



Grindstone cowboy **Joe Farkas** proves persistence pays

Legendary pro golfer Gary Player use to explain his spectacular good fortune on the links by saying, "The harder I work, the luckier I get." And Long Island real estate wheeler and dealer Joe Farkas feels pretty much the same way.

Through good times and now bad, Farkas and his company, Jericho-based Metropolitan Realty Associates, have pulled off some of the most risky but profitable commercial real estate deals on the Island. Farkas and his Manhattan-based equity partner, Angelo Gordon & Co., just sold a two-building converted pharmaceutical plant in Garden City for \$39.2 million. They bought the complex for a mere \$7.4 million in 2005. Last year, Metropolitan paid just \$15 million for a 335,000 square-foot Garden City office building with gaping vacancies. Farkas not only bought the property at a deep discount, but he's already leased 121,000 square feet to BJ's Wholesale Club and has another retailer lined up to take 60,000 square feet there as well.

Next week, Farkas will announce "a major, major, deal" in which he'll take an old factory and convert it into a retail shopping center.

When did you first realize you had a knack for real estate? I grew up around the real estate business. My dad spent his entire career in corporate real estate, so the conversation around my dinner table was always about his ongoing dealings around the metropolitan area and across the country. I loved my dad, and I wasn't going to be an attorney or an accountant or a doctor, so it seemed a natural path to pursue.

I always felt the passion for the business but I wasn't always successful. It was kind of like try, try and try again. I think it was back in 2001 when I acquired the Woodlands Office Park (Hauppauge), one of my first bigger-sized deals. And I said, 'Wow, I got this far, now let me see what I can do.' When we quickly leased the building and sold it and turned a big profit, I said, 'Yeah I guess I can do this.'

What does it take to make a deal in today's economy? Persistence and a lot of hard work. Having a sense for what's going to separate your vision from somebody else's. That's really how I've approached the business. If one guy's looking at it one way, I always know I need a better way because the market's competitive. And I try to think outside of the box.

In what ways is Long Island a good place for commercial real estate? And in what ways is it a bad place for real estate? It's a small market and it's extremely competitive. Those are the two downsides to the market. You don't see a lot of big deals. The positives are, there aren't a lot of guys willing to take on enormous risk and I like the riskier, more hands-on management, adaptive reuse projects to sell to the guys that don't want the risk. So in that regard, by looking at those unique projects, I have an arena I can play in and eke out some interesting deals.

You took a risk with the Endo complex in Garden City because it was so unusual architecturally, but you were able to turn it over for a sizeable profit. Was that all part of the plan? Not to be too bold or brash in saying this, but the profit should have been more sizable. Our timing was impacted by the crushing of the real estate market in 2007. We had looked to sell the building right in the midst of the beginning of the end, and that deal fell through, so our timing was off by about four months. But we're very happy with the results of the business plan. Timing's everything.

At a time when financing is scarce and tough

to get, how important is your partnership with Angelo Gordon Co.? They are an enormous New York City-based money management firm, and they've been a tremendous supporter of mine going on 12 years now, and we have great success together. I think the relationship works for both parties, but I obviously value the relationship enormously. I work hard to keep that trust. Not everything in business is deal-oriented. To make these deals work flawlessly the trust factor between the partner and the equity investor and the debt is really what makes these things all come together. I work vigilantly to keep the trust factor as high as possible, and I take that very seriously.

So if not luck, what is the reason for your success? I think the two key things that contribute to my success are a passion for the business and hard work. I think that the hard work makes the success. It gives you that little extra edge. Even great ballplayers work harder if they really want to be all stars. And if I could put my finger on any one thing, it's that I've worked hard to overcome obstacles and to stay ahead. And I never get complacent.

— DAVID WINZELBERG