,000</td>
</tr>
<tr>
<td>Trenton, NJ</td>
<td>25</td>
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<tr>
<td>Washington, DC</td>
<td>11</td>
<td>$1,100,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,917</td>
<td><strong>$159,456,000</strong></td>
</tr>
</tbody>
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Acquisition process

Brokers
Rehabbers
Property managers
Seller direct
MLS searches
Direct marketing
Retail marketing

Acquisitions review
- Current & pro-forma yield
- Appreciation forecast
- Conversion or resale potential
- IRR target met/not met

Partner review
- Portfolio review
- Property management review
- Financing review
- Offer/no offer

Due diligence
- Property level
- Market level
- Financial level
- Close/no close
Dr. Thomas Skinner. Tom Skinner is a co-founder and Senior Managing Member of Redbrick. He oversees the firm’s capital market and research functions. He also co-directs Redbrick’s overall investment strategy. He brings to the company ten years of experience in real estate economics and new product development.

Prior Redbrick, Dr. Skinner founded and managed Real Liquidity, a firm that partnered with the Neighborhood Reinvestment Corporation, Yale School of Management, Freddie Mac, and HUD to introduce the Syracuse Home Equity Protection Program—a program which enables homeowners to purchase index based protection against declines in their local real estate market. Using its R-PICs system, Real Liquidity was responsible for developing the program’s structure, pricing and reserve requirements. Real Liquidity’s operations were combined with Redbrick’s in 2002.

Prior to Real Liquidity, Dr. Skinner co-founded Potomac Ventures, an early stage venture capital firm. While at Potomac Ventures he established a track record in introducing innovations in the real estate market. In 1998, Dr. Skinner co-founded SafeRent—a firm that introduced automated applicant screening to the apartment industry. SafeRent now screens close to one million rental applicants per year and was sold in 2002 to the First American Financial Corporation (NYSE: FAF). Prior to SafeRent Dr. Skinner was with McKinsey & Co. where he worked with financial institutions on strategy issues. While at McKinsey he worked with Freddie Mac to introduce Loan Prospector, the first automated underwriting technology in the mortgage market.

Dr. Skinner earned his Ph.D. in Economics from MIT and his BA in Economics from Oxford University.

Jonas Lee. Jonas Lee is a co-founder and Senior Managing Member of Redbrick. Mr. Lee oversees Redbrick’s acquisitions and business-development activities. He also co-directs Redbrick’s overall investment strategy. He brings to the company over twelve years of experience in general management and new business development.

Prior to Redbrick, Mr. Lee founded and managed Buyshare Partners, a firm that developed financial products designed to bring liquidity to residential housing investments. Its products include single-family housing investment vehicles and residential sale-leaseback contracts. Buyshare’s operations were combined with Redbrick’s in 2002.

Prior to Buyshare Partners, Mr. Lee was founder and CEO of GiftCertificates.com, where he originated the concept, developed the operating plan, created the company’s products and raised over $100MM in venture financing. He also managed a staff of over 500, purchased two competitors, established a Japanese spin-off, and built the company to over $60MM in sales. Currently with over $100MM in annual revenue, GiftCertificates.com is the leading marketer of gift certificates to corporations and consumers.

Prior to GiftCertificates.com, Mr. Lee was founder and general manager of Integrated Computing Engines, a provider of supercomputer-based hardware and software tools for the creation of special effects.

Prior to his entrepreneurial activities, Mr. Lee worked as a management consultant with Bain & Company. He graduated with honors from Harvard Business School and Brandeis University.

Donald Markey, CPA. Don Markey is a Managing Member of Redbrick. He oversees the firm’s operational and finance activities, serving as the firm’s COO and CFO.

Prior to joining Redbrick Partners, Mr. Markey was EVP and CFO of Pinnacle Realty Management, responsible for all aspects of management, corporate finance, financial reporting, human resources, MIS, and internal audit for the nation’s third largest multi-family management company. During his 12 years with Pinnacle, he oversaw the growth of the portfolio from 10,000 to more than 125,000 apartment units. In addition, he was responsible for placing over $250MM in property-level debt, purchased over $100MM in real-estate, and identified and acquired numerous real estate management operating companies throughout the country.

Prior to Pinnacle Realty, Mr. Markey was with PriceWaterhouseCoopers for 10 years in various positions, eventually leaving the firm as General Practice Manager. At the firm, he was responsible for managing accounting, auditing, taxation, and consulting services for clients in real estate, high-tech, food/beverage, and manufacturing. In addition, Mr. Markey was involved with numerous mergers/acquisitions and public/private stock offerings. Clients ranged in sizes from startup ventures to companies with revenues in excess of $1B.

Mr. Markey earned his BA in Accounting from the University of Southern California.

Dr. William Wheaton. Dr. William Wheaton is a Managing Member of Redbrick. Dr. Wheaton was the first economist to apply econometric methods to the forecasting of real estate markets. He oversees Redbrick’s forecasting activities, serving as the firm’s Chief Economist.

Dr. Wheaton is a professor in MIT’s Department of Economics and the former director of the MIT Center for Real Estate. A member of the MIT faculty since 1972, Dr. Wheaton helped to develop the field of urban economics by pioneering the theory of how land, location and housing markets jointly operate. He also specializes in the problems of urban infrastructure and local government finance. He has written numerous articles in scholarly journals throughout the world and is a co-author of Urban Economics and Real Estate Markets, the first textbook to cover both real estate applications and economics.

Dr. Wheaton actively applies economic research to the real estate industry. He is a principal in Dr. Wheaton Research, a globally-recognized real estate consulting firm that works with the real estate industry to better understand the fluctuations and trends of the market. He helped organize the MIT Center for Real Estate and teaches the program’s core course in Real Estate Economics.

Dr. Wheaton received a BA in Economics from Princeton University and a Ph.D. from the University of Pennsylvania. Over the years he has worked with many US governmental agencies as well as the World Bank and the United Nations.
Redbrick advisory board bios

Blake Eagle. Blake Eagle is the CEO of the National Council of Real Estate Investment Fiduciaries (NCREIF). He is the former Chairman of the MIT Center for Real Estate and a former President of Frank Russell’s Real Estate Consulting Division. In his 45-year real estate career, Mr. Eagle has served on a number of Advisory Boards and Boards of Directors of private and public real estate operating companies. He currently sits on the Board of RREEF USA II, a private pension fund owned real estate investment trust and on the Real Estate Advisory Committee of New York Teachers Retirement Fund. He is a member of the Pension Real Estate Association and the Real Estate Roundtable.

John Gibbons. John Gibbons currently manages strategy and business development at Overture Technologies. Prior to Overture, he served as Chief Financial Officer at Freddie Mac, where he led the effort to reduce the corporation’s reliance on securitization financing and expanded portfolio lending, designed and implemented a corporate capital allocation system to integrate risk and return decisions, and established a department of market risk oversight. Before joining Freddie Mac, he worked as an investment banker with Merrill Lynch covering government and supranational agencies, government-sponsored enterprises, banks and thrifts. He joined Merrill Lynch from Standard & Poor’s, where he was instrumental in establishing criteria for the rating of mortgage- and asset-backed securities. He holds a BA and Ph.D. from Harvard University and an MBA from Wharton.

Abbott Stillman. Abbott Stillman is the Managing Partner of The Stillman Group, a real estate development and venture investment company. The company engages in real estate investment, construction, asset and property management, sales and acquisition. The Stillman Group has developed more than 3 million square feet of space in Manhattan and other major markets in the NorthEast, including Three Lincoln Center, a one million square feet mixed use project that includes a 60-story condominium tower.

Nancy Lashine. Nancy Lashine is the founder of The Lashine Group, which provides private placement services for selected real estate products as well as consulting services for real estate investors, owners, and operators. The Lashine Group’s recent engagements include the Lehman Real Estate Opportunity Fund ($1.6B), Angelo Gordon, Clarion Partners, ING Realty, JER Partners, Lend Lease, Praedium Partners, Sentinel, and the O’Connor Group. Prior to founding the Lashine Group, she was a principal with The O’Connor Group, where she helped to grow the separate account business to more than $5 billion in assets under management.

Morton Dear. Morton Dear is a private investor and the Chairman of MLD Mortgage Inc. Previously, Mr. Dear was Vice-Chairman of the Money Store, Inc. Prior to joining The Money Store, Mr. Dear was a partner at an international accounting firm. Mr. Dear is a licensed mortgage banker, licensed real estate broker and a CPA.