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Metropolitan acquires Garden City building

by David Winzelberg

[Metropolitan Realty Associates](#) has acquired a 335,000-square-foot office building in Garden City in a \$15 million deal that may signal that prices are now distressed enough for bargain hunters, suggesting the start of a rebound.

The sale works out to \$45 per square foot, a steep discount from deals for similar properties in Garden City at the market's peak two years ago. In 2008, for example, a similar 235,000-square-foot office property there sold for \$162 per square foot.

"We believe that the commercial real estate market on Long Island has hit bottom," said Joe Farkas, Metropolitan's chief executive.

Jericho-based Metropolitan and its equity partner, Manhattan-based Angelo Gordon Co., closed on the deal for the building at 711 Stewart Ave. last week. The seller was Yonkers-based AVR Realty and Guardian Life Insurance, which holds the mortgage.

Built in 1947, the building originally served as a manufacturing plant for General Bronze Corp., a maker of metal window and door fixtures. Grumman later acquired the building, renamed it Plant 36 and used it to manufacture subassemblies for the Air Force's EF-111 electronic warfare jets and, later, Grumman flexible buses. AVR converted the building to its current use in 1984 with a design by architect Peter Elkin that included a 1,800-square-foot windowed center atrium.

The two-story building sits on 17.22 acres with parking for 1,400 cars.

Now less than 30 percent occupied, the building is home to the vocational Sanford Brown Institute, New York State Department of Education offices, Nassau Radiology and other medical office tenants.

Metropolitan will invest "significant capital" in renovations to increase the building's appeal and fill its cavernous vacancies, Farkas said. Current market statistics indicate the area has a lower vacancy rate than most other Long Island submarkets.

The central Nassau office submarket, which includes Garden City, had an overall vacancy rate of 8.7 percent at the end of the first quarter of this year, according to Costar Group. The overall average asking rent in the submarket was \$28.27 per square foot.

Adam Rubinstein, Metropolitan's director of acquisitions, said the Garden City office market remains strong, and the property's location offers several leasing strategies, including retail.

Richard Karson and Marty Lomazow from CB Richard Ellis in Woodbury negotiated the deal.

Metropolitan has been successful in revitalizing distressed and under-utilized assets in recent years, and now holds more than 1 million square feet of commercial real estate as a result of this year's largest deal so far.

Metropolitan converted the former Bristol-Myers Squibb headquarters at 1000 Stewart Ave. in Garden City into a now fully leased mixed-use complex that serves as the headquarters of Lifetime Brands. The company also redeveloped the Sunrise Business Center in Great River, turning an old warehouse into new office space, and renovated the Jericho Atrium at 500 N. Broadway in Jericho, boosting occupancy at both addresses.