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Betting a sector has hit bottom

REAL ESTATE

Who would buy a commercial office building that is nearly three-quarters empty? **Joe Farkas** would, and did.

Farkas, president of Garden City-based Metropolitan Realty Associates, commercial developers, is betting that commercial real estate has hit bottom. And some experts say he may just be right.

Farkas paid about \$45 a square foot, or \$15 million, for a building at 711 Stewart Ave. in Garden City. A few years ago, when the building was at least 90 percent occupied, space was going for about \$220 a square foot, or \$75 million for the entire property, Farkas said.

"Across the board, [the commercial real estate industry in] Nassau and Suffolk is showing a resurgence, albeit at lower rental rates," Farkas said.

The 335,000-square-foot, two-story building, now occupied only by a vocational school, state education department offices and a medical office, has a storied past. It was erected in 1947 and was once used by the former Grumman Corp. to manufacture parts for the Air Force's EF-111 electron-



A developer has bought this building, 711 Stewart Ave., Garden City, for about \$45 a square foot.

ic-jamming aircraft and, later, parts for Grumman buses.

In the 1980s, Computer Associates, now CA Inc., used the building for its headquarters. The software company has since moved to Islandia, in Suffolk County.

Farkas said he wants medical offices, retail stores and

other offices at 711 Stewart, since the building is close to Nassau County hospitals, Roosevelt Field mall and county buildings and courts.

The building was acquired from Yonkers-based AVR Realty, which has owned the property since 1981, and Guardian Life Insurance, which has

held the mortgage since 2002.

Richard Karson, an executive vice president of CB Richard Ellis, brokers in Woodbury, said the commercial market may not yet have reached the bottom but is close. Deals like the one for 711 Stewart, he said, should help spark the industry.