



## **CIBS Long Island hosts real estate developers panel discussion; Moderated by Caputi of Cresa Long Island**

March 05, 2019 - New York City

Shown (from left) are: Richard Caputi, managing partner of Cresa Long Island; Joel Bergstein, president of Lincoln Equities; Scott Burman, partner in The Engel Burman Group; John Finn, director of acquisitions and leasing at Damianos Realty Group; and CIBS president David Leviton.

Melville, NY A panel of real estate developers, all of whom recently made acquisitions or are launching new projects on Long Island, expressed optimism at a January 30th meeting of the Commercial Industrial Brokers Society of Long Island (CIBS), one of the region's largest commercial broker organizations.

The panel, moderated by Richard Caputi, managing partner of Cresa Long Island, included Joel Bergstein, president of East Rutherford, NJ-based Lincoln Equities Group LLC; John Finn, director of acquisitions and leasing at Smithtown-based Damianos Realty Group; and, Scott Burman, partner in Garden City-based The Engel Burman Group.

The meeting, in Melville's RXR Executive Park, attracted about 120 brokers, lawyers, bankers and others associated with the Long Island real estate industry.

Shown (from left) are: Moderator Richard Caputi, managing partner of Cresa Long Island; Joel Bergstein, president of Lincoln Equities; Scott Burman, partner in The Engel Burman Group; and John Finn, director of acquisitions and leasing at Damianos Realty Group.

"Our focus is to find well-located property and high quality property." Finn said of Damianos, which has bought or sold 850,000 s/f of space over the last several years. He said his firm found "a fabulous opportunity" in a recently purchased 70,000 s/f shopping center in Shirley, that is 90% vacant. "It's a great piece of real estate," he said of the center, which will benefit from a recent vote to bring sewers to the area.

Damianos, Finn said, has done especially well with its recent acquisition of 100 Motor Pkwy in Hauppauge, NY, a 223,000 s/f building that was 65 percent vacant. He said his firm persuaded the former owner to sell at a time when Damianos needed a 1031 deal, because of the sale of a 38-year holding, 900 Merchants Concourse in Westbury. Leases bringing the newly acquired property to 90

percent occupancy have since been signed. He said future amenity upgrades will allow the landlord to seek rents surpassing \$32 per square foot as it becomes “the W Hotel of office buildings” designed to help tenants attract millennial employees.

Similarly, he said, \$12 million in improvements to the 170,00 s/f 1733 Motor Pkwy in Islandia, NY, has helped to bring the largely empty office building to 96 percent occupancy. He noted that a reprising of the former single-tenant building designed by architect Richard Meier at 41 Pinelawn Rd. in Melville, now is 100 percent leased after being repositioned for multiple tenants.

Meanwhile, Bergstein, said Lincoln Equities, an office developer since the late 80’s, when developers were converting industrial buildings to offices, is focusing more on industrial. “It’s interesting to see how things have come full cycle,” he said. Lincoln plans to soon begin construction of an 195,000 s/f industrial property with 36-foot ceilings on a former sand-mining site in Hicksville, NY, that is aimed at e-commerce distributors seeking “last mile” facilities. He said such buildings are rare on Long Island, where 400,000 shipping containers arrive each year. “We see continued strong demand,” he said. Noting the new building is taller than most warehouses on Long Island, which have 28-foot ceilings, he said, “We understand, Long Island in some ways is about a half step behind the rest of the market.” With continued strong e-commerce demand, he said rents for industrial properties could eclipse office rents. “We think we’re going to set some records for rent.” He said Lincoln is looking for additional sites to repurpose for industrial, even though there is a dearth of properties and despite construction costs that are more than twice what they are in New Jersey.

Burman, whose family business started in industrial properties, said the firm now is largely focused on housing with some retail. Engel Burman now operates 18 Bristol Assisted Living facilities on Long Island and has six more under construction. He said the firm is bringing the concept to Westchester, New Jersey and Manhattan, where it is re-developing an Upper West Side property and planning a ground-up facility aimed at dementia patients on the East Side. Burman said the firm, faced with market saturation and competition on Long Island, plans to build six to 10 Bristols in Southeast Florida, which he said has similar demographics to Long Island. He also noted the firm also is planning a research and drug-addiction treatment facility with Northwell Health in Calverton.

Burman said the firm also is building large-scale multi-family housing communities because of the barriers to entry in the Long Island market, where it may take five-to-seven years to obtain entitlements. Most of the communities are 55-plus, but he noted, a community aimed at “young people” is planned for Uniondale.