



» **REAL TRIO**  
The principals of Roco  
Real Estate: Tyler Ross,  
David Colman, and  
Michael Colman.

# Bricks & Mortar

Three high school friends regroup after college and return to their roots. **BY R.J. KING | PHOTOGRAPH BY KRISTI GNYP**

**A**s a long-term investment strategy, the apartment sector has proven it can weather economic downturns and sluggish recoveries, as long as new construction doesn't get too far ahead of demand. "When you acquire apartment communities that are 85 percent to 90 percent occupied, that's where research meets opportunity," says David Colman, co-principal of Roco Real Estate Inc. in Bloomfield Hills.

The company was founded in early 2012. Since then, Colman, along with his brother, Michael, and longtime high school friend Tyler Ross, have — in just 18 months' time — built up a portfolio of a dozen multifamily properties totaling more than 3,200 apartments. The goal is to boost occupancy at existing communities, most of which are in Michigan, while looking for acquisitions nationwide.

"Tyler and I worked at Edward Rose & Sons (in Bloomfield Hills) during school, which has developed 65,000 apartments and now owns 57,000 apartments," Michael says. "Our goal is to become as big and well-respected as Edward Rose & Sons. We buy from motivated sellers or from banks and, once a deal is done, we look to upgrade the properties."

The approach has proven successful, especially given the fact that the new housing sector has yet to recover from the 2008 global economic crisis. In Michigan, single-family housing permits began to decline in 2004 due to sluggish demand and a falloff in the sale of large-ticket items like luxury cars and pickup trucks, combined with tougher lending standards.

Those factors have helped drive up rents, albeit slowly. With tighter vacancies and higher rents, the principals at Roco, all of whom are in their 20s, are riding a steady upturn in the multifamily sector. The pace of new home construction isn't expected to reach pre-recession levels anytime soon, especially as banks continue to require large down payments on new and existing home purchases.

"We found it was a lot easier to start up a business here in Michigan than other states," says David, who joined Roco after leaving his job as a product strategist at BlackRock Inc., an investment management firm in New York.

Once a property is acquired — Michael researches the acquisition targets, Ross oversees financing and analysis, and David manages the assets — the trio hires managers to review and upgrade the communities, where necessary. "We could have gone into tech or built apps," David says. "But we went with our strength, which is bricks and mortar." **db**

## PDA Q&A

» THE E-INTERVIEW



**TED STAHL** //  
Chairman,  
GroupeStahl,  
St. Clair Shores

**DB: Where are you?**

**TS:** We're competing in the Great Race, a

timed motorcar event where you go through checkpoints and score points based on how close you meet the designated time. Right now we're in Cape Girardeau, Mo. (115 miles southeast of St. Louis). We started in Bloomington, Minn., and over nine days (and 2,000 miles) we'll finish in Mobile, Ala.

**DB: What's the business lesson?**

**TS:** Patience. My wife, Mary, is the driver, and I'm the navigator. The race is a takeoff of the (1965) movie, *The Great Race*, which starred Natalie Wood, Jack Lemmon, and Tony Curtis. A number of years ago, some organizers turned the race into an annual event that raises money for autism. The rules are very specific. You can't use cell phones or GPS navigation; it's all road maps and a stopwatch. They even tape over your speedometer. It's on paved roads, and at various points they put you through turns and changing speeds. The goal is to get to each checkpoint at exactly the designated time. If you're a few seconds early or a few seconds late, you don't score as well.

**DB: What's the hardest part of the trip?**

**TS:** The rain. We're driving a 1934 Ford Deluxe Phaeton. It's an open car. We have a roof, but no windows. We do have umbrellas. This is our second year, and we're still learning. If you come in at exactly the right time, it's called an ace, and you get an award. There are cash prizes for the winners. It's a great adventure. The challenge is exhilarating, but exhausting. You have to pace yourself like a marathon.

**DB: And every evening there's a ticker tape parade?**

**TS:** Yes. The towns compete for an award for the most welcoming crowds, so there can be hundreds and hundreds of people lining the streets at the end of each day. When you finally park, people are coming up and asking questions about the cars. Some of our customers stop by and say hello. We've been fortunate to have operations all over the world as part of our textile and apparel business, and we've met some great people, but nothing quite prepares you for these crowds. They're amazing. **db** — R.J. King