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# tod spieker: freestyle investor!

—Michael Shields

**M**ention the name Tod Spieker to brokers in the South Bay apartment market and you'll find instant recognition and respect. An active investor, Spieker knows the South Bay as well or better than most in the industry. And at this stage of the real-estate cycle, he has the kind of perspective that can only be earned with time—more than three decades worth of local investing experience and a portfolio of nearly 80 properties comprising more than 2,200 units.

Along the way, and as the economy has hit its highs and lows, Spieker maintains a single philosophy that keeps him consistently successful. "This will run counter to the Wall Street boys," he warns, "but you have to develop a specialty. Know your niche as well as you can know it, and don't try to diversify into too many geographical areas. I think real estate has lost its local touch a bit, and local touch is king."

But, according to Spieker, neither his philosophy nor his success is worthy of a profile. Even when you add in a successful family, commitment to community and

even a few world records in swimming, Spieker sees his story as average. "Yes, I took it upon myself to focus on what I did and, yes, I was successful. But it's a boring story, really." His colleagues, however, may beg to differ.

#### THE EARLY YEARS

A long-standing member of the South Bay community, Spieker graduated from Menlo-Atherton High School in Atherton. He went on to attend the University of California, Los Angeles, on a swimming scholarship, and was soon a member of the university swim team, where he was named an All-American in 1968. He studied urban geography, taking particular interest in downtown cores.

After graduating from UCLA in 1971 and then earning his real-estate broker's license in 1972, Spieker began his first full-time job in real estate. "It was 1972 and I was working at Lincoln Property Company (now known as Legacy Partners), which was a big apartment developer at that time," explains Spieker. "I was a grunt, but I worked under Preston Butcher who was a regional partner then. He taught me so much about the guts of the apartment



business: building cost, financing, locations and rent-to-value ratios."

In his two-and-a-half years as a land scout, Spieker found enough dirt for Lincoln Property to build 1,000 units in Seattle, El Paso and Santa Clara County. "They were in an expanding mode, until the economy came to a crashing halt in 1974," comments Spieker. "They had to lay me off."

Spieker next joined Coldwell Banker as a broker, selling apartments in Santa Clara County, San Mateo and the East Bay. "Brokerage taught me to interact with people," he says. "It helped me understand what investors were thinking in the huddle—what their needs were." And with that knowledge, in March 1981, Spieker established Spieker Companies. Today, the business has grown into a 200-person strong, Palo Alto-based investment and property management engine. Spieker also has grown into his community. He has raised a family in the South Bay and still lives in Atherton

with his wife. He is a member of the California Apartment Association, the Housing Industry Foundation, and the UC-Santa Cruz and UCLA Foundations. He is former chairman of the board for the Institute for Responsible Housing Preservation, a Washington, D.C., lobbying group established to preserve low-income housing without abrogating the rights of the property owners.

Spieker has also remained active in swimming. Competing in the 1998 Masters World Championships in Casablanca, he set four long-course and five short-course world records—all while in his early 50s. He was inducted into the International Swimming Hall of Fame in 2005.

#### SPIEKER'S INVESTMENT PHILOSOPHY

During his time at Coldwell Banker, Spieker joined with several partners to acquire a couple of hundred local apartment units and began crafting an investment philosophy that has guided him up to the present day. The most important tenets of his

philosophy are to know as much as you can about your niche and stick to a local market.

"I started buying houses when I was 28. As soon as I had the money, I started buying apartments, and I stayed close to home," Spieker observes. "I like to buy as good a deal as possible. Everybody does. I try to buy based on the potential of a property and not on what it currently earns. That's when it helps to really know your market."

In considering a property, Spieker considers four elements: location, price, unit mix and property age. "Because I know my market, I can use these four things to figure out what a property is worth—in a general range—90% of the time," he notes.

Spieker considers all types of apartments, from Class A to Class D. He owns

**Tod Spieker ...continued on page 58**

units earning less than \$1,000 a month and units earning more than \$3,300 a month. Ninety percent of his inventory is located between Burlingame and Los Gatos.

"I wasn't one of those people who went to my parents' apartments and fixed toilets, collected rents or paid bills," states Spieker. "My dad was in auto leasing. But I've always liked real estate. I remember my mother would go to open houses and I'd tag along. I was interested in why a

home was selling and what it was selling for. Even today, I first look at the property, but then I look at the person selling and their needs."

#### THE LIFE CYCLE OF A SPIEKER PROPERTY

"I seek out investments with potential. I like to buy 'em and improve 'em into a well-oiled machine, and I'm never afraid to call on people to help me do it," asserts Spieker. "I've been in the business since 1971, and I still learn something new every day. My strength is to bring others into the company who know more than I do about

their profession and can help the entire company run at its best."

With a staff of more than 200, Spieker Companies employs on-site managers, a maintenance staff, an accounting department and staff members who check the credit of potential renters. "Everything is done with the mindset that our residents are our customers," stresses Spieker. "If we don't have happy residents, then we don't have anybody paying rent. If we don't have any rent, then I'm out of business."

While Spieker admits the process of improving and managing quality properties can be tedious, the end result is worth it. "Not everyday is a perfect day, but it shouldn't be. That's not the way it was designed."

#### SPIEKER'S LEGACIES

"During college, one of my children asked me what I would do if one of them wanted to work for me," explains Spieker. "I said they should go work somewhere else for 10 years—find their own passion. Then, if they were still interested, we would talk about it. My parents did me the greatest service by making me do it on my own. They gave me a lot of love and attention—the right things, the important things—not material things. That can be dangerous. And they were right. There's no finer feeling than doing it on your own."

So far, no one in Spieker's family works for him, though each of his children has apparently inherited their father's love of real estate: Spieker's youngest daughter is finding success as an agent in the retail sector. His second oldest daughter works in project management in the Los Angeles area, where she recently earned an award for modernization efforts on a major L.A. museum. And Spieker occasionally partners with his oldest son, who also focuses on commercial real estate.

Each child is part of Spieker's personal legacy. As for his public legacy, Spieker finds he would just like to have a positive effect on his community. Spieker and his wife already are leaving a lasting imprint on UCLA through the Spieker Aquatic

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Center, a \$10 million, 800-spectator facility now under construction at the University's Sunset Canyon Recreation Center. As for his business legacy, Spieker repeats that his story is still pretty boring. "I love what I do and I'm committed to it. That's all. I do like the idea that I have an asset that is fulfilling one of the basic needs in life—shelter. And I like doing it locally. I owe a lot to this county. It has been good to me."

The opinions expressed in this article are those of the author and do not necessarily reflect the viewpoint of CAA Tri-County or *Apartment Management*. Michael Shields, CCIM, serves as a senior investment advisor for Sperry Van Ness, specializing in the acquisition, marketing and disposition of apartment properties in Silicon Valley. He can be reached at 408-354-7470 or [michael.shields@svn.com](mailto:michael.shields@svn.com). Copyright © 2008 by Black Point Press. All rights reserved.

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company		
contact person		
title		
address		
city	state	zip
business phone	home phone	
email address	website	

#### COST

base dues	\$220.00
number of rental units = _____ x \$5.49 per unit =	
voluntary contribution CAA PAC base donation number of rental units _____ x \$1.00 per unit =	\$ 45.00
voluntary contribution (CAA legal fund)	\$ 30.00
online form service (optional)	\$ 59.00
<b>TOTAL AMOUNT</b>	

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