

# DEALS & DEALMAKERS

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## *MRA snags Garden City bargain*

Metropolitan Realty Associates went under the radar and snagged a Garden City office building with a well-known address at a rock bottom price. This is the largest sale on Long Island, so far, in 2010.

Jericho-based MRA, with its equity partner, New York City-based Angelo, Gordon Co., bought 711 Stewart Ave., a

335,000 s/f building for \$15 million, or just \$45 a square foot, in an off-market transaction.

The building, 71% vacant, was acquired through a dual transaction with Yonkers, N.Y.-based AVR Realty, which had owned the property since 1981, and Guardian Life Insurance, which has held the mortgage since 2002. A CB Richard Ellis team led by Richard Karson and Marty Lomazow negotiated the deal, which closed on May 7.

“This property offers an outstanding location with over 17 acres of land, strong market demographics and a tremendous value-added opportunity,” said MRA president Joseph Farkas.

“The timing of this deal is perfect. We believe that the commercial real estate market on Long Island has hit bottom.”

The deal, which brings MRA’s holdings on Long Island to more than one million square feet, represents the largest office property transaction in Garden City since 2008, when the 235,000 s/f Atria West was sold for \$162 per square foot. Office buildings sold last year



MRA paid \$45 psf for 711 Stewart Avenue

in this key office market were valued at \$138-\$271 per square foot and were substantially smaller in terms of square footage.

Adam Rubinstein, MRA’s director of acquisitions, said that “despite the building’s low occupancy, the Garden City office market remains strong and the property’s location offers several leasing strategies which MRA intends to explore, including retail uses.”

The central Nassau office submarket, which includes Garden City, had an overall vacancy rate of 8.7% at the end of 1Q 2010, according to Costar Group. The overall average asking rent in the submarket was \$28.27psf.

Built in 1947 as a manufacturing site owned by General Bronze Corp. Grumman Corp. later bought the property and used it to manufacture sub-assemblies for fighter jets. It was converted to its current use in 1984. MRA said it intends to invest significant capital in renovations to the property to attract retail tenants, medical facilities and traditional office tenants.