



The Inland
Real Estate
Group of
Companies, Inc.

Inland Real Estate Group

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THE HISTORY BEHIND INLAND REAL ESTATE:

There were four of us who formed the company. Three of us went to college together and the fourth one we met while teaching. While we were teaching, my partner, Dan Goodwin asked about getting into something on the side. While none of us had money and our parents didn't have money, we knew the first step would be to get our broker's license. We then decided, well, we know someone that builds houses- why don't we collect money, buy these lots (from this one savings and loan guy) scattered throughout the suburb, build houses, build some two flats, and then sell them? That stopped when rates increased and then we decided to buy existing rental properties. By the time the 1970s were over, we probably had about 20,000 – 25,000 apartment units. By 1985, we had about 48,000 units.

Now comes probably one of the worst things next to 2009 that happened in the US. They changed the tax laws in 1986.

When they changed the tax laws, they made them retroactive and it ended up crushing all the savings and loans. It ended up crushing real estate values. What we decided to do in the late 1980s was we knew we had about 400 partnerships and figured the bottom 10% aren't doing that well and aren't worth their investment, why don't we see if we can unload them and put them in something else. At the time, we didn't even know what a Walmart was because remem-

ber, this was the 1980s, they weren't established in the Chicagoland area. After meeting with Walmart and recognizing their accountants were the same as ours, we started to buy a few of them for our investors. The four Inland founders, Dan Goodwin, Bob Baum, Bob Parks and I had to contribute \$16-\$18 million dollars out of our pockets to accommodate our investors' exchange. Over time we accumulated more than 130 Walmarts and ended up becoming their largest landlord.

Fast forward a little, now you are in the early 1990's.

The recession was starting to turn around, we decided apartments weren't the best thing because retail had a higher return. So, we switched to retail REITs, (Real Estate Investment Trusts). And the first retail REIT we did was Inland Real Estate Corporation valued at about \$1.2 billion, and in 2004, we rang the bell at the New York Stock Exchange. We had another retail REIT that was around \$4 billion in size, we sold it for \$6.2 billion.

As time went on, Inland completed well over 700 different funds, of which eight or nine of them were REITs and in one form or another five of the REITs are on the NYSE.

WHAT ARE SOME OF INLAND'S ACHIEVEMENTS?

The one that comes to mind instantly is the Better Business Bureau. I am happy to say that The Inland Real Estate Group of Companies, Inc., has

received this award not only once, but remarkably three times! This might sound corny, but I'm telling you this. *"However, you treat the people you deal with, whether they are employees or whether they're sitting across the table from you in negotiations, do to them as you would have them do to you."* Something as simple as this will get you repeat business. Your employees will feel comfortable enough to come up with new and innovative ideas that will only help them move up within the company.

HOW'S BUSINESS:

Wow, it's tough. The federal government raised interest rates so much, it's preventing people from buying homes. Theoretically, if you can afford it for a few years, the interest rates will go down, you can refinance, and your payments will drop, but most people buying their first house are just making it. Whether you are buying a house or an apartment complex, how can you think of buying it when the seller is still so high on their price thinking it was year 2022 and not 2023? Until that price comes down, you can't buy anything

to make it work for your investors or Inland. That is why this part of the business has slowed down tremendously. It just started to pick up a little bit because sellers are realizing this is going to last too long and maybe they need to get out of their loan.

HOW HAS THE ILLINOIS CHAMBER OF COMMERCE HELPED YOU?

I believe that being an active member of the Illinois Chamber of Commerce is beneficial for any business. The Illinois Chamber's efforts to grow and flourish the state's businesses is a benefit to all that call Illinois home. Great work was done by the Chamber in defeating the proposed Progressive Income Tax by informing legislators, stakeholders, and the public on the negative impact a progressive income tax could have on families especially when you combine that with the current rising interest rates. The Chamber's dynamics and ability to interact with all businesses in Illinois are fantastic. It's amazing to be able to unite everyone around the one goal we all share: advocating for Illinois business.

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– G. Joseph Cosenza



Headquarters located at 2901 Butterfield Rd., Oak Brook IL



June 1, 2023 – Inland founders received the Lifetime Achievement Award from Illinois Real Estate Journals (l to r – Founders Bob Parks, Joe Cosenza, Dan Goodwin, and Bob Baum)