



Lions fan tries to gain ground in Chicago

By: [Colleen Lobner](#) September 02, 2010

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Andy Farbman

(Crain's) — Real estate investor and Detroit Lions fanatic Andy Farbman is finding bigger crowds in Bears territory as he looks to increase his firm's holdings here.

QuickTime™ and a decompressor are needed to see this picture.

Mr. Farbman, president and CEO of Southfield, Mich.-based Farbman Group, is spearheading efforts to make "opportunistic" buys of office and industrial properties.

Late last month he snapped up a 69,077-square-foot office building in west suburban Naperville for \$3.65 million, 41% less than the seller paid in 1997. And while Mr. Farbman, 35, recently moved here and is focusing on the Chicago market because of the multitude of prospective deals, he says the firm is running into plenty of rivals also seeking to be vulture buyers.

"There is certainly more competition than what we've faced in other Midwest markets," he says.

As a buyer, Mr. Farbman is employing a hurry-up offense. While many investors tie up buildings for months while they conduct due diligence, Farbman Group has closed deals in just a week, says Larry Much, a principal and executive vice-president at Oakbrook Terrace-based [NAI Hiffman](#).

"You're making a good statement: 'I'm ready, willing and able to purchase your site,'" Mr. Much says.

Farbman Group is NAI Global's market representative in Detroit. The firm was founded in 1976 by Mr. Farbman's father, Burton, and now owns 10 million square feet in Michigan, 2.5 million square feet in Ohio and about 500,000 square feet here. The company has 250 employees and manages 25 million square feet of properties, ranking as the third-largest commercial property manager in the Detroit area, according to Crain's Detroit Business.

Farbman Group funds its investments through family money as well as private-equity investors and its own private-equity funds. Half its holdings are office properties, while about 25% are industrial buildings and the remainder retail and apartments.

In addition to the Naperville building, 280 Shuman Blvd., Farbman Group's other local office building is 216 W. Jackson Blvd., which the company bought in 2007 for \$22.65 million, according to property records.

Farbman Group affiliates also own an industrial property near [O'Hare International Airport](#) and a 35-acre industrial parcel near Midway International Airport.

The company aims to acquire more than 1 million square feet a year by buying first mortgages and making direct investments. It has reached that benchmark each year since Mr. Farbman took over as CEO in 2000. Along with Chicago, the Milwaukee market is a current focus.

Mr. Farbman, who recently moved with his family to north suburban Glencoe and now spends two days a week in Detroit, says the firm's "sweet spot" is hard-to-operate, multi-tenant buildings.

Mr. Farbman says he's also seeking Class B buildings in Class A locations — which he says was the case with 280 Shuman, which Farbman Group acquired from Chicago-based [Prime Group Realty Trust](#). The \$3.65-million price tag amounts to \$53 a square foot for the

building, which is 90% leased.

Prime Group valued the building, known as the Atrium, on its books for \$4.9 million and “didn't see a lot of upside” in it, says Prime CEO Jeffrey Patterson.

Mr. Farbman, a 1997 University of Michigan graduate with degrees in economics and social science, spent a couple years as a real estate analyst with New York-based investment firm Lazard Group LLC and then worked for [Blackstone Group L.P.](#) before taking over Farbman Group. His father is now executive chairman.

Mr. Farbman is a huge football and basketball fan and hopes to be at [Soldier Field](#) on Sept. 12 when the Bears open the regular season against Detroit.

He admits, despite his new residency, that he “might be planning on wearing the Honolulu-blue Lions jersey.”

Todd J. Behme contributed to this report.