

# A REAL SWEETHEART

**Independent owner spreads goodwill to residents one chocolate at a time.**

BY ESTEBAN CORTEZ

**W**alking into Mark Tarses' home makes anyone feel like they are a kid in a candy store. The display cases in his living room are filled with tubs of chocolate that he made himself, from chocolate-covered Oreos to chocolate bars filled with breakfast cereals. On the top shelf sits a chocolate bar shaped like the iconic Eiffel Tower, and his walls are covered with vibrant vintage posters featuring ads from great chocolate makers: Hershey's, Nestlé and Cadbury.

He proudly placed an oversized medalion on the wall featuring his own company's logo—the Berkeley Nut Company—the home-based operation he started in the mid 1980s as a way of creating goodwill with his residents.

Tarses, a Berkeley, Calif.-based owner, happily gives away 2,000 pounds of chocolate and cookies every year to his residents, vendors and industry friends, and has never accepted payment in return.

"I work hard at keeping my residents happy," he says. "The need for goodwill today is more important than ever before."

## An Early Taste of Real Estate

Tarses attended University of Maryland and majored in business administration. During that time, he began to think about a career in real estate, which he thought provided unique advantages in which other businesses couldn't compete, such as tax shelter and leverage.

He moved to Berkeley in 1971 with only a suitcase full of clothes and \$100. He worked several jobs in hired positions, including managing the old Mel's Drive-In in Berkeley, but realized that hired positions weren't his thing, as he could barely keep a job for more than a few months before getting fired.

"That's the benefit of being an owner," he says. "A resident can move out, but he can't fire me."

He bought and moved into a triplex in Berkeley within the first

year and rented out the other two units for \$125 and \$130 a month.

Still broke, he began to look for properties that would carry

themselves. He asked real estate agents to look for easy-to-manage properties in good neighborhoods near public transportation stations with little or no down payment.

Ironically, apartments that were close to Bay Area Rapid Transit (BART) stations were considered undesirable in those days, he says. Most investors wanted to buy units near freeway entrances. As a result, it was possible for Tarses to buy apartments near the Rockridge and downtown Berkeley BART stations at affordable prices. He acknowledges that they were good investments, as they aren't going cheap anymore (both areas today are highly desirable). Managing the properties proved to be difficult at first, and many needed a lot of work.

Today, Tarses has 22 residents living in his five rental properties—all within walking distance to BART stations—in Berkeley and nearby Oakland.

## On the Importance of Goodwill

In the mid-'80s, Tarses became a full-time rental property owner and began making chocolate turtles for his residents during the holidays. This is when he first discovered the value of goodwill in his business.

Tarses defines "goodwill" as money a businessperson spends to make customers happy and that isn't required. It can be something as simple as giving a resident a couple of movie tickets. He argues that more owners should strive to create goodwill with their residents.

"I know a lot of owners who won't spend a penny on goodwill," he says. "I know some who got into some very expensive quarrels with their residents, and it always turned out that the real cause of the quarrel was underlying ill will. The residents



Mark Tarses, who entered the rental housing business in 1971, knows the importance and value of strong resident relations.

were already mad at the owner. Some of the biggest and most expensive fights between owners and residents started over some small thing, like a dripping faucet that was annoying the resident and that the owner never got around to fixing.”

He noticed that his residents loved his chocolate and came back for more, so he began to use his baking skills to build positive relationships with them. Today, his residents knock on his door to “shop” his free chocolate store right out of his home, and they can take as much as they want. He also gives chocolate to contractors. Some even refused payment after taking a bagful of chocolate treats.

Berkeley graphic designer Martin Hebisz has been a resident of Tarses’ for five years.

“He goes above and beyond what I expect an owner to do,” Hebisz says. “He makes us feel warm and welcome, and always makes sure we are happy by immediately fixing problems.”

Hebisz lives in a one-bedroom unit with his fiancé and their cats. They take four to five pounds of chocolate treats every month when they pay rent.

“Tarses is a great guy,” Hebisz added. “Plus, his chocolates are fantastic.”

Although Tarses’ chocolate store—which is open by invitation only—features traditional dark and milk chocolate bars, he likes to experiment and make treats that are unique to the Berkeley



Nut Company, which he says is the best free chocolate store in the area.

Currently, several of his residents are German, so he is making schweineohren—also known as “pig’s ears”—a German puff pastry dipped in chocolate.

All of his chocolates are made in his kitchen using simple tools. The most expensive item in the kitchen is a \$1,200 vibration table that removes air bubbles from melted chocolate and levels it out.

During the holidays, Tarses also sets up a table on which he gathers gifts such as vacuum cleaners, blenders, and other household appliances for his residents to choose from and take home as Christmas gifts.

“If you go out looking, an owner can find things that cost very little and have a lot of value to residents,” he says.

Because of the goodwill he extends to his residents, Tarses has never evicted a resident or served a three-day notice to pay rent.

“Some people tell me I’m just lucky that I’ve not had to evict residents,” he says. “But I reply, ‘It’s not just luck if it’s been going on for 40 years.’”

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