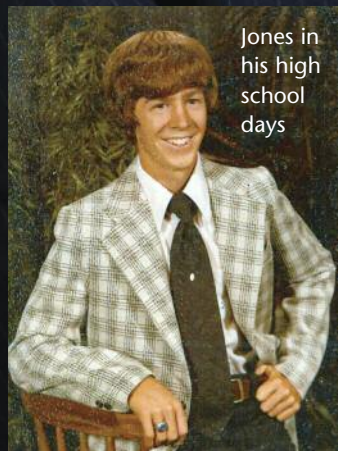




David, left, with his twin brother Devin



Jones in his high school days

Photo by Mark Hiebert/Hiebert Photography



# The Move

2010 HAA President David Jones has built his career by seizing opportunities and accepting challenges.

By RACHEL ZOCH, HAA Staff

David Jones is not the kind of person to sit and wait for change. He looks for opportunities to make things happen, whether leaving the family farm, revitalizing a national cattle breeders association or making the next smart property deal.

## FROM THE FARM TO THE CITY

Jones grew up in Iowa on a farm as one of five siblings. He loved being with his family but detested farm work and worked to find a different future for himself.

"The Midwest was great and everything, but I hated the farm. I hated farm work," he said. "I joined every extracurricular activity I could so that there'd be functions after school to get out of chores. I never intended to stay on the farm. ... As soon as I was out of college, I was getting below the freeze line and not going back."

The town's small high school offered several strong business courses, so Jones focused on those and found an opportunity to continue his business studies at Arizona State University, where he earned a marketing degree in 1981.

His marketing coursework led him to the property management industry through a two-year research project on an outdoor mall in Scottsdale, Ariz. As Jones approached graduation and began interviewing for marketing jobs around the country, he found out that JMB, the company managing the mall property, was offering property management internships.

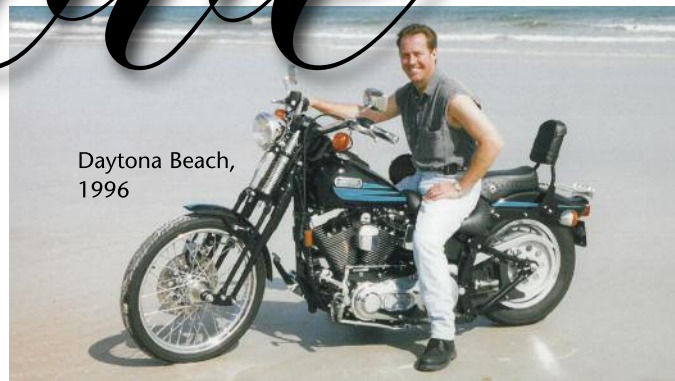
"It was just kind of a natural that I would interview with them, so I ended up being selected to go to work for them in a management training program," he said. "There was a choice of four or five cities. They were in Chicago, back in the Midwest in the cold, and there was Denver and there was Atlanta and there was Houston, and you didn't get to pick, but there were a lot of cities available."

## GONE TO TEXAS

Houston was last on Jones' list, and that's exactly where he landed. He started on-site with JMB straight out of college and stayed with the company 17 years, starting on the leasing desk and working his way up through the ranks, learning about every aspect of the business along the way. He's also stayed in Houston ever since, even leaving a position in Florida to return to his adopted hometown.

When Jones started, JMB was one of the largest syndicated property management companies in the country. Its 60,000-plus units represented a huge portfolio in those pre-REIT days, and eventually Jones supervised properties in multiple states. The company endured a number of mergers and acquisitions during his tenure, however, most of the multifamily portfolio was sold by the late 1990s.

"In the end, there was almost nothing left in Houston," Jones said. "We'd gone from three or four supervisors here to one, and so I started commuting. I had properties in



Tennessee and scattered for a while, and I was just going primarily to Florida. I'd work in the office here on Mondays and fly to Florida on Monday nights. ... In '94, my expense account for flying on Continental alone was \$40,000, and that's when it was evident that it was time to open an office in Florida."

So he opened the Florida office for the company, by this time known as Heitman Financial. But things had changed. The company's multifamily operations continued to dwindle, and Jones had put down roots in the Houston area. He faced a choice: Texas or Florida.

"I had several houses that I'd bought here during the '80s, during the foreclosure boom, and I had my little acreage with my animals, and when I moved to Florida, my brother moved into my house," he said. "So it was either time to get rid of that stuff or to come back full time, and I never really wanted to be in Florida, although I loved it while I was there. You rode motorcycles every single day of the week, year round. It was fun, but it just wasn't really my lifestyle. I decided I was not going to be the last one out of Florida, turning off the lights, so I started interviewing."

## NEW COMPANIES, NEW OPPORTUNITIES

Several companies had openings in Texas, but Jones was looking for a place specifically in Houston, and it took him a while to find one. He found his way back with Winthrop Management, a company based in Boston, where he was reunited with Deborah Holcombe (then Parker), with whom he had previously done business. He also began his involvement with HAA.

"He had a very matter-of-fact and fair approach to dealing with people and work, a quality I greatly admired," Holcombe, now with GFI, said. "He told me once that I had to learn to work smarter and not harder. This one statement helped me change and improve my management style and approach. I have carried this lesson with me to this day."

Jones enjoyed working with Winthrop, but the fun was short-lived, as Winthrop also began selling off its multifamily assets shortly after Jones joined the company.

"I was there probably about three months, maybe a little bit more, and they announced they were selling their entire portfolio," he said, laughing. "The good news was they had a very lucrative stay bonus, and so everybody stayed through the end, which took about another three or four months, so I ended up being there about eight months."

He then interviewed with Sueba, a smaller, Houston-based company that was still growing, building about one deal a year and working up to two. It wasn't a fit for Jones, who was looking for the fast-paced environment and challenges of a larger company, and he accepted a position with Equity Residential.

"Finally I got to where I really was trying to get, which was with a REIT," he said. "Everything was great there. Kim Small was there – I'd known Kim for years, so it was a great fit, very cutting-edge, totally different from my background. ... It was different, but it was exciting. It was fun again."

Small, now with The Morgan Group, praises Jones' strong business skills and engagement with property operations at all levels.

"He knows all aspects of property management, from rehabs to new development," she said. "... He is proactive, open to new ideas, strong at relationship building and hard-working. He has spent his entire life running several businesses – not just real estate investment, but agriculture as well. He juggles it all. I don't think he ever sits still."

Indeed, Jones would soon make another change when, after about eight months with Equity, opportunity knocked once again.

"I got a phone call from Pam Hughes, who was the president at Southhampton," Jones said. "Her husband had accepted a position in Dallas. They were transferring, and she wanted me to come back and interview for her position at that time. Those positions as the head of a management company don't come along all that often. There's not a lot of turnover in there. If you look back at the Kirk Tates and the David Hargroves, they've been in their positions for a long time, and there's just not turnover at that level."

"So even though it was still a smaller company, it was exciting, and they were gearing up, trying to get to a point where they were doing two deals per year. They had their strong European backing with the investors that bought the properties. They were actually syndications again, which the Europeans are still doing. ... But it was something different. I had never worked for anybody that was building, so it was exciting to do them from the ground up."

Jones joined Sueba in July 1998, just in time to open the leasing office at San Montego on Eldridge – his first-ever lease-up after nearly two decades in the business – and he relished the opportunity to handle a different facet of the business. He had also become active in HAA, recruiting new members and serving as co-chair of the chili cook-off.



Photos, clockwise from top left: Jones' first job at the Louisville Apartments in 1981; At the 1997 HAA Volleyball Tournament with Jean Hagstrom and Deborah Holcombe; With his family in 1994; Fishing for giant grouper with his brother Devin, Arrie Colca, Tamara Fleckenstine and Cesar Lima in 2005; With the Sueba/Southhampton team at the grand opening of the Ventura Lofts.



## JOINING THE HAA FAMILY

"When I moved back from Florida is really when I started getting involved," he said. "... I started out with membership drives and chili. Both of those were really my big events: membership drive and chili. I chaired chili for what, three years at least? It's just a great event, and it kind of speaks for itself by the attendance we get."

Before long he was asked by Darlene Guidry and Eileen Subinsky, members of HAA's nominating committee, if he would be interested in a place on the executive ladder, and he was installed as treasurer in 2006.

"David was extremely involved with the association and had been for a number of years. He had his company involved quite a bit and seemed to be a very good leader," said Darlene Guidry, Hettig Management, a past president who helped recruit Jones as an officer. "... You have to have people who love the association as much as the rest of us and put effort and time into it, in my opinion, to be on the executive committee. It's not just the person or the management company. It has to be somebody that has a passion for HAA and volunteerism in our industry, which of course, is what helps make us successful."

Jones enjoys his job, and he enjoys his involvement with the association, which he calls a "huge family" with strong loyalties.

"I've always enjoyed the industry. It's never been drudgery," he said. "... It seems crazy that you can have a half-million apartments and it be a small industry, but people stay in it, whether they're on the vendor side or the owner side. Everybody that we associate with on a daily basis are people that we've been associating with for the past 10, 15, 20 years. So it really is just a huge family. I guess that's why people stay. It is easy to get to know everyone. It's relationship-building, you know. Your vendors that you use are people you've built a relationship with, you trust them, you tend to follow them. If they leave and go to a new employer, if it fits a need that you have, you tend to stay with them because of those relationships."

Arrie Colca, Craven Carpet, is one vendor who counts Jones as a close friend, and she met him at an HAA membership drive event.

"I was brand-new to the industry, and David invited me to sit down at their table to be part of their team," she said. "He's always been one of those that reaches out to new members and tries to bring them in close to the industry and help them get started. He invited me to be part of their team, and from that point on, we've been friends ever since. ... I just remember how friendly and open he was and how he thought so highly of what the association stood for and how he encouraged me to get more involved. Then he became my mentor."

Colca says working with Jones taught her the importance of acting with integrity and understanding what management clients need, as well as what the association does for its members and for the industry.

"You'll never meet a more honest guy or somebody that has more integrity than he does and who really cares about what happens to the other guy," she said. "He's very encouraging to all the new members that come in, and he's always willing to try to use one of the new members."

Colca believes her friend's passion for a job well done will serve the association and the industry well during his term.

"He truly respects the people he works for," she said. "He truly respects the people he works with. He's totally dedicated to success and seeing things get done in an honest and amicable way for everybody. ... He really does care about the industry. He pays attention to everything that happens politically, financially, and always watches the bottom line."

## GOOD ADVICE: GET ACTIVE

Jones not only pays attention, he takes action, and he says that engagement, whether with the association or simply in your day-to-day work, is the secret to success in this business.

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Photos, from top left: With Joe Kaye on the farm with a llama mother and baby; A typical Dexter brood cow; Skydiving with Devin, Dawn Rippley, Arrie Colca and Jason Lavrack; Flying through the sky; Jones with Joe Kaye in Belize and Buenos Aires.



"It's what we say over and over – there's only a benefit if you get involved," he said. "That's the key. Just being a member, having a plaque on your front door or something, isn't going to get you anything. It's a networking, relationship-building group, and that's how you're going to prosper from it. We hear that over and over at these membership drives and stuff, but it's so true. The business isn't going to come to you. ... They've got to get out there and network and be in front of people. Get active on committees."

Jones is known for making introductions and facilitating relationships between established and new members. Indeed, he sees it as the duty of those who recruit.

"I think the people who are active in recruiting and stuff do a pretty good job of saying, 'Hey, when you see me at an event, come up and I'll introduce you to the people that I'm with at that time,'" he said. "That's our job. ... Then they have to reciprocate, and they have to show up, and then they'll grow, but I think we do a pretty good job of that. We're pretty easy to get to know."

Colca, who considers Jones her HAA mentor, says he genuinely cares about the success of the new members he recruits.

"He's very encouraging to all the new members that come in," she said, "and he's always willing to try to use one of the new members."

Jones credits his peers in the association with providing strong examples for those just starting out in the business.

"Look at all the great people we have," he said. "You can pick up the phone and call any of them and network and share information, and there's no one that's not going to take the time to do that. But then you've got your peers, too ... that are just great examples for people that want to come up through the association and be active. They lead by example as well. ... I guess it's obvious that those people that have been here are fun to be around, they're helpful, they'll go out of their way to do anything for you that they can, and I just think that's inherent in the type of person that's successful in the industry."

Jones lives by that spirit of giving above and beyond and believe that a job half done is not worth the effort.

"If you're not going to give 100 percent and do your absolute best at any project, why do it?" he said. "And if you're not giving 100 percent over any length of time, you're not going to be happy anyway. Eventually you're going to make a change, or somebody's going to make a change for you. You have to pull your weight and you have to participate and contribute."

#### WHAT NOT TO DO

Jones made his contribution to another association as a recent past president of the American Dexter Cattle Association, a group he joined to register the cattle he and his twin brother, Devin, raise. Jones never intended to participate beyond simply registering the cows, but turmoil in the association spurred him to take action.

"The association started having a lot of struggles in 2001, and so I went to my first annual general meeting," he said. "... In the middle of the annual general business meeting, they stood up and dissolved the association, and it split into two associations."

The American Dexter Cattle Association quickly refiled in Delaware and kept the name, and the group that split off became the Purebred Dexter Cattle Association.

"I remember calling my brother on the cell phone from the meeting, saying, 'Get ready, because we may be selling all the cows next week,' because if they're not registered, there's no value in them. Ultimately, we joined both associations until we figured out which one was prominent."

After the split, Jones became more active in the ADCA, attending

See **DAVID JONES**, Page 72

DAVID JONES, Continued from Page 38

every annual general meeting, and when the group's vice president died unexpectedly in 2006, he was asked to fill the position on an interim basis. The next year, he was nominated and elected president.

"At that time, it was apparent that we needed to grow as an association," he said. "... I was president for two years, and basically what I did for the entire time was rewrite the bylaws and the articles of incorporation with the aid of a Delaware attorney to get us into compliance. I mean, it either wasn't in writing, or we weren't doing it the way that it was in the documents."

Jones learned a lot from the experience but expects that little of it will apply to his work at HAA, now in its 50th year as a highly professional trade group.

"There really wasn't a lot there for me to bring to this association except keep the politics out of it," he said. "... For a position like that, it seems like it should be easy, but over that two-year period, there were many, many weeks where I spent 40 hours on ADCA business. There shouldn't be a volunteer board position that you spend 40 hours on nights and weekends on, especially something that basic. But it's come a long way, and we've made a lot of progress. Our documents are right now, so that's all good. ... Even HAA, with all the functions, still didn't take as much time as the ADCA did for me."

### CORPORATE CHALLENGES

Association duties aside, Jones counts as his greatest professional challenge Sueba's 2006 portfolio sale, when the company's German investors took advantage of the United States' hot multifamily market to command a top sales price for its portfolio. Sueba had owned

and managed that group of properties – and its staff – for more than 20 years, and the sale came as something of a surprise, even though even several of the properties were reaching the point at which a sale or rehab would be necessary to maintain profitability.

"Ultimately, their business plan was that they set a price, and if they could get it, then it was a great deal, and if they couldn't get that price, then they'd refinance and renovate or do whatever they needed to do," said Jones. "And they far exceeded the expectations on the sales price. It was substantially higher than what their goal price was. So that was a huge change for us, because it was very unexpected. It really wasn't in the plan, and at that time we were developing, pretty rapidly, four or five deals."

Jones now found himself on the executive end of a portfolio sale, facing the loss of many long-term employees. Although the company no longer had positions for the majority of its people, Jones and Sueba made sure that they were offered generous severance packages and kept people on payroll until the company could help find them new positions.

"We were very fair to the people, and over the years since 2006, every time we have an opening, we hire back an old Sueba employee," he said. "It was nerve-racking for people. There are investor tours, you're trying to keep the properties running, and you constantly have the brokers coming through with tours and it's disruptive. Even though there's a stay bonus, people are still on pins and needles, they're still not sure – they're just not 100 percent committed. ... We've brought a substantial number of people back. It worked out fine for everybody in the long run, but going through the process was challenging."

In addition to his commitment to treat

employees fairly during such a tumultuous transition, Jones also makes a point of creating opportunities for the people he supervises and teaching them to seek solutions and take action. He credits Doug Hause, his longtime supervisor at JMB, with sharing these strategies.

"Two things that we've always done well are team-building and then promoting your people, getting your people to that next level," Jones said. "One of the things that Doug always insisted on was when you respond to a problem, give me a plan of action. Maybe it's two or three options, but give me a solution, don't just tackle it as a problem."

### A FARM OF HIS OWN

When he's not tending to the apartment business, Jones can be found among his cattle and other animals, or out on the Gulf on a fishing expedition. So just how did a man determined to get away from farm life end up raising livestock? As pets, of course – llamas, emus and other exotic animals, including tiny cows – the economic enterprise came later.

"We actually started with a multitude of exotic animals," he said. "We originally had miniature Zebus, which are really small little Brahms, but they're tiny. They have no economic value. You can't eat them, they're high-strung, they're just strictly pets, which ultimately, pets don't make much sense when you have the volume of pets that we had.

"So the Dexters were a good fit for us because we were expanding the size of land we had available, and so they were just attractive. ... The cows are about 750 pounds, and the bulls are about 1,000, so it's a good fit for small acreage, but it still has an economic end result, whereas the others – you know, when you're selling them for pets, that's a pretty limited

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number of people that want pet cows.”

Even with all the critters and exotic plants he raises, Jones says fishing is his true passion, and waiting for a bite may be as still as he gets. He took his first offshore trip with JMB colleagues years ago but caught the bug while working in Florida.

“I try to get seven or eight offshore, 60-, 70-mile out trips a year,” he said. “... Because we’re so close to the Gulf, it’s easy to get involved in it, so if you’re here any length of time, you’re probably going to get invited on a trip, and you’re probably going to go, and if you like it, then you keep doing it. We’re an hour from some of the best fishing around.”

He also enjoys riding motorcycles, another hobby he picked up in Florida, but he gave up his Harley a few years ago when he realized it sat in the garage more than he rode it. He hopes to make time to ride again soon.

### LOOKING AHEAD

Friends and former colleagues Holcombe and Small both look forward to Jones’ leadership this year.

“He has a great ability to move an organization forward,” said Holcombe. “He sets his standards high and succeeds with little to no compromises.”

Small thinks Jones will make the association’s 50th year memorable and productive.

“His energy and can-do attitude will likely be very contagious, and his ability to work with community leaders will be invaluable,” she said.

Jones himself is excited to be president during the 50th anniversary year – a landmark he shares with the association, at least until June.

“I guess if you have to do it any given year, I guess a special year is ... pretty amazing,” he said. “And of course, I’m 50 also. I turned 50 in June, so I’ll be 50 for the first half of our anniversary.”

He hopes the coming year for HAA and the industry will be a quiet one and that the market and the economy will continue to grow.

“Economically, for the challenges that we’ve had, I really think most of us thought there would be more downturn within HAA than there was, and there really wasn’t,” he said. “We maintained all of our levels, and I think that speaks very well for the association. ... I’m sure there are companies that have had to tighten their belts and stuff, but it really didn’t have a major effect on us as an association, so I would expect that to continue through the year, and if anything, strengthen because of the 50th anniversary. It’s going to be visible. It’s going to be attention-getting, so I think that will speak well for all of us.” ★

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