

# CRAIN'S

## CHICAGO BUSINESS

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### PROFILE

## Turnaround specialist reaps big gains by thinking small

While rival developers scout for the next big Home Depot lease, James Kaplan contents himself with smaller, niche opportunities in fully mature markets.

He was instrumental in turning around the Quentin Corners Shopping Center in Palatine, a 43,000-square-foot strip that was half-vacant when he took it over in the early '90s, yet was leased up by the time it was sold last year.

"I like little deals," says Mr. Kaplan, 49, managing principal of James Kaplan Cos. in Highland Park, a real estate investment and development firm. "I have less competition for the smaller sites I go after, and there is a lot less financial risk. There are other people better equipped than I am to do the big shopping centers."

Colleagues say Mr. Kaplan has a keen eye for undervalued assets. In July 1998, he acquired eight closed branches from LaSalle Bank, reselling six of the sites in short order at a tidy profit. One site, on Rand Road in Mount Prospect, is being turned into a 17,000-square-foot strip center, with groundbreaking slated for spring. Total cost: \$4 million.

"Other people are likely to ignore the opportunities in those small transactions," says Norris Eber, vice-president of asset management at Joseph Freed & Associ-

ates in Wheeling and a longtime friend. "The LaSalle banks were a nice package that required somebody with patience and attention to detail to turn them around. Jim has that."

After going into business for himself in 1975, Mr. Kaplan acquired a reputation for rescuing troubled centers. But in the prosperous '90s, "workout specialists" have gotten fewer assignments. Moreover, big insurance companies and other institutions, once the staple of Mr. Kaplan's client pool, are increasingly turning to national real estate firms for property management.

So, in the past three years, Mr. Kaplan has turned to developing his own projects. At his firm's peak in the '80s, it had a staff of a dozen or more, but Mr. Kaplan is flying solo now.

Meantime, he's served as president of the Chicago Real Estate Council and as a member of Mayor Daley's Retail Chicago advisory panel.

"I've always had an interest in the big, macro issues facing the real estate industry," he says. "I've never been particularly transaction-oriented, just chasing after the next deal and then going on to something else. That's not my style."

H. LEE MURPHY



JOHN R. BOEHM

**Sizing things up:** "I like little deals," says James Kaplan, managing principal of James Kaplan Cos. in Highland Park.