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## **Executive Profile**

# **Trend Spotter**

## **A real estate executive with a knack for making the right moves is on the move again**

**Boston Business Journal - by Eric Convey**

Like just about any real estate investor working in Massachusetts during the rout of the late 1980s and early 1990s, Jonathan Davis remembers well the 18-hour days and daunting odds.

Although the crash some economists have described as not just a recession but a depression for Massachusetts crushed many of the region's big real estate players, Davis emerged exhausted but also — after recapitalizing and investing aggressively — in a stronger financial position relative to many peers. Fast-forward to the real estate upheaval that began in 2008 and continues, and Davis is putting those hard-learned lessons to work

After largely sitting out the shopping spree of the early 2000s, the The Davis Cos. is one of the few major players in the Boston market in buying mode — not just putting Davis's own money to work but also raising more than \$230 million from other investors to acquire properties and debt he figures can be picked up on the cheap.

At a time of contraction in the industry, Davis, 57, is one of the city's most prominent real estate investors and a major philanthropist. And it all happened despite very different plans.

Davis came from his native Pittsburgh to Waltham, Mass., to study political science at Brandeis University. Around the time of his 1975 graduation, he got accepted into a couple law schools — in line with the dentist's son's plans. (His parents had shown him that a professional life is a good one, he said, and "I didn't want to be a doctor.")

Having been bitten by the real estate bug during college summer jobs — he learned how to use leverage, including credit cards, enough to buy a three-decker in Jamaica Plain his senior year — Davis deferred law school acceptances to pursue the interest.

Over the first few years after college, Davis bought a number of three-deckers — just in time to capitalize on rising values in places like Jamaica Plain and Cambridge. Then in late 1976, a blockbuster deal presented itself — the chance to buy an 83-unit, 1910 building off the Jamaica Way for \$650,000.

In one of his frequent conversations with his father — he describes him as a confident and close friend — Davis mentioned he was working to finance the project. The elder Davis, to his son's surprise, suggested he mortgage the family home in Pennsylvania to help make the transaction happen. In 1979, Davis sold the building off as condos for around \$50,000 per unit.

“(My father) made more money on that deal than he did practicing dentistry,” Davis said.

At around the same time, Davis bought the Brimmer Street Garage on Beacon Hill. In a pioneering move that drew national attention from reporters in town to cover Pope John Paul II's visit to Boston, he converted the parking facility into condominiums. It was a move almost without precedent.

Deals came fast and furious and The Davis Cos. grew quickly — especially restoring old buildings.

Then the industry came crashing down in the late 1980s. Davis described the period as “a really pivotal moment in my career.”

“I was a hair's breadth away from bankruptcy,” he said. Davis avoided it — “my bank died before I did,” he said. He also knew he “needed a new business model.” Davis switched from being a developer of real estate to an investor.

Among The Davis Company's major deals was the late-1990s lease of space at Charles River Park to Partners HealthCare System Inc.

William McCall, whose firm, McCall & Almy, represents Partners in a number of real estate matters, said in an interview that Davis showed himself to be “tough,” but also “reasonable and fair.”

More deals would follow.

“He really always does the right thing,” McCall said. “We know the right thing's going to get done when he's on the other side of the table.”

Other transactions included the 1999 purchase of Boston Design Center and the development of 1.2 million square feet at Reservoir Woods in Waltham between 2005 and this year. In all, the Davis has bought or developed nearly 100 properties — 9 million square feet total — valued at about \$2 billion.

For a time, Davis was partnered with Paul Marcus. Their split in 2008 drew a lot of attention. Both say they're on good terms and work together on projects.

Rob Griffin of Cushman & Wakefield, one of the top commercial brokers in the city, has sold properties on behalf of Davis and to him.

Davis is “an excellent investor. He’s always in front of people buying in recovering markets,” Griffin said.

Long after those 18-hour days of the early 1990s, Davis still begins work most mornings at 5 a.m. from his Brookline home. He increasingly is spending time not only on making money but on raising it for favorite charities such as the Boys & Girls Club, whose board he is scheduled to chair soon, and the Combined Jewish Philanthropies.

Davis also sits on the board of Brandeis — an association he shares with Myra Kraft, famous herself for her family’s ownership of the New England Patriots.

Kraft said Davis stands out in a world where too many powerful people over-promise and under-deliver. “When he says he’s going to do something, he’s really going to do it,” she said.

Lawrence Lasser, former chief executive of Putnam Investments, said he puts personal money with Davis because “I wanted to invest with someone who had both a track record, a reason for humility which might be cause for a more conservative approach going forward and someone with personal character.” And Lasser said he likes that Davis’s family always is the biggest investor in his deals.