

Builder

TIM KANE TO STEP DOWN AS MBK CEO AFTER 14 YEARS

Craig Jones takes the reins as Japan-based Mitsui & Co. plans to expand U.S. for-sale and rental development portfolio by \$500 million in the next few years.

By John McManus
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Those who've known Tim Kane for some time recognize a look on his face.



It's an expression that lays bare a very high IQ at work, while he locks a dead stare straight into the eyes of one sitting or standing across from him, that big brain turning and turning. Then, finally, after an almost painful pause in a conversation, Tim Kane reveals a gift nobody you'll ever meet can match. Without preamble, he tells a very, very bad joke, that's hilariously funny. Mostly because he's telling it.

It's the kind of joke you might repeat because it's so inane simple, most often as riotous to an 8-year-old as it would be to older people, and most often fine for mixed company. And you keep on wondering what he does to it that makes you laugh, every time.

Kane, who has led MBK Homes, a diversified U.S. unit of Tokyo-based Mitsui & Co., Ltd., as its president and CEO for 14 years, and has worked there for 21, will put in his last day at the headquarters offices in Irvine, Calif., tomorrow, March 31. It won't be an April Fool's eve prank, and very likely, his beloved executive team and company associates will be laughing through their tears.

Tim Kane, like many of his home building's entrepreneurial peers, worked at MBK as though it was a second family writ large. With the longview support and guidance of MBK's 400-year-old Japanese parent company executives, Kane navigated MBK through the darkest days of the Great Recession profitably, reducing the balance sheet, focusing on opportunistic infill tracts in SoCal's land- and housing-constrained markets.

And, in the vanguard of the market turn, Kane introduced the company to its one of its now more successful core strategies in multifamily rental development, ahead of the multifamily juggernaut. Since, MBK has diversified its real estate development portfolio into MBK Senior Living and MBK Retail, given the California infill marketplace's propensity for mixed-use and integrated properties.

Noted for articulate, sharply defined vision as an operator, Tim Kane served as one of our Hive "discovery panel" perspectives in the inaugural Hive event in [Los Angeles](#) last September. He's always said that as a going concern in U.S. residential real estate, he's enjoyed ongoing operational and financial support from his parent company, a luxury few other private home builders could draw upon during the dislocation of the Great Recession.

"From my first days as a consultant to MBK more than 23 years ago, through to my very last days with some of the most seasoned, talented, and dedicated executives and employees, it's never ceased to surprise and gratify me how supportive, gracious, kind, and appreciative our owners in Tokyo have been to me and the people here," Kane mentioned in a phone conversation this week. "It's increasingly evident why Mitsui has been around for 400 years; because of the care they take in all their relationships."

Stepping down as part of Mitsui's retirement policies, Kane, 62, plans to take off for a bit of time before hanging up a shingle as his own residential land development company, his first projects focusing on Seattle and the Sedona, Az., markets.



Jones, who worked for 11 years at The Irvine Company before joining MBK in 2012 as VP for Multifamily Acquisitions, is a credentialed successor, who has won Kane's confidence with both his professional experience and his company cultural intelligence.

"The question one asks is, 'Can I trust him to do what is best for the organization and its people?'" says Kane. "I'm overjoyed and delighted Craig has agreed to step up as my successor, and I know he will take care of my MBK family after I'm no longer here."

Jones, of course, has equally positive things to say about his predecessor in the role.

"MBK has been incredibly fortunate to have Tim's vision and leadership, through good years and tough ones," Jones says. "The success of the company owes directly to his

skills as a leader, and he's put MBK in a position to thrive, grow fast, and continue to succeed in the years ahead."

MBK, whose Japanese ownership long predated the recent surge of Asian companies taking financial and operational interests in United States-based home builders and developers, just completed a its most profitable fiscal year performance in its history, notes Kane.

"We've expanded from being a Southern California high-density single-family for-sale builder, to operations in both northern and southern California, in our supply-constrained infill comfort zone, but also pushing out into Inland Empire suburban and rural areas as well," says Kane. "Now, Mitsui plans to infuse \$500 million investment to further grow its U.S. real estate portfolio, setting Craig up for massive growth under his watch. It'll be an exciting time for him and the team."

Kane and Jones noted that whereas companies like Sumitomo Forestry, Daiwa House, and Sekisui House have been on an acquisition binge, Mitsui's two decades of experience and presence in North America mean it can grow organically, without buying more companies.

"Mitsui has both the organizational structure and the trellis for expansion here," says Kane. "Those other companies are acquiring operators because they had no prior infrastructure in the U.S."

BUILDER salutes Tim Kane on a job well-done at MBK, and we wish both his successors and him all of the best in their future pursuits.