



CIBS holds "The Landlords of Melville" panel discussion; panel included Weiss of T. Weiss Realty, among others

February 09, 2015 - Long Island

A foursome of leading developers told a meeting of the Commercial Industrial Brokers Society (CIBS) they are optimistic about the future of the area's office market, but they cautioned that rethinking development in the Rte. 110 corridor will be necessary to ensure future prosperity.

The landlords spoke before an audience of more than 100 real estate professionals at a January 20th panel discussion "The Landlords of Melville" held at the RXR Executive Park Auditorium.

"Melville has become Long Island's corporate capital," CIBS president David Chinitz said in introducing the panel, which included:

- * Ted Weiss, CEO of T. Weiss Realty Corp., Melville, which owns 450,000 s/f of class A office space in four buildings in the area.
- * Mark Hamer, president of Harvest Real Estate Services Inc., Jericho, which owns 157,500 s/f in the area and is planning to replace a one-story 43,000 s/f industrial site occupied by Nikon with an 130,000 s/f office building.
- * Marc Beige, president of Broadhollow Realty LLC and Rubies Costume Co., whose companies own the 124,000 s/f Rubies Corporate Plaza and 110,000 s/f on 17 acres formerly occupied by ADP in Melville in addition to 12 acres of industrial property.
- * Stuart Walton, managing director of Greenway Plaza Office Park with 300,000 s/f.

Panel members cited the town's strategic, advantageous location in western Suffolk County, on the border with Nassau County. Beige noted that Melville's vacancy rate, 13%, compared favorably with the 17% rate for all of Suffolk County. "Rte. 110 is sitting on the doorstep of Nassau County. I see that as a major asset for the 110 corridor. It bodes well."

Weiss, meanwhile, said that Melville has property tax advantages over neighboring Nassau. "The tax edge is huge," he said, noting that taxes are \$3 per s/f in Melville and \$9 in Nassau, just an exit west on the Long Island Expressway.

And, said Weiss, the market has been good to landlords in recent years. "The traction we've seen in the last few years is as good as we've seen in the last 20 years." He noted in the last 18 months he's had multiple bids for the same space, something not seen in seven years. Nevertheless, he said, rents have not gone up in 20 years.

The developers, meanwhile, said there are challenges to future growth.

Beige said the biggest challenge of the Rte. 110 Corporate Corridor is a shortage of large office blocks.

Hamer said the town of Huntington, while on the leading edge of creating sleep-workplace developments, needs to do more to integrate existing workplaces and residence communities, especially through more frequent North-South public transportation and the re-opening of the Republic station of the Long Island Railroad in East Farmingdale.

"Transportation is a key ingredient for the future," Beige echoed, adding that affordable housing and more mixed-used development also would benefit the region.

Hamer said Melville has the infrastructure for future growth in place, but "we've got to start rethinking it." He says retail and restaurants could be located in office buildings. Long island, he said, has to start becoming a desirable place for millennials. "We don't want to live in a place where we go to Wal-Mart for fun on a Saturday night."

Moreover, Hamer warned of future "direct competition" from the planned 450-acre Heartland Town Square development in Brentwood. That project with plans for 9,000 housing units, a million s/f life-style shopping center and 3 million s/f of class A office space, he said, "could turn the Rte. 110 corridor "into a dinosaur."

Walton, however, questioned how Melville could grow. "I wonder where all the land is?" he said, noting that the town may allow higher density building, but he Suffolk County Department of Health "makes the local planning board look like pussy cats."

Beige said, he for one has land to develop, including a 12-acre site and an 18-acre site.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540