

Small Markets, Big Vision

Developer aims to provide more affordable housing options in smaller communities with untapped markets



The Villas at Quail Creek – Entrance

A quick glance at Zimmerman Properties' portfolio reflects a developer with a unique strategy in the realm of affordable housing.

The firm currently manages more than 200 affordable properties in 17 states—over 15,000 units in total. Its focus is on smaller markets, delivering high-quality developments that provide greater opportunities to low-income individuals and families who live outside the country's major metro areas.

"The secondary and tertiary markets comprise approximately 80 percent of our portfolio," says Bob Davidson, CEO of Zimmerman Properties. "[We find] towns of approximately 60,000 people and under."

Davidson, along with Founder Vaughn Zimmerman and his son, Justin Zimmerman, believes that these smaller communities, including the likes of Ankeny, Iowa, and Lebanon, Tennessee, are in great need of better affordable housing options. The newest communities these markets have were usually built in the 1970s or 1980s.

The lack of modern housing, along with its proven approach, allows the company to enter less congested markets and solidify its presence quickly.



Zimmerman Properties

Founder :: Vaughn Zimmerman | Managing Member & CEO :: Bob Davidson
Location :: Springfield, Missouri



Bridgewater Apartments Haysville Kansas Grounds & Pool

"An affordable type of product is in complete need in these markets," Zimmerman says. "A lot of our properties are running at occupancy rates of 95 percent or more."

PERFECTING FLOOR PLANS

Zimmerman Properties has a vertically integrated business model, with separate contractors, subcontractors and real estate management under the firm's umbrella. While this helps to lower costs and provide a higher-quality product, it also allows its team to gain a high level of expertise on its developments and floor plans.

"What we've done for ourselves, from our viewpoint, is taken a product and perfected it to what we feel is a functional floor plan," Zimmerman says.

The firm's floor plans, which have been developed over the course of nearly three decades, serve as the foundation for all its new developments.

"We continually rebuild [these floor plans] in new markets, trying not to recreate the wheel," Zimmerman says. "We use the same architect, the same engineers and our own construction company which is headed up by Vaughn's son, Matt Zimmerman."

Properties the firm develops have defining features associated with the Zimmerman brand, including exteriors made of hardy plank, brick or stone. Many have playgrounds and other activities for families to enjoy with their children.

The modern exterior of the firm's newer properties is matched by the interiors.

"We have all modern appliances on the inside," Davidson says. "We have moved to having 100 percent all-wood cabinets in our units, so no laminates. They are built to last a long time."

While the floor plans and exteriors at the firm's properties may be similar, Zimmerman and Davidson say the company aims to personalize each development to the community in which it sits.

Zimmerman Properties' unique style and dedication to quality draws renters into the market.

"When you drive down the street, you can easily identify one of our properties," Davidson says.



GROWING FORWARD

Zimmerman Properties' biggest challenge, its founder says, is to continue growing. Despite this challenge, the firm is in what Zimmerman calls "acquisition mode." The developer is currently acquiring more than 500 units that are nearing the end of their 15-year compliance periods.

"We see our company continuing to grow in the future," Zimmerman says. "We will probably acquire 1,000 units a year—if not more—as we move forward."

So far in 2017, the firm has acquired more than 2,500 units—two-and-a-half times its goal. And while the affordable housing space has seen its fair share of challenges due to a lack of funding at the federal level, the Zimmerman Properties team remains committed to its vision.

"Development is an ever-changing business," Zimmerman says. "We are looking for other financing mechanisms to fill the void if credits do not bring in as much money."

The company's team also continues to look at new markets where it can provide affordable housing to those who need it most. It currently has at least eight properties in development throughout the central and southern United States, a rate it would like to maintain in future years.

To manage the company's swift growth, Zimmerman Properties is developing a new 30,000 square-foot building to house its corporate office. Zimmerman estimates that the new facility will fulfill the firm's corporate needs for at least the next 15 years.

"We rent our office space now, and we have just outgrown it," he says. "We are actually now in contiguous space just to get by."

Despite the growing pains associated with the company's growth, Zimmerman and Davidson credit their team for helping the company blossom into the major player it is today.

"You win with people," says Davidson. "The people who surround you and do the work with you really help make the difference." 