

# AUSTIN HERZOG

PRESIDENT | IDEAL CAPITAL GROUP

**EDUCATION:** A DEGREE IN PUBLIC ADMINISTRATION AND CITY PLANNING FROM CALIFORNIA STATE UNIVERSITY SAN DIEGO. | **AGE:** 38 | **FAMILY:** MY WIFE MARIE AND TWO SONS DEVON AND GAVIN.



**What we do:** IDEAL Capital Group ("IDEAL") is a private real estate investment firm focused exclusively on California multifamily investments and value-add acquisitions. We partner with individual investors and institutional clients to buy, renovate, manage and sell apartments. We allow our investors to own cash-flowing apartments without the hassles of being a landlord.

IDEAL and its affiliates have developed and acquired over \$1.5 billion of real estate representing over 10,000 units, presently operating over 160 partnerships on behalf of institutional investors and private equity clients alike.

**Tell us a little about your job.**  
I am primarily involved in overseeing the growth and overall direction of IDEAL. I manage every aspect of the property deal cycle, including acquisition, capital stack optimization, asset management, construction, investor relations and disposition. We have assembled a great team at IDEAL that handles the day-to-day execution of the business plan.

**How is business these days?**  
Business is great. We have had tremendous success with our first several investor funds. Investors are seeing returns far greater than we anticipated. Finding the right deal, however, is more difficult in this point of the cycle, as we are always cognizant of the risk/reward calculus for each potential acquisition. Fortunately, we can afford to be selective with our targets and wait for only the best deals on the market.

Our main focus now is growing our network of individual investors. While most of our recent acquisitions have been in Southern and Northern California, we enjoy partnering with our Valley investors to bring institutional quality real estate to the hands of the individual.

**How hot of a commodity is multi-family real estate in the Valley and California?**  
Multifamily real estate is in high demand, both in the Valley and California more generally. No matter what happens with technology, global trade, or political changes, people always need a place to live.

While California's economy is booming, the state suffers from a severe supply shortage. California needs to build 3,500,000 units of housing by 2025 just to keep up with expected demand, according to a report from the McKinsey Global Institute. However, California has only averaged 80,000 units per year over the

past decade and new housing permits are decelerating, according to reporting from the Sacramento Bee. Buying existing apartments has become especially compelling in light of this fact, and demand, from both tenants and developers, has been chasing comparatively low supply.

**Where do you see the market going in the near future?**  
In the near term, we anticipate the economy to continue to be robust. Regardless, we know that in good times and bad, people need a place to live. That is why we love multifamily real estate.

**What's your advice for someone interested in investing in multi-family real estate?**  
Real estate is a complicated business. Every aspect of the deal cycle, from acquisitions, asset management, construction oversight, regulatory compliance and financing, takes diligence and careful attention to detail. Partnering with an experienced group is often the wisest move to make.

**How do you like working with your father?**  
While my dad Peter is more in the chairman role in the company, I still lean on him for guidance and advice often. Peter has been remarkably successful in the real estate field during his career, and to learn from him has been simply to learn from the best.

**What was the best advice you ever received?**  
"It takes a lifetime to build a good reputation, but you can lose it in a minute." Integrity is everything to my firm and me. If you do not have integrity, you have nothing.

**What are your roots in the Valley?**  
I am a fifth-generation resident of Fresno County. My family and I are proud residents of the Valley and we enjoy supporting some of our favorite charities in town such as the Poverello House. Aside from when I went to university, I have spent my entire life in the Fresno area. The Valley has so much to offer and is a great place to grow up and raise a family.

**What do you like to do in your spare time?**  
When I am not on my ranch in Sanger with my wife and kids, we enjoy spending time traveling. It has been important to me to expose my kids to new ideas, cultures, and societies so they can develop a much broader and empathetic worldview. I also enjoy fly-fishing and skiing.

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