

What made you choose this industry?

I went to Mesa Community College and ASU, but I never intended to go into real estate. I took every class under the sun except real estate. When I got out of school, I got my securities license and went into the commodity futures business for a year before I went to Dallas where I started my real estate career. The people I knew there offered me more money and fewer hours to start a real estate development and investment company. And from 1983 to 1986, Dallas was on fire. We did a bunch of land deals. I basically ended up cutting my teeth in that area, as opposed to office or retail leasing. As Dallas fell apart in the late 1980s and turned into the precursor of the RTC mess, I stayed and restructured all the land deals following all the bankruptcies, foreclosures, bank failings and all the RTC stuff. Doing business in that atmosphere was basically making a deal pass the smell test.

Why did you start this business?

I spent 10 years in Texas getting all the education I could possibly afford, but in the process I learned a lot about foreclosure, bankruptcy and those types of restructuring angles. I came back to Arizona doing that type of work here in town while it still had some play. When that was over, I started doing entitlement work, repositioning land to a better use than had been previously anticipated.

How did you get your start-up capital?

Basically, by virtue of the fact that I didn't go bankrupt in the 1980s. In Texas at that time, if you didn't go bankrupt, you got ahead because everybody else was going backward so fast. Not going crazy and buying too much stuff back then allowed me to have the personal finances necessary to start Gardner Real Estate.

What was the biggest challenge when you started?

I came from an environment that was as tough as nails. As hard as things were in Phoenix real estate circles back in 1991 to 1994, it was nothing like Texas. Nine of the top 10 banks failed and 275 of the 376 savings and loans failed. That was a classic "run on the banks" type depression going on there. It was such a desperate situation that you had to do real estate deals with virtually no money; it taught you to become pretty creative. Phoenix, by comparison, was a breath of fresh air. The biggest challenge was finding good deal flow and good people to work with who liked the way I operate and the integrity of my company.

What was your best business decision?

My best business decision was to refocus on land and entitlements. I started in land in 1983 so my career has come full circle through the boom and bust cycle. During my career, I've sold virtually every type of real estate, but it has always had a restructuring component to it. Since the foreclosure atmosphere has gone away, I've refocused on entitling, repositioning land in growth areas for appropriate uses.

For instance, I have a deal I've been working on for five years out at Price Rd. and Chandler Blvd. There was nothing there five years ago except the Intel plant to the south and Sun Lakes. I bought this 20-acre piece of dirt near a hospital that was zoned industrial. The thought was that it should be zoned for an apartment complex given what was going on with the roof tops to the south, the retail that might be coming in and highway 101. So you take a little vision, translate that to some architecture and take that to the planning and zoning committee to shape the way a neighborhood will be. On that 20 acres, we built the Stonegate Apartments and then bought the 40 acres next door to that development. Those are the kinds of projects we have focused on, adding value by repositioning land use based on what will most likely happen in the future.

How do you market your products/services?

I really let the deals that I do speak for themselves. My job is to make other people money. What I rely on is my 18-year track record of doing different types of deals in different market environments.

What are your plans for growth?

I'm looking for the next buffalo. In other words, I'm searching for the next market opportunity. When I look at the real estate market, I think the entitlement play is a good one, but I think it is getting anything but easier to work with cities to get land set for development. I'm always looking for re-zoning candidates, but it is hard for a guy like me who isn't a national name to get involved in so-called "institutional quality" deals unless you have really strong relationships with the people involved. So I will leverage the relationships I've built over time and continue to look for the next opportunity whatever shape that might take.



Thomas Gardner, principal of Gardner Real Estate Co.

Name: Thomas Gardner

Company: Gardner Real Estate Co.

Title: Principal

Established: 1993

Type of business: Commercial real estate

Number of employees: 3

Born: 1959

Hometown: Phoenix

In Arizona: Native

Family status: Single

Hobbies: Golf, skiing

Trade associations: Valley Partnership, Sun Angels, ASU College of Business Advisory Committee

Bank: Johnson Bank

Accounting firm: Segal, Miller & Co. LTD

Law firm: Titus Brueckner & Berry PC