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## **Rockhurst High School graduate watches Texas real estate like a hawk**

Kansas City Business Journal - by [Rob Roberts](#) Staff Writer

Former Kansas Citian Adam Blake's company makes offers on more than 100 houses each month, manages thousands of multifamily units and just bought a stake in an 18-story high-rise.

Not bad for a 24-year-old.

"Adam has entrepreneurship in his blood," said Barbara Pruitt, a spokeswoman for the Ewing Marion Kauffman Foundation. "We want other young people to see that as a career option, especially during this economic downturn."

A 2003 Rockhurst High School graduate, Blake was back in town recently to help judge the annual Global Student Entrepreneur Awards competition, which the foundation supports as a sponsor. Blake, who won the program's top award in 2005, is founder and CEO of Atlas Properties Inc., based in Fort Worth, Texas. It ranked No. 123 on *Inc.* magazine's 2009 list of the nation's fastest-growing private companies after increasing its revenue from \$382,778 in 2005 to \$5.8 million last year.

After founding the company as a freshman at Texas Christian University in 2004, Blake parlayed its profits from rental-home management and house-flipping into a diverse array of bigger deals, he said.

In 2007, for instance, he began investing in five- to 10-acre sites over the Barnett Shale, a natural gas reserve under Fort Worth that became more accessible via new horizontal drilling techniques.

"I make money on the front end and get an overriding royalty interest, as well," said Blake, who now pursues drilling-site deals in multiple markets.

Blake is shifting his acquisition focus to commercial buildings and recently bought the Historic Electric Building, which includes 106 apartments over three retail spaces in downtown Fort Worth. Atlas Properties will manage the high-rise because Blake said it's important to establish a strong operating track record in the commercial market. But he doesn't plan to build a big commercial property management company, he said, because his true passion is "making bigger, better, more deals."

Toward that end, Blake is working toward the next iteration of his company — as a real estate investment trust.

“I want to take my company public in the next five years in the form of a REIT so I have access to some serious capital,” Blake said. “REITs are going to be the big winners that really benefit from all these distressed properties hitting the market just because they will have the best access to capital.”

Mike Kincaid, a Rockhurst classmate, said he thinks his friend will succeed at whatever venture he sets his mind to.

After he and Blake took a high school finance class, Kincaid said, Blake devoured every book on finance and economics he could lay his hands on.

“Then he started trading stock options on eBay,” Kincaid said. “He was really getting into the complicated parts of finance, challenging himself to learn more.”

About the same time, Kincaid recalled, Blake’s father got laid off by his longtime corporate employer.

“His family had to move; it was pretty stressful,” Kincaid said. “I can still remember Adam sitting there in the basement at his parents’ house, surrounded by probably 20 finance books. He said: ‘Mike, I never want to work for anybody but myself. That’s how I’m going to be successful.’ He meant it, obviously.”

Blake decided to apply his entrepreneurial bent to real estate after enrolling at TCU and noticing that none of the area’s rental-management firms focused on the student market. He soon achieved dominance in that market by guaranteeing landlords he could collect enough rent to cover his management fee plus increased income for them.

During his first year in business, Blake also began buying homes near campus with \$100,000 invested by a fraternity brother’s family.

“My strategy was to buy houses where you could either add on bedrooms or convert living space to bedrooms,” Blake said. “In college markets, people pay per bedroom. And by increasing the cash flow, I could sell for a good profit to all these guys who were buying investment properties at that time.”

Despite a depressed residential market, house-flipping continues to be an important revenue generator for Blake’s business. His strategy is to make more than 100 offers a month on foreclosures that need \$20,000 to \$40,000 in improvements. He usually gets 10 to 15.

Just for fun, Blake also flipped a home on Ward Parkway in partnership with his old pal Kincaid recently.

“From the way that deal went, I’m sure we’ll be doing others,” Kincaid said. “I know I was happy with the results.”