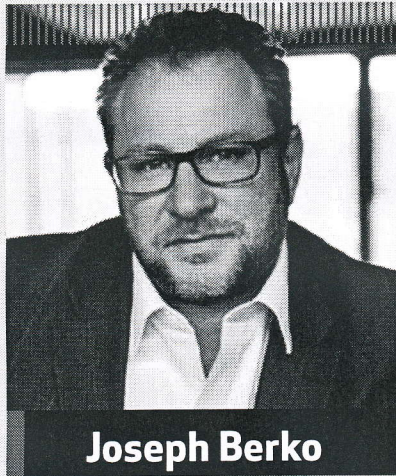


# MORTGAGE OBSERVER WEEKLY

## Joseph Berko

President, Berko & Associates



### ***Mortgage Observer Weekly: How did you get your start?***

**Joe Berko:** I started my real estate career in 1995 out of a small rental office in Forest Hills, Queens. I fell in love with the industry and decided to pursue a bachelor's degree in real estate at Baruch College. The degree focuses on the different disciplines in real estate: finance, contract law, zoning and development. I gobbled up any piece of information I could get my hands on. When I graduated, I went to work at an investment banking firm with a specific focus on real estate finance, called Citadel Realty.

### ***You focus on structured finance and syndication advisory. How did you develop this approach?***

One of my clients decided to opt out of his refinancing process and ask me to represent him on the sale of his building. I was a young aggressive agent, and I took the assignment very seriously. It was my first investment sales deal, and I was determined that it would trade. During the many building tours, I often asked investors about their financing expectations and was amazed at how little most of them knew about the process.

When I launched my company in 2005, the platform was based on the integration of finance and investment sales. I was clear about Berko &

Associates' competitive advantage of underwriting assets from a banker's standpoint while passionately pursuing the transaction with the visions and goals of an investor's. Over the years, our area of focus shifted to include larger transactions and, with it, higher levels of complexity that require different financial structuring, including mezzanine debt, preferred equity and joint ventures.

### ***What type of borrowers do you target?***

The kind of clients Berko & Associates targets for both financing or investment sales transactions include private equity firms, family offices, public and private REITs and private seasoned investors.

### ***What's the most interesting deal you've worked on recently?***

I think that the Paper Factory Hotel was one of the more interesting transactions I worked on recently. We advised the developer on the acquisition of a 90,000-square-foot loft building near the Kaufman Studios, in Long Island City. To secure the deal, Berko & Associates tapped into our international Rolodex and raised the capital needed to secure the acquisition and to construct the hotel. The plan was to convert the building into a trendy 122-suite hotel, a destination restaurant and a spa. The developer is a hands-on forward thinker that designed and implemented one of the best hospitality concepts outside of Manhattan. The Paper Factory is now getting rave reviews for embracing an industrial chic design. It is the poster child for the revitalization of Astoria/Long Island City. I loved every aspect of this transaction.

### ***What trends do you see in the market at the moment?***

We see very strong fundamentals. There is a solid demand from local and foreign investors to acquire real estate in New York, while supply, although increasing somewhat, is still limited. Quality assets are hard to come by, and the few that hit the market are fetching record-breaking prices. Interest rates are still very attractive, and banks are competing to get money out the door yet have maintained disciplined underwriting. To say it plainly, it is a great time to be in the commercial real estate advisory business.

**MOW**