

TAB Member Profile:
WANGARD PARTNERS, INC
WANGARD ADVISORS, LLC



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Wangard, a full-service commercial real estate company, is comprised of two vertically-integrated, real estate service operations. Wangard Partners, Inc. was founded first, almost two decades ago. It is a commercial real estate company specializing in development and management of retail, industrial, office, and multi-family properties throughout the Midwest. Wangard Advisors, LLC, founded in 2005, is a commercial real estate investment advisory firm offering individual clients the opportunity to invest directly in professionally-managed, commercial real estate properties. All together, Wangard manages more than 2 million square feet of property for owners and investors; since 2002 they have acquired and developed property valued at more than 300 million dollars.



Mr. Stewart Wangard is the president and CEO of Wangard. He has 30 years of experience in the commercial real estate business. His focus at Wangard has been on financial forecasting, along with helping to retain equity investments and credit facilities for the firm. He is also involved with project concept and forecasting with an eye toward the future. Recently he has found himself leaning toward strategic planning, talent building, and documentation of procedures.

During the past three years, Wangard has faced several challenges, both external and internal. The internal problem, which was unexpected, was a perception of competition between various departments within Wangard itself, which led to animosity and a feeling that everyone did not have the same access to resources. Mr. Wangard says that this proved to be a catalyst to change – a reformulation of the way parts of the business are run.

Greater outside stresses occurred because of the financial “meltdown” in 2008, which affected the banking market, including M & I Bank, the largest Wisconsin-based bank. This in turn put pressure on the entire banking system in the area and consequently on businesses like Wangard which are based in Wisconsin.

In addition, regulatory reform has mandated changes in reporting requirements and stronger financial control. Lenders are requiring more equity. To deal with these changes, Wangard has created new credit facilities from a wider range of lenders. They have also acquired more equity for the firm. Another problem was a 2009 change in regulations regarding real estate brokers selling real estate-backed securities. This will necessitate other changes to the way that Wangard obtains funding.

During the same period, Wangard experienced an increase in property vacancies in most areas except multi-family residential. This led to an increased involvement with multi-family housing, and their “residential development initiative” first planned in 2008. Wangard is able to keep costs down on these developments because of historically low interest rates as well as favorable land and construction costs in Wisconsin. Mr. Wangard believes that multi-family housing is becoming increasingly attractive as an asset and investment.

In dealing with problems, Mr. Wangard has multiple sources of information, advice and support. TAB is one of those resources. He says, “People on my TAB board are my peers. They are very realistic as far as what’s going on in their own business and they are willing to go and take a good hard look at our company and make sure that we are being realistic.”

In particular, TAB has given Mr. Wangard ideas about how to grow his business even during difficult economic times. Following advice from TAB, Wangard transferred the handling of human resources to an outside firm. This allows Wangard executives to spend their time on areas that are central to the business, letting someone else deal with employee needs such as health care coverage.

Mr. Wangard adds, “My TAB board members also have some excellent management habits and we are slowly instituting some of their ideas into the way we run our company.”

Mr. Wangard also gets help when needed from a trusted network of attorneys, accountants, and bankers. Additionally, Wangard’s investors/co-owners bring their own experience to the business. Mr. Wangard says, “While we feel that we offer a lot and we’re using cutting-edge ideas in the real estate business, we are not so over-sure of ourselves that we forget to listen. Input from our co-owners is critical.”

As Mr. Wangard sees it, parts of the economy seem to be improving, which translate into areas that can benefit Wangard. For example, there is currently an increased interest in leasing industrial space, especially for large properties. There are bargains to be had by buying distressed assets. Existing commercial real estate with stable occupancy gives an immediate return. However, lease rates have to be renegotiated to reflect the current market rate.



Mr. Wangard speaks about the current state of the economy and how it affects his business. He says, “The retail market is slowly recovering... Overall, our occupancy levels are rising. We’ve learned to control our expenses much better and we’ve tightened up our debt/purchasing requirements.”

Regardless of the economy, Wangard does business in a way that should impress potential investors, owners and tenants. Mr. Wangard explains, “We start out with an open book process. We try to explain the cost and benefit of choices during the development process. Years ago we embraced a green initiative within our company. Wangard-developed buildings are more energy efficient and have a lower impact on the environment... Our buildings are good for people, the planet, and profit.”

He adds, “Once trust is established we can focus on our customers’ needs and goals. We provide input based upon our experience. We have a strong commitment to properly using our clients’ and our own resources. We encourage quick, but well thought out, decision making, thereby keeping the project on time and on budget. The buildings that we develop and our co-owners invest in may last years beyond our own lives.”

Looking at the future, Mr. Wangard says, “Going forward, we’re seeing significant increase in inquiries for new buildings. Our firm is one that has come out of this recession in a stable position. We hope to thrive, moving forward. We expect to see significant new development opportunities in the fourth quarter of 2011 through 2013.”

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