

Long Island Business NEWS

NOV. 19-25, 2010 | VOL. 57 | NO. 52 | \$2.00 | libn.com

Changing spaces

Conversions help brokers move stagnant commercial RE

By DAVID WINZELBERG

Brokers say success in today's recessionary real estate market hinges on flexibility. That includes coming up with new uses for commercial properties that linger too long.

Michael Zere, of Zere Real Estate Services in Ronkonkoma, recently leased a 2,900-square-foot retail space that had been vacant for six months, but that's because he showed it to a company looking for office and research and development space, not retail. Advanced Components has converted a former store selling fish, aquarium and related supplies into a space to suit its electronic parts business.

Commercial space conversions are nothing new here. Remember when disc jockey Murray the K turned an old Mitchel Field airplane hangar into a nightclub in the 1960s?

Lately, buyers and tenants are so scarce that brokers have to get creative

to hold on to the few they're getting.

Because it requires a fairly big tenant, one of the most difficult conversion candidates is the large store, but more of that type of surplus retail space is finding new uses. The former Syms on Motor Parkway in Commack is being converted into a 45,000-square-foot office building for a debt collection firm. Forster & Garbus will spend about \$7.5 million on the acquisition and reconstruction, and plans to move its suits into the building by the end of the year.

Attorney John Racanelli of Farrell Fritz in Uniondale, who represented the developer, Shafter Street Realty, in the deal, said the company was looking for a central location with "flexibility in access" and it got both with the Syms site.

Peter Curry, also an attorney with Farrell Fritz, represented Hauppauge-based A&Z Pharmaceutical in its conversion of a vacant 78,000-square-foot millworks building on 3 acres in Deer Park. Curry said the over-the-counter drug maker made massive renovations at the property on North Industry Court where Sturtavant Millworks once warehoused building materials.

Ken Schuckman of Schuckman Realty had been marketing a vacant Blockbuster store in Deer Park for nearly two years, though he couldn't land a tenant the landlord would accept. That's until the 6,000-square-foot store was converted into a walk-in urgent care medical clinic by a compa-

ny called Stat Health. The tenant paid for the costs of renovations, which Schuckman said were minimal. "Mostly sheetrock," he said.

Schuckman has worked on other health care conversions recently. He just signed a company called Premier Urgent Care to a smaller lease in a Lindenhurst shopping center and he's working with another called Excel Urgent Care.

Uses for vacant land are also changing because there is as much difficulty in selling those properties as well. Marie Zere of Zere Real Estate said local officials should be flexible when commercial property owners seek a change in use.

Zere just sold 17 acres of residentially zoned vacant land in the Town of Brookhaven to a developer who wants to build more than 100,000 square feet for medical office space. In Islip, she recently sold 23 acres of industrially zoned land to a homebuilder. Both projects will require changes in current zoning.

"There's not much land left and what's left is ill-suited for its existing zoning," Zere said.



Farrell Fritz, P.C.
1320 RXR Plaza
Uniondale, NY 11556