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COMMERCIAL REAL ESTATE

Smaller Properties Are Ripe to 'Harvest'

Alan J. Wax

For seven Long Island properties, the landlord is new. The faces running the business, however, are the same.

The properties include two highly visible office buildings alongside the Long Island Expressway in Jericho. Once owned by Brandywine Realty Trust, they are now owned by Harvest Real Estate Services.

Behind Harvest: two former Long Island executives of Brandywine, Mark Hamer, 36, of Huntington, who was vice president of the Newton Square, Pa.-based real estate investment trust, and Rosaleen Hance, 43, of Central Islip, who was marketing director.

Brandywine, which acquired the properties, along with several others, in 1999 from developer Donald Axinn, sold the seven buildings to Harvest for \$32 million in April after putting them up for sale as part of a disposition program.

Several industrial buildings in Plainview and Farmingdale, owned by Brandywine, were sold to Korn & Katz, Connecticut-based developers.

Hamer and Hance had no trepidation about buying the properties — despite some softness in leasing. The deal was financed with help from Roslyn Savings Bank and a group of well-known Long Island business executives who Hamer declined to identify.

"Long Island is a great market," he said, noting that the Island's economy is diversified and that there is a limited supply of new space available for growing businesses.

Harvest's partners are long-term investors. "They're solid long-term



Photo by Thomas A. Ferrara

Rosaleen Hance and Mark Hamer of Harvest Real Estate

buildings," Hamer said, adding that the partners plan to hold onto their investments for seven to 10 years.

The Harvest properties total 400,000 square feet, including four office buildings and three industrial sites. The Jericho office buildings are at 125 and 131 Jericho Tpke., until recently the headquarters of Getty Petroleum. In work that was begun under Brandywine's ownership, the 125 building received a dramatic new exterior look, but 131, a smaller property, got only new windows and a spiffed-up entrance.

Except for the 28,000 square feet at 125 Jericho Tpke. vacated by Getty, which was acquired by Luk Oil, Harvest's buildings are fully occupied. Hamer said he's confident the vacant space will be leased within a matter of months.

The opportunity to lease the former Getty space provides Harvest with a

chance to obtain rents that are higher than the approximately \$21 per square foot that the petroleum marketer had been paying.

Harvest's partners want to expand their portfolio. "We're absolutely setting ourselves to grow and become a large real estate player on Long Island," Hamer said.

The duo, however, doesn't have any trophy building in sight. There's too much competition — and higher prices — for such buildings, Hamer and Hance said. Instead their eyes are open for smaller properties — those 100,000 square feet or smaller.

And with 80 percent of Long Island's property market made up of industrial buildings, Hamer said, there are plenty of opportunities to redevelop them into higher-use properties, such as offices. He said that Harvest's property at 336 South Service Rd. in Melville, now a Nikon warehouse, is a "natural candidate" for renovation.

Hance and Hamer, who have worked together since their days with Axinn, feel comfortable working together.

But there is a difference from their old jobs. "We're able to make quick decisions. We're just a little bit closer to our tenants," Hamer said.

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