

REAL ESTATE WEEKLY

WEDNESDAY, NOVEMBER 12, 2014

Commercial mortgage boutique Altman Warwick thinks big

Altman Warwick Inc., the Long Island-based commercial real estate financing firm, may be small but its principals think big, with results to match.

Since moving to Lake Success in 2008, Altman Warwick has become the most active commercial mortgage broker on Long Island, racking up an impressive list of deals involving trophy properties along the way.

It's made a name for itself by arranging financing for such best-in-class properties as the Americana Manhasset Shopping Center on Long Island and the Bay Terrace Shopping Center in Bayside, New York, two of the highest-performing shopping centers in the U.S. The firm also financed Wheatley Plaza, arguably Long Island's toniest supermarket-anchored center located in Greenvale, New York, to name a few.

Behind this are principals Robert Altman and Brian Warwick.

"Altman Warwick, Inc. is extremely productive and effective," said John Gutleber, president and CEO of Castagna Realty. "Brian and Bob have powerful lender relationships and have managed our financing needs superbly. They have been terrific advocates for us," he added.

The principals of the firm, now marking its 10th year operating under its current name, have plans to grow their mortgage brokerage and equity placement business.

They hope to add new staff to leverage its dominance on Long Island to further penetrate the Manhattan and New Jersey markets.

The two, who have worked in real estate financing separately and together for decades, specialize in financing all types of commercial properties. Over the years, they have arranged \$16 billion in debt, mezzanine and equity financing.

Altman, a New Jersey native and who now resides in Roslyn, New York, obtained a degree in finance from Emory University in Atlanta before taking his first job with New York Life Insurance Company, structuring large permanent mortgages. He subsequently worked for a foreign bank doing construction lending where he became the youngest officer in the bank's history. He also worked as the Director of Finance for a major New York developer and then, in 1989, founded Mortgage Financing Corp., the predecessor company of Altman Warwick.

Warwick, who was raised in Manhattan and now lives in Larchmont, New York, was a pre-med student at New York University majoring in economics, when he decided at graduation that he couldn't wait 15 years to start earning a living. Instead, he turned to finance, taking a job in the real estate department with Brooklyn-based CrossLand Savings Bank. After CrossLand, Warwick moved to Apple Bank for Savings



Robert Altman



Brian Warwick

where he was a key member of Apple's workout team.

Warwick, who met Altman at a business function on Long Island in 1999, decided at the time that he no longer wanted to be a banker, but sought instead to get involved in entrepreneurial side of deal making. That year he joined Mortgage Funding Corp. as the Director of Finance and later, after the firm changed its name, became a partner.

Over decades, the two established deep lender relationships that have allowed them to provide clients with what Warwick describes as "real intense personal service." Some clients have worked exclusively with them for as long as 20 years. "We have an extremely high client retention rate," he added.

"These guys have delivered on every assignment," says Charles Hirsch, president of Manhasset, New York-based Milbrook Properties, with whom Altman Warwick closed more than \$200 million

over the last three years. "We love how they fight for our best interests. Lenders really respect them, which is why they are so effective."

Their lending backgrounds have served them well in knowing how to effectively work with lenders.

"We don't waste our time, and more importantly our lenders' time. We're very thoughtful, systematic and efficient when we approach the market on a deal. We believe that there is a point of diminishing return when over-exposing any investment opportunity, whether for sale or financing actually impairs both the quantity and quality of offers," said Altman. "As former lenders, we understand how an undisciplined lender selection process threatens to dis-incentivize participants who otherwise would have been motivated to make competitive offers. After all the years we have been doing this, we have a pretty good idea where to go given the needs of

the borrower and the specifics of the property."

The two principals have a close, collaborative partnership and they constantly confer and brainstorm on their respective deals.

Like in all good partnerships, both partners are quick to compliment the other's skills. While Altman describes Warwick as the more analytical of the two, Warwick credits Altman for his ability to quickly get to the essence of a matter and for his deal making skills.

"Our job is to find the optimal form of capital for every client for every situation," said Altman, "and we take our fiduciary duty very, very seriously."

The pair's focus and work ethic appear to have paid off.

"They have an impressive and loyal client roster, and we really appreciate how they manage their deals and their clients", said John Costa, executive vice president of Connecticut-based People's United Bank. Since People's entered the New York market in 2010, Altman Warwick has been one of the bank's most prolific brokers, having closed over \$300 million.

Retail has been a strong specialty of the firm, thanks in part to the addition in 2005 of Gerald Krell as the firm's director of originations. "Gerry is a seasoned veteran in the retail world. He enjoys a wealth of industry contacts and is universally well-liked," said Altman.

Retail, however, is only a

part of the business. On the office side, Altman Warwick recently arranged \$139 million in construction financing for the ground-up development of a 13-story, 508,000-square-foot bio-science lab and office building adjacent to Yale University Medical School in New Haven, Connecticut. The building will become the world headquarters of Alexion Pharmaceuticals and house labs and offices for Yale Medical School.

Meanwhile, in the multi-family market, the firm arranged \$185 million in floating-rate financing secured by eight luxury rental apartment complexes totaling 1,865 units in Seattle, Phoenix and in Miami.

Now the duo hopes to build on the strong lender and borrower relationships they've built, looking within a year to hire as many as a dozen mortgage brokers, both veterans with partnership potential and junior brokers. They believe potential new hires will benefit from Altman Warwick's experience, relationships and collaborative work environment.

"Most importantly, we are seeking individuals who share and will perpetuate our high standards of business ethics and conduct," said Altman.

Even so, Altman Warwick's principals don't want the firm to lose its entrepreneurial edge. "We're not looking to grow hugely, just wisely," said Warwick.