



Get to know me: Bryan Becker of Becker Brothers, LLC

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Describe how you chose your profession and how you have succeeded in this industry?

To a certain extent, my profession chose me. I am a 3rd generation real estate professional and although everyone in my family has had different roles in the business, we have always been connected to the industry. I was set on moving to California for a go at the movie business (I had an interesting offer from Fox Searchlight on the production side) but was offered something more compelling in NYC to work for a large private real estate company (Time Equities, Inc.) which I took. I have been addicted to the business ever since. I wouldn't say I have succeeded yet. I am happily running my own business. I have surely had some successful investments, but I have also suffered losses as well. While success is difficult to define, living through one cycle doesn't provide enough of a track record to allow me to arrive at a conclusion.

What are your proudest accomplishments in the past couple years and what are you looking forward to in 2013, in a personal or business sense?

My proudest accomplishment up to now has been by ability to weather the storm with integrity. The worldwide recession and credit crisis of the past years has created enormous challenges for real estate companies much larger than mine. My company has had to overcome declining rents and occupancy rates, increased leasing costs and managing both lender and investor expectations. During this very difficult period, new transactions have grinded to a halt and we were forced to focus on solving problems within the portfolio. I am most proud that we were able to turnaround and save some properties which other owners might have given up on and maintain strong relationships with my investors and lenders. Staying power is the key in the real estate business and we hung in there since we knew we had good assets. I am looking forward to creating value for myself and my investors by taking advantage of purchasing investment properties which have been priced to reflect the new reality. Both lenders and sellers realize it takes longer and costs more to do everything and pricing in many properties have been adjusted to allow investors to be rewarded for the risks they take and the efforts they expend.

How is the market doing, from your perspective?

The market is extremely competitive. There are plenty of opportunities out there but lots more people looking. Investment companies like mine have to work hard to find quality retail and residential properties. The larger properties are trading for very low cap rates; in A markets, well located properties are trading for the lowest cap rates I've ever seen. I see opportunities in recapitalizations or under managed assets. We are seeking smaller properties often missed by the REITS and billion dollar funds and are willing to purchase properties that require leasing and turnaround activities such as significant capital improvement programs. This usually means we have to accept low or non-existent entry level yields in the hope of generating profits in the future.

Describe something exciting that just happened at your company.

In 2011, we consulted on the acquisition of the purchase of bonds that were collateralized by a 308 unit apartment community in Austin, TX. For our efforts we were paid a consulting fee and a profit participation. In addition, we acted as asset manager for the investment. During the two years the bonds were owned, we helped increase the NOI by 20%. Due to the unique tax structure of the bonds, rather than sell the property, we were able to work with the fund which purchased the bonds and successfully sell them in the bond market. The bonds were sold for twice the original purchase price and the sale was accomplished on a tax favored basis. As a result, both the fund and my firm earned a substantial profit.

Describe a typical day at your company?

If I'm not traveling which is often since we have assets in 8 states, I am sitting at my desk evaluating deals and speaking with all the property managers that oversee the operations of our properties. We run 25 partnerships and try to buy three to five new properties each year.

If you could use one word to describe your work environment, what would it be?

Flexible.

What are the ups and downs in your business?

The ups are the pleasure of having business plans successfully implemented and generating consistent and growing distributions from our properties for my investors, my employees and, of course, my family. The disappointments are losing other people's money. The worst times in my business are the days when I have to report a loss of some or all of an investor's funds. Thankfully this is an experience which is happening must less frequently in today's market.

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