



Executive of the Month: Guarino, managing partner of ERG Property Advisors: Words of wisdom - "Know your market"; recent accomplishment: defaulted loan sale of the Korea Village Mall, Flushing

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Richard Guarino is the co-founder and managing director of ERG Property Advisors, a company he founded with his older brother Jim Guarino, James Kinsey and Matthew Sparks in 2009. Since then, the company has grown to accrue a staff of 25 talented brokers, with Guarino leading a team of five who are primarily responsible for trading investment property in the Bronx.

In the Beginning

Guarino began his real estate career in 1999 when he joined Extreme Realty LLC, a real estate brokerage firm co-founded by his brother James, who trained him in property brokerage. Fiercely ambitious and incredibly personable, within four years he was promoted to managing partner of Extreme Realty. Prior to his real estate career, Guarino was trained in the armed forces at Fort Sill Oklahoma where he learned the importance of a good work ethic, teamwork, and discipline. He attributes his exceptional knowledge of the streets of The Bronx, Brooklyn, and Manhattan to his first job experience installing and maintaining pay phones for RJM Communications.

A Focus on the Bronx

For many years, Guarino has been very active with the Bronx Manhattan North Association of Realtors (BMAR), and is now serving on the board as president-elect. Anticipating a real estate boom in the coming years, Guarino is focused on the Bronx and the borough's still-untapped potential. While the burst of the economic bubble had severe consequences on the values of real estate nationwide, for the Bronx these unfortunate circumstances have fostered prime conditions for a strong investment market. This past year brought a tremendous amount of real estate activity to the Bronx, far more than the other outer boroughs. In this borough, the great demand for apartment buildings continues to rise. Pricing has gone up in all neighborhoods, with most walk-ups now selling for \$60,000-\$70,000 per unit. Banks are lending with very favorable financing which greatly increases the buying potential for those investors who are willing and ready to buy.

Recent Accomplishments

Guarino attributes his team's overwhelming success to his foolproof real estate strategy: taking in product on an exclusive basis, marketing it broadly and getting top dollar for his clients. His team's recent accomplishments include a defaulted loan sale on the 75,000 s/f Korea Village Mall in Flushing, Queens. Built in 2006, this property is a three-story elevator and escalator commercial building also containing an 18,000 s/f underground parking lot. The defaulted loan on the property was in excess of \$20 million and required extremely fast action on the part of the broker and the purchaser.

ERG was also retained exclusively to market a six-building deal entitled "The Tremont Portfolio."

The property collection includes 115 apartments and a commercial unit. The seller's asking price is approximately \$68,000 per unit. The buildings in the portfolio were gut-renovated 15 years ago and are in excellent condition. The rents are low, averaging \$700 per unit, creating major upside potential.

Additional accomplishments include the sale of the Circle in the Square Theater on Bleecker St. in Manhattan for \$6.5 million, a \$17.5 million sale of a building on Mulberry St. in Manhattan and the sale of a 90-unit building on Rochambeau Ave. in the Bronx for nearly \$100,000 per unit.

Words of Wisdom

"Know your market," said Guarino. ERG's superior understanding of their marketplace has elevated the company far above their competition and delivered exceptional results, especially over the last year. Identifying the untapped upside and focusing on properties with below-market rates, has also proved beneficial for the company.

Additionally, about 75% of the firm's business has been comprised of multifamily sales made attractive by low vacancy rates and rising residential rents. The outlook for the future is looking bright as well; Guarino is already seeing price increases, interest rates are continuing to drop and inflation is about to take off, creating a prime selling environment for ERG.

A Personal Side

Guarino grew up on Long Island and now resides in Port Washington with his wife, Jennifer. He is an avid cook, specializing in Italian cuisine. He and Jennifer have four pets and are active in supporting local animal shelters and rescue organizations in their area. Guarino is also a long-term volunteer at the Fathers Heart Ministries in Manhattan.

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