



# nyrej

**Executive of the Month: Schwartz, principal of Fort Amsterdam Capital: Provides user-friendly bridge financing to owners**

September 04, 2018 - Owners Developers & Managers



David Schwartz, FAC

New York, NY In 2015, David Schwartz launched Fort Amsterdam Capital (FAC) to become a lender of capital to his building owner peers. He is currently focused on connecting with local real estate owners in Brooklyn, Manhattan, Queens and the Bronx to supply bridge financing. Currently, he serves as principal of the company. He sat down with the New York Real Estate Journal for a question and answer session.

Q: How did your team get the idea to launch Fort Amsterdam Capital (FAC)?

A: We're experts in New York City real estate. FAC, our debt lending platform which we launched in 2015, is another way to participate in the asset class, but in a higher position in the capital structure. We're always looking for more ways to evolve our products to benefit investors and provide opportunities to borrowers in our space.

Schwartz (center) spoke on a panel at the 2018 "Only Brooklyn" conference alongside (from left) Duke Properties CEO Albert Dweck, TerraCRG partner Adam Hess, Benchmark Real Estate Group co-founder Jordan Vogel, and TerraCRG Partner Matt Cosentino.

Q: Tell us more about FAC.

A: We provide user-friendly bridge financing to independent building owners. Borrowers come back to us time and again for our quick response time and flexibility. Our typical scope includes loans of \$2 million to \$15 million for multifamily, mixed-use, small office and conversion projects in Manhattan, Brooklyn, Queens and the Bronx. We will soon be expanding our geographical footprint to outside New York City to include the northeast corridor. Investors seek us out because, in the scheme of things, we produce an attractive risk adjusted return.

Q: What makes FAC different?

A: Like I mentioned, we're experts in real estate—not just in debt lending, but also in asset management, construction management, value add plays, and distressed assets. We have the ability to respond quickly and intelligently to a variety of different real estate lending situations. Our insights allow us to make calculated lending judgments in real time, and we've been pretty spot on so far. There's nothing like having a roof guy, a tenant lawyer expert, or a tax specialist proficient in the nuances of your exact type of deal internally or in our rolodex at the moment when we need it.

Q: What are the biggest challenges?

A: Our biggest challenge is competition in the market. There are a lot of firms who do what we do, but without the 360-degree expertise in real estate. We're also constantly challenged with the changing landscape of real estate valuation. We need to make sure that loan pricing reflects the risk of the transaction and the sponsor.

Q: How do you source deals?

A: We have a team of originators who spend a lot of time each day identifying appropriate borrowers. We're also fortunate to have other parts of the organization who have their ears to the ground speaking to mortgage brokers, investment sales brokers, attorneys, title lawyers, and direct borrowers. Real estate is a people business...we like repeat borrowers.

Q: What is your philosophy on growing a business?

A: I've found that growing a business is a careful mix of knowing when and who to hire, what lines of business to pursue, where to seek investments—and most importantly, how to efficiently allocate your time. As FAC became more established, I got to a certain point where people approach me and my team from every direction with ideas and opportunities. It is absolutely crucial to cut through the noise to find the right opportunities to pursue. I look to not only repeat successes but also how to expand the business in the best interests of our investors, employees and borrowers.

Schwartz (center) with his team.

Q: What is in store for the future of FAC?

A: We're growing. Larger volume, geographic expansion outside of New York City, new sources of capital. To make this all happen, I'm currently building out the team. We've just added two new team members, and I'm also hiring for another key position.

Q: What advice would you give to people entering the industry?

A: Create a business that responds to the needs of your investors, your employees and your clients.

Q: How can potential investors get involved?

A: We periodically launch funds and are always looking for co-investors. Reach us through our website, call me directly or the head of investor relations, Sharon Liss.

Q: Any parting thoughts?

A: As a parting thought, I would say that since debt funds like FAC offer a lower level of risk, they are a great way for new real estate investors to get attractive risk adjusted returns.