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WALLACK MANAGEMENT & WARBURG REALTY

AN ALLIANCE WITH 100 YEARS EXPERIENCE IN NY REAL ESTATE

CLELIA W. PETERS, FREDERICK W. PETERS, BURT WALLACK, JORDAN WALLACK



Frederick W. Peters
Burt Wallack
Jordan Wallack
Clelia W. Peters

Meeting of the Minds Wallack Management and Warburg Realty Ally for Full Service

By Debra Hazel

It's an alliance 30 years in the making and six months in execution, the creation of a team with more than 100 years of experience in New York residential real estate.

Wallack Management Company has formed a partnership with Warburg Realty, under which Wallack-managed buildings are assigned broker specialists from Warburg to give the buildings' clients a complete package of service. Warburg will be the preferred brokerage company for Wallack-managed buildings. While residents looking to sell a home certainly are free to choose their brokers, Warburg will provide a distinct advantage for the sellers.

The alliance brings together two multi-generation, family-owned companies with decades of experience in New York City's residential real estate scene. Founded in 1896, Warburg has built, managed and/or brokered some of the city's most legendary buildings. The Wallack family has been in the industry for more than 75 years, and Wallack Management is in its third generation of managing

buildings around the city, growing from overseeing its own properties to third-party management.

"Agents assigned from Warburg will know the buildings very well. They'll know the amenities, the maintenance and other intricacies of the building, which will allow them to answer the appropriate questions for future purchasers," said Burt Wallack, owner and president of Wallack Management Company.

"I was sitting by the pool in my community in Connecticut, and a shareholder of 47 East 87th Street asked if I was interested in managing a co-op. I had no idea what a co-op was in 1978, but said sure, why not?" Burt said.

In the early years, Wallack took on other co-ops, including 1035 Park Avenue and 45 East 85th Street, and has built a portfolio of 80 properties. The firm usually takes on just two to three new buildings each year, though they generally receive in excess of

30 requests annually for their services. Rather than bulking up a portfolio, Wallack works with clients who share their commitment to excellence.

"If the first question from the board is, 'What's your fee,' I'm not interested. These are people's homes, but they are more than that. A 30-unit building could be a \$300 million corporation. You have to treat it like that and manage accordingly. We have an ethic that if someone calls, whether it be an agent, bookkeeping, receivables, someone must reply in 24 hours," said Burt, a self-confessed email junkie. "My name is on the company."

Both companies note that many real estate firms consider management necessary, but a sideline compared to other aspects of the business. Both management and brokerage services in New York frequently are very poorly handled, Frederick Warburg Peters, CEO of Warburg Realty, added.

"As agents, that's our job: Having enough expertise so we are able to discern relative value of amenities, etc.," said Frederick. "Especially in Manhattan, a big part of our job relates to the complexities of creating corporate board packages. When you sell a co-op or condo, you sell it twice. The easy sale is the sale between the buyer and the seller. The complicated sale is between the buyer and the board."

"That is what makes this a good marriage," he said. "Burt and Jordan [Wallack, COO] have this focus on client service that is very similar to ours."

The two firms were brought together by Linda Reiner, a partner in Warburg Realty who had known the Wallack family for 30 years. She'd discussed the idea of a partnership with Wallack over the years but it was only recently he was ready to seek an outside partner.

"I've been with Warburg for close to 30 years," she recalled. "I've always seen the similarities and synergies between the firms: both family-owned, both stressing quality over quantity."

"I chose Warburg because of their longevity of ownership of the company, and the sales force who work for Warburg," Burt said.

Both firms have similar commitments in the training of their agents. Warburg's agents go through a thorough education process, and Wallack's managing agents learn the "ins and outs" of property management by working alongside senior level agents to learn Wallack's unique style of caring for a property before they begin to manage buildings themselves. Jordan emphasized that Wallack's management style differentiates itself from other companies because "we are extremely proactive and want to educate our clients on the best ways to protect and enhance the value of their home, which in some cases, is their most important asset."

On Frederick's side, "It seemed like the right moment that it would be advantageous for us, and also an advantage for Burt as well. It seemed like an intuitive fit." He added, "The people who live in Wallack buildings expect a level of service that we felt confident we could provide. They could feel equally comfortable working with us as well as working with the Wallacks."

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The agent assigned to each Wallack property will know the market, the amenities, the building itself, and the current units available in the building, along with past and present sales in and around the building and neighborhood. Burt also emphasized how impressed he was with Warburg's ability to understand the market with their use of in-house proprietary analytics which would help clients come up with a realistic price to put their apartment on the market for.

Before the alliance was launched I personally recommended a Warburg agent to a longtime client and friend, and they did their job. They put the apartment on the market where it should sell and, sure enough, it did quickly. This was a selling point to me and helped solidify why this alliance was the right fit," Burt said.

"Even if someone is just beginning to consider selling, the agent can help them determine the value of their apartment," said Clelia Warburg Peters, president of Warburg Realty.

The value they add is more than just the traditional marketing services expected of a brokerage, she continued.

"The relationship has not historically been on the responsibility of the agent to offer value to the residents of the building," she said. "When we entered into this alliance, one of the things Burt and Jordan said to us was how we will bring value to the buildings in a way that would be an extension of the service we generally offer our clients."

That began early: during the forming of the alliance, Warburg performed an analysis on each of Wallack's buildings.

"It was an incredible piece of information for our boards, allowing them to see where they stand in the marketplace," Burt said. Many boards took action on some of the recommendations to make the buildings more competitive.

For Linda, who conceived and engineered the alliance, the structure sets up a more sustainable formula for the future.

"There are always people buying and selling, and people needing management. This is sustainable," she said. "The beauty of a good deal is that it's great for everyone. It just makes sense."

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