

Historic Developers

An Interview with Gerard Longo,
Principal, Mettle Property Group



The exterior of 70 Henry in Brooklyn Heights, New York

EDITORS' NOTE In addition to his current post, Gerard Longo remains a Principal of Madison Estates. Longo began his real estate career at 18 years of age while attending college. He graduated from Kingsborough Community College and continued his education at Baruch College.



Gerard Longo

COMPANY BRIEF Mettle Property Group (mettlepropertygroup.com) has positioned itself as one of New York City's foremost boutique real estate investment and development companies. Mettle is the spin-off to the development division of the long-established Madison Estates, founded in 1953. Mettle is prominent in the preservation of historic architecture, restoring and utilizing original building materials, as well as developing ground-up construction in context with their historic neighborhood. Working in tandem with the industry's top designers and architects, Mettle's executive team is recognized for their hands-on methodology and meticulous attention to detail. In addition, Mettle's body of work encompasses contemporary designs with a thoughtful approach to their environment. Having a broad range of expertise including equity placement, construction, design, asset management, branding, and marketing, Mettle captures opportunities in various categories such as residential, commercial, and hospitality. Although Mettle has interests nationally, its primary focus remains on the Manhattan, Brooklyn, Queens, and South Florida markets.

Would you discuss the history and heritage of Mettle Property Group?

Mettle Property Group is the spinoff of the development division of Madison Estates and Properties, which we've run since we acquired it in 1992. It was a brokerage company established in 1953, and the development division was born within that company.

A year or two ago, we realized that we needed to bifurcate the brands because there was some confusion within the industry over whether we were a broker or developer. Given that we have been developing since the mid-90s, we're not just a broker that now wants to develop; we are developers.

We decided it was the right time to spin it off completely and create Mettle Property Group, which is strictly development. All of the executive staff from Madison Estates and its development division have moved over to Mettle Property Group.

Prior to 2016, most of the projects were done under Madison Estates, but listed on Mettle Property Group's website.

Spinning it off was really about giving it a separate identity and alleviating any industry confusion that might have existed.

What type of developments are the focus for Mettle?

If I had to define ourselves, I'd say we're more of an intimate boutique development company. We have two divisions: within Mettle, there is the under \$10-million division, and that would be handling things like small condos that are four to six units or three-family homes. Then we have the \$10-million-plus division, which will handle developments up to \$250 million. In this category, we also have a hospitality piece. We recently were approved to handle a dual-brand Long Island City Hilton property where we're putting up a Homewood Suites and Hampton Inn. The plan is to make it a 300-key hotel with roughly 18,000 feet of commercial retail space.

We are also developing 70 Henry Street, which is a landmark building in the historic neighborhood of Brooklyn Heights. It's comprised of six very unique luxury apartments, which we just launched sales for a few months ago. We're up to the roof in that project and our anticipated completion date will be Spring 2018. That will likely be a \$35-million sellout.

We're also invested in Miami and recently made an acquisition with partners of a unit on 90th and Collins Avenue in the Surf Side section – it's a luxury condo right on the beach.

The company itself plays many roles. We have investors, we run a fund internally for our own use, and we also will sometimes take equity positions in other jobs or via other developments. In some cases, we will be the full developer and, in others, we might joint venture.

Since we're smaller than some other developers, we're nimble and have the agility to pivot and make changes as we see fit. We are very focused on the old-school aspects of development.

We are primarily using our own money, so it makes us very cautious in terms of how we move forward. We are developing across the board, and we always have to remain conscious of market changes.

Is the Mettle brand important when it comes to awareness and understanding for your projects or is it more critical to promote the individual development names?

It's more about the developments. Prior to 2008, it was less important for me to do interviews like this or to have a brand on the building because the building was the primary focus.

Then the 2008 recession hit, and the lenders on all of my projects said that I had to step in front of this and make them aware that we're not just one-off developers. We've developed more than 40 midrise buildings and have been doing this for 20-plus years, and we need to make this clear.

That's when I became aware of how important branding is for me. I was in the process of doing multiple jobs and projects in TriBeCa from 2007 to 2009, and then the funding just stopped. The only way to get ahead of this was to make people aware of whom they were buying the property from.

At that time, the brand awareness was growing since I was doing interviews and making our position clear while meeting with potential unit owners. Not all deals closed and we were nervous at times, but we were still able to turn a profit for our investors.

In 2011/2012, I started toying with the idea of change, but Madison Estates was such an established name that I initially was resistant to it. In time, I realized consumers wanted to make sure that what they were buying was not from a first-time developer in order to feel confident about the project.

We feel the word "mettle" defines us – in the face of adversity, we continue to move forward, and we never give up on what is in front of us. We always make sure the property and project has been done with integrity and that, in turn, makes us more profitable. ●