



## **Exec. of the Month: Hershberg of Topaz Capital launches new 1031 platform and investment management software**

January 05, 2021 - Front Section



Marc Hershberg

New York, NY The New York Real Estate Journal (NYREJ) sat down with Marc Hershberg, managing partner & CEO of Topaz Capital about their new investment management software (TOPAZ IR) and the recent growth of their TOPAZ TEN31 Xchange Program, a seamless S1031 Exchange Real Estate platform. We explore technology, multifamily, and the impact of COVID-19 on the industry.

NYREJ: Tell us about yourself.

Hershberg: Thanks for the invitation to be featured, as I have long turned to NYREJ for stimulating and leading NY real estate news. By way of introduction, I am married and living in Bergen County, N.J. with my wife and surrounded by my family. I was fortunate enough to also meet my partner (J. Etan Friedman) and our backers over three years ago who not only believed in me, but were willing to build a real estate multifamily company together, and that was the founding of Topaz Capital.

It'll be exciting to see what the next several years bring for all of us at TOPAZ. The mere fact that no two days are the same, is what keeps things exciting and keeps me on my toes—looking forward to another day filled with opportunities and challenges!

NYREJ: What made you decide that multifamily real estate was going to be an area of focus when you started Topaz Capital Group LLC.

Hershberg: It's no secret that I love multifamily properties, primarily due to housing being one of the most fundamental needs of every living being. More specifically, I love garden-style type properties whereby intangibles and amenities also play a role, such as community events and amenity programming. I talk about the multifamily sector not only in the media, but also when I speak among peers as the "most risk-adjusted asset class" offered in the greater CRE industry. Nevertheless, multifamily properties aren't right for everyone, but it can become a great stream of passive income with low-volatility for your lay investor who is looking for some diversification.

NYREJ: COVID has created many challenges: what would you say are some unique opportunities that have arisen due to COVID-19?

Hershberg: For starters, the Coronavirus Pandemic has spurred a ton of collaboration among owners and their tenants via property managers/ management firms. This can be seen as both a negative and a positive, however, I think it's more of a positive due to the fact that a landlord is only as strong as his tenants (and partners). Secondly, we have learned how to leverage technology at all of our properties to create more efficiencies for not only our staff, but our bottom line. And lastly, we have found that the sought after discretionary and private capital run by PE firms which consist of HNWI's and family offices are harder to come by, which has further differentiated us from the pack allowing us to take advantage of more "opportunistic and hairy deals".

NYREJ: I understand that Topaz Capital Group is a relatively "young company." How would you say your firm embraces that reality and uses it as an advantage?

Hershberg: That's correct. While we have only been around for one real estate cycle as a firm, we make sure to surround ourselves with much more experienced and seasoned professionals. However, most of those "older professionals" are more in the advisory and investment committee positions as opposed to our day-to-day operations since we would like the company culture to stay young and energetic. We have also found that our employees and colleagues work just fine in a post-COVID world since they are most adept at leveraging technology.

Hershberg and his wife, Chana, in Utah, skiing

NYREJ: Does your company see technology benign at the forefront of the multifamily industry going forward?

Hershberg: In short, we foresee technology playing a greater role in our industry since our industry is very “old school” and behind the times in so many ways. However, there are justifiable reasons for that. Yet, those reasons are becoming less and less compelling each year as new technologies come online and offer incredible benefits to us and the greater multifamily industry. We recently onboarded Juniper Square, an asset management and investment management software company, that will enable us to do our job functions more programmatically, efficiently, and effectively.

NYREJ: While 2020 taught us that we cannot really make plans, if you had a five-year plan for Topaz, what would it be?

Hershberg: Sure. Our five-year plan is to become not only a leader in the multifamily space, but an influencer in the way multifamily and workforce housing decisions are made at the top-down (i.e. creating more dialogue between the public and private housing needs nationwide. In five years, subject to us having over 10,000 multifamily units, we will begin to become a national investor and cover all regions of the U.S. Nonetheless, there are four key elements to ensure our five-year strategic plan comes to fruition and that is:

- Strategic planning techniques & tools;
- Honing in on our vision statement;
- Staying true to our mission statement; and
- Clearly defining and meeting our company objectives.

NYREJ: To date, what has been the most rewarding project that Topaz Capital has worked on?

Hershberg: We, at TOPAZ, recently received a Green Globes Award for a new construction project in the Jacksonville MSA we recently bought from the developer during lease up in an effort to become more “green conscious.” It was very rewarding considering it’s not the type of project TOPAZ typically works on, and we were able to display to the industry our commitment to environmental and sustainable efficiency practices while also providing attractive returns to our investors.

NYREJ: When you think about the team at TOPAZ what characteristics does each person have in

common?

Hershberg: Energetic, ambitious, honesty, integrity, professionalism, dependability, problem solving abilities, teamwork, collaboration, generosity, conflict resolution, innovative, and creativity.

Max Ostro displaying the most exquisite Topaz gemstone currently held in London's Natural History Museum

NYREJ: What are some things that people would be surprised to learn about you and Topaz?

Hershberg: People always ask how I got the name "Topaz Capital." The story, in short, is that my grandfather, Max Ostro, the man responsible for the legacy of Topaz and ensuring its relevance in the marketplace, had a major influence on my life. If it wasn't for him and my mother, I would be living a very different life. His story all began when he embarked on a journey to pursue the most exquisite stones in the world during the 1960's. This was a journey that took him to the most remote areas of the globe, in search of gems of outstanding beauty. Ostro's tenacity and resilience in his industry has set a precedent for us: To create wealth through hard assets wherever they may be located. As an organization, we strive to create both value and beauty such as the Topaz stone. The results are a superior product for our customers and excellent financial returns for our investors.

And on a more personal note, I think people are usually surprised when they learn that I was fortunate enough to earn my graduate level business degree, M.S. in Real Estate Finance and Investments from New York University, while building/founding Topaz Capital. In addition, I am a 'do or die' guy, whereby I work hard at whatever I can do and suck up crippling pain to complete a task. In some cases, I have had to crawl or walk lopsided when my back gives out. And lastly, I prefer to have nights in with friends and family rather than going out and spending money.

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