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Industrial condos pitched for Brookhaven

By The Associated Press

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Industrial condominiums are making a comeback.

In the 1980s, industrial condos flourished in Hauppauge and Ronkonkoma, giving smaller businesses a chance to own rather than rent their spaces.

After a long lull, a Plainview-based developer has pitched a site plan for the first industrial condo complex in the Town of Brookhaven.

A&M Associates has proposed a three-building, 71,500-square-foot complex on a 5.88-acre vacant site in the Sills Industrial Park in Yaphank.

Long Island commercial brokers say they have a long list of companies seeking to purchase smaller industrial spaces. But few such properties, 10,000 square feet and under, are available to buy.

Faced with huge demand but little supply, brokers John O'Hara and Leo Farrell, partners in Hauppauge's Corporate Realty Services, served the idea of an industrial condo project to A&M's Michael Bartone. Bartone said he's optimistic about filling the spaces quickly.

Besides a single 11,500-square-foot building that will be offered as the largest space, the proposal calls for two adjacent buildings that are divided into a dozen 5,000-square-foot condo units. Brookhaven's planning department will hold a site plan hearing on Aug. 25.

O'Hara said the condos would be offered at about \$165 per square foot, which is very close to the going rate for small industrial buildings in the area.

Companies occupying the units will be eligible for Empire Zone and Brookhaven Industrial Development Agency tax benefits.

Condo owners can expect to pay unspecified common charges for maintenance and repairs.

Don Gallagher of Gallagher Associates in Ronkonkoma helped secure funding for the condo project and said the business condos built 20 years ago are still fully occupied. He said there are plenty of companies that want to buy smaller industrial spaces and gain some equity.

One of the advantages of buying a condo, Gallagher said, is that companies can put 10 percent down and finance the rest.

"It's like owning a house vs. renting an apartment," Gallagher said. "Instead of paying rent, they're paying off the loan."

A&M is applying to the state for approval of its industrial condo offering, according to O'Hara, since condo offerings are regulated by the Department of State.

"This is great for small manufacturers and distributors that can't afford to buy a bigger building," O'Hara said.

Bartone, who's built several warehouses, said he's wary of an economy that's "a little sketchy," but he thinks the industrial condo movement may catch on.

"We're going to find out soon enough," Bartone said. He said he hopes to break ground on condo construction before the end of the year.

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