



NAI Ruhl & Ruhl Commercial tops \$260M in sales for 2007

By Jennifer DeWitt | Thursday, January 24, 2008

Boosted by growth in its property management division, NAI Ruhl & Ruhl Commercial Co. has reported that the company set a sales record in 2007.

The Quad-City-based commercial real estate company topped \$260 million in sales and closed transactions in 2007, which was a 4 percent increase over its \$250 million sales volume in 2006.

Ruhl & Ruhl Commercial also saw a slight gain in its market share in 2007, according to Charles Ruhl Jr., the company's president. Citing recent statistics from the Quad-City Area Realtor Association, he said the company's sales resulted in about 69 percent of the Quad-City market share of commercial real estates sales and leases. He estimated that it had about 65 percent market share the previous year.

"We've continued to have very steady growth over the last 10 years," Ruhl said Wednesday. "We grew substantially this past five years in our commercial brokerage revenues. But understanding that the commercial real estate markets were going to be softer in '07 and '08, we've been concentrating deliberately to grow our revenues through property management and maintenance services."

In fact, the company's property management division, Ruhl Management Services, grew from representing 5.1 million square feet in 2006 to more than 6.3 million square feet of buildings and seven business park associations in 2007.

The company improved its position in that niche with its purchase two years ago of a Des Moines-based property management company, Magnum Resources. "We picked up a lot of new talent in property management," he said. "It's really growing our market by offering those services."

Since then, the company has expanded staff to accommodate more accounts in the Des Moines and Cedar Rapids markets in Iowa, he said, adding that it now serves "the needs of over 500 businesses in the Midwest Region."

He anticipates Ruhl Management Services to continue to be one of the company's growth areas this year due to an expected increase in institutional ownership of commercial properties in the region. "There seems to be more corporate-owned facility with corporate and publicly-traded investment owners," Ruhl said.

In addition, the company's management services are expanding as it represents more national commercial lenders that are ending up with property to manage. Ruhl said the situation mirrors what is happening with foreclosures in the residential market.

"There are a lot of commercial borrowers who have experienced deterioration in value and they're not able to hold up to the loan-to-value requirements of the lender or infuse the required capital ..." he said. "So many borrowers are turning the keys over to the lenders and that's where we step in."

Like the residential market, Ruhl said, the problem has not been as severe in the Midwest as other areas because the Midwest has not had the inflated property values seen elsewhere, such as the coasts.

With its growth in management services, Ruhl & Ruhl Commercial has expanded its reach to other Iowa markets such as Des Moines, Waterloo, Cedar Rapids, Newton and Fort Dodge as well as Springfield, Ill.

The company employs a total of 50 commercial brokers and managers and has offices in the Quad-Cities, Des Moines and Dubuque. NAI Ruhl & Ruhl Commercial is part of a global commercial real estate services organization with more than 8,000 licensed professionals and 375 offices in 55 nations.

Ruhl said he expects his brokerage staff to remain the same size in 2008, but the property management division could see some expansions.

“We are looking at expanding into additional markets — outside the Midwest if necessary,” he said, adding that the company is talking with lenders to identify where they have market needs.

Looking ahead, Ruhl expects 2008 to be equal or better to 2007. “We already are seeing early signs this year of companies that postponed capital expenditures last year and are committing to expansions and investments this year.”

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