

The Biggest Part Of The Market Is The Middle

An Interview with Marc Solomon, Founder and Principal, The Solomon Organization

EDITORS' NOTE Marc Solomon is the Founder and Principal of The Solomon Organization, a privately held real estate investment and management firm headquartered in Summit, New Jersey. With nearly five decades of experience in the multifamily housing sector, Solomon has built a reputation for strategic vision, operational excellence, and a deep commitment to community development. Under his leadership, The Solomon Organization has grown into a vertically integrated enterprise, owning and managing thousands of residential units across multiple states. Known for his hands-on approach and long-term investment philosophy, Solomon has guided the firm through multiple real estate cycles while maintaining a focus on quality, tenant satisfaction, and sustainable growth. He is a respected voice in the real estate industry and an active supporter of philanthropic initiatives in education, healthcare, and the arts as a board member of National Dance Institute and trustee of the Solomon Organization Charitable Trust.



Marc Solomon

Will you highlight your career journey?

I began my career as a property manager for one of the legendary New York City real estate investment families. Seeing the opportunity represented by converting apartment buildings to cooperative ownership, my first Upper East Side investment provided the experience and seed capital for one of the formative stages of my career, when my company pioneered the conversion of suburban garden apartment communities to cooperative ownership.

Recognizing the power of existing and new residents to purchase their apartments and carry the cost of ownership at roughly the same amount they were paying in rent was a threshold moment in our company's growth. We first applied the strategy in Queens, New York and then throughout New Jersey, ultimately creating home ownership opportunities for more than 5,000 families.

In the early 1990s as market conditions evolved, we shifted the company's focus to

creating a long-term wealth-building strategy through investing in, managing and holding properties rather than focusing on the immediate, but one-time, profits from conversion. We already were adept at locating strong rental housing stock in emerging markets and upgrading the units with new kitchens, bathrooms and other improvements – now we addressed a market of eager renters rather than prospective homeowners.

What was your vision for creating The Solomon Organization and how do you define its mission?

The Solomon Organization's investment theme has been "The Biggest Part of the Market is the Middle." By addressing the needs of traditional working households who value strong school systems, proximity to the workplace and local areas with deep entertainment and cultural opportunities, the company has connected with a cohort of residents who often are unaddressed in the marketplace.

Equally important to its devotion to its customer base, a critical focus of The Solomon Organization has been creating a strong

COMPANY BRIEF The Solomon Organization, founded in 1977, is an investment, management and development company specializing in multi-family real estate. The company is dedicated to enhancing the lives of its residents and advancing the careers of its employees. The Solomon Organization's work provides renters with upscale environments and lifestyle options that previously were only available in luxury condominium communities and downtown urban areas. Located in Summit, New Jersey, Solomon supports a true vertically-integrated operation, acquiring multi-family real estate in premier suburban markets and improves short- and long-term performance through hands-on management, and through value-add renovation programs that reposition the properties to lead their respective marketplaces. Over the last 30 years, the company has acquired more than 40,000 apartment units, reaching the apex of its industry by adding value and trading upgraded properties for new opportunities. The company currently owns and operates 73 apartment communities with more than 23,000 apartments in 10 states.



Manicured grounds and a focus on maintenance are staples of The Solomon Organization communities



The Solomon Organization emphasizes common amenities at its communities, including comfortable clubhouse rooms that are available for resident events

following in the investment community, where it is esteemed for its consistent returns for prominent families and investors. Its vast professional network includes property owners, brokers and financiers that deliver sources of capital and investment opportunities – some of whom have collaborated with the company over the long-term, in some cases for generations.

How do you describe The Solomon Organization's culture and values?

The Solomon Organization's culture and values center around its high-performing staff who are developed to reflect a strong moral compass and a sense of urgency around responding to the needs of the organization. We apply strong central management, intensive training and exceptional integrity to sustain the expansive skill set required to oversee our broad geographic presence. We have a history of elevating from within, providing career development opportunities that reward loyal staff – many of whom spend decades with the firm.

The Solomon Organization staff members have a primary objective: provide residents with singular value in the form of well-kept properties and attentive service. As a result, we have increased lease renewals from our residents to more than 72 percent – well above the industry average. High renewal rates not only reduce management and marketing costs, but they improve company morale by validating The Solomon Organization's business strategy and its staff's hard work.

Will you provide an overview of The Solomon Organization's portfolio?

The Solomon Organization owns 23,000 apartment units in 10 states. From our headquarters

in New Jersey, the state that once was home to the core of our portfolio, we create scaled presence in regions that promise revenue and value growth. Our four regional divisions are organized to allow senior managers in each area to quickly access properties under their supervision, generating critical connections to staff members and creating expertise in regional demographics and trends.

What have been the keys to The Solomon Organization's growth and leadership?

Organizationally, Solomon's keys to growth and leadership stem from our acumen at delivering great value to residents and our ability to motivate staff and affiliates to adopt our mission. From a business strategy perspective, Solomon profits from investing in and improving the housing stock. It identifies markets that lack affordable housing options featuring the product quality and attentive management that Solomon introduces. In combination, these inputs result in a value proposition that has created exceptional rewards for our residents, staff, investors and other affiliates such as brokers and vendors.

Because we have profound adherence to strong values, most importantly doing what we say we are going to do, our reputation for performance and fair dealing has elevated us in the industry and is the most powerful dynamic in our continued success. Our long-term partners stay with us, and we attract new partners who have confidence in us and connect with our values.

We are opportunistic in our disposition strategy, sometimes holding local portfolios for decades and other times exchanging out of highly appreciated investments and reinvesting in new holdings. We are very discriminating in the investments we make – in one recent year we examined more than 1,000 prospective transactions and closed on just three. While many companies will put properties under contract only to pull out, we are admired for our commitment to closing transactions, leading to Solomon being the first choice for brokers and seeing off-market deals from sellers who prefer private transactions to public listings.



Marc Solomon's three-year chairmanship at National Dance Institute was recognized at a Gala that raised more than \$2 million

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What do you see as The Solomon Organization’s responsibility to be engaged in the communities it serves?

The Solomon Organization is deeply committed to the communities it serves through several layers of engagement and support. Philanthropically, The Solomon Organization Charitable Trust, which is funded through the operations of the company, has been active for more than 30 years. I have been a devoted supporter of National Dance Institute, which transforms the lives of New York City children in public schools and their communities. Under the artistic direction of a staff of professional teaching artists in 51 schools and for over 6,500 children per week, NDI uses dance and music to instill in students a love of the arts, a passion for learning, and a desire to strive for their personal best. Among many notable moments, following a three-year term serving as its Chairman, NDI honored me at a Gala at Manhattan’s Ziegfeld Ballroom that was attended by 500 supporters. It was a truly special evening for me.

I also have supported the Palm Beach Opera for three decades, including serving as its Chairman, and have contributed to many other charitable, civic, and arts organizations, most notably through a range of medical initiatives and Jewish causes, directly supporting Israel and the Jewish Federation.

The Solomon Organization has been recognized for its involvement in the communities where it owns property, including through the innovative Give A Chance program, launched in 2015, which brings together local not-for-profits in a networking and funding event series. Now in six states, Give A Chance distributes \$300,000 annually, creating a culture of generosity and connectivity to local communities for the Solomon staff who identify worthy organizations and host the event series.

Solomon also has been a consistent supporter of military charities through discounted apartments for veterans and active service people and donations to numerous local, regional and national organizations.

What has made philanthropy so important to you?

It is a privilege to use the resources created by our business to fund important initiatives throughout our communities. Equally, I feel an obligation to create advancement opportunities for people who otherwise might not realize their own potential. There is no greater satisfaction than the knowledge that you have made a difference. People in the diverse communities that have been a focus of my philanthropic activity often dedicate themselves to helping others – paying forward the help they received and seeding new successes. It is not possible to describe the personal rewards of being part of that cycle of advancement, and I value it as highly as any success in business.

What do you feel are the keys to effective leadership, and how do you approach your management style?

Personal ethics is the essential quality of the best leaders and they must make their values contagious to the rest of the organization. We provide a strong moral compass to the people around us, and in order for us to truly succeed, our teams need to manifest venerated qualities. Of course, those qualities vary from person-to-person, but the best leaders typically never ask anyone to do anything they would not do themselves and they put the common good in front of their personal objectives.

We show great loyalty to our people by sustaining an excellent work environment, compensating them well and providing opportunities for them to participate in the upside of our investments. The principals at Solomon end up with less of the pie as a result, but by having the level of loyalty and accountability we generate, the pie grows much bigger and much faster.

More broadly, leaders are responsible for creating a culture where the objective is the success of the enterprise. It is axiomatic that all rewards for individuals come from the productivity of the team. We show them the path to succeed, and we try our best to be ahead of their expectations in rewarding and promoting them. By the same token,

recognizing the people who drive success assures their loyalty and reinforces the fundamental adherence to our principles. We understand that there will be mistakes, which we use as teaching opportunities so our people aren’t afraid to innovate, because our benefits from improvement far outweigh the cost of learning from mistakes.

Another important value is respect. At every level of our organization, we insist that our team members are not only prepared in a well-equipped environment that allows them to succeed at their roles, but that they are appreciated for their contributions. That creates accountability throughout the organization for not only yourself, but those around you. Companies thrive when people take pride in their job, and we are always looking for ways to acknowledge strong performance whose work creates profits.

What advice do you offer to young people beginning their careers?

In talking to young people about their ambitions, I often reference Benjamin Franklin’s quote, “Energy and persistence conquer all things,” which, like so many of our best aphorisms, does not tell the whole story but is an important starting point. Without energy and persistence, other personal qualities such as creativity and courage may never find a format for activation.

A vital but sometimes overlooked component of anyone’s success is their family, friends and loved ones. I have been blessed by having people around me who stimulate my ambition through their love and support. They give meaning to the challenges that we all confront along the way. Younger people should never take that for granted as they pursue their path.

Finally, I emphasize to young people what I’ve told my own sons, which is to trust your instincts. Pursue work that is of great interest to you – as a young person it will be following your passion that creates opportunities. And when your inspiration leads you to an opportunity, don’t be afraid to take a chance. Not everything works out, but if you persist, you will ultimately find your way. ●