

Sale's a big deal

■ **Investors buy** complex in Garden City for \$39M

■ **Seller says** it's sign of commercial market health

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An architecturally distinctive commercial complex in Garden City fetched \$39 million yesterday, Long Island's biggest commercial real estate closing so far this year.

The 8-acre site, which includes the headquarters of kitchenware distributor Lifetime Brands, was sold for \$208 per square foot by Jericho developer Joseph Farkas and Manhattan-based equity partner Angelo, Gordon and Co. to Manhattan real estate investors David Werner and Carlton Associates.

When Farkas and the equity firm took over the two-building property in 2005, they paid \$7.4 million for what was a vacant pharmaceutical premises with 188,500 square feet of labs and vast, pill-making cylinders.

Farkas spent \$15 million renovating and putting in more parking.

"We held the buildings through one of the worst real-estate economic cycles, and we're 100 percent leased, with great credit tenants," said Farkas, president of Metropolitan

Realty Associates. "It's just a really good time to exit an asset and return positive returns when so many other people lost their shirts in the real estate business."

The two buildings — one on Stewart Avenue leased by Lifetime Brands since 2006 and the other on Endo Boulevard leased by Nassau Community College — were designed by Paul Rudolph, a leading modernist architect in the '50s and '60s. Circular exterior stairs sweep across the site, and turrets give the buildings a bit of a castle look.

Farkas said the price points to a recovery in the commercial market. After listing the property in August, he said, he got about 10 strong bidders, a sign of pent-up demand for low-risk commercial investments.

It's the biggest deal this year out of the commercial and industrial markets, according to data from broker Newmark Knight Frank in Melville.

Garden City properties have been hot. In October a Massachusetts real estate investment trust paid \$62.6 million, or \$499 per square foot, for the former Saks Fifth Avenue building. In May 2010 Farkas and his equity partner paid \$15 million for a 335,000-square-foot distressed property in Garden City and signed up BJ's Wholesale Club as a tenant.



The complex, designed by '60s modernist architect Paul Rudolph, has two leased buildings on Stewart Avenue and Endo Boulevard.

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