



REAL ESTATE & DEVELOPMENT

Class 'A' space is available, say realtors

BY KATHY KAHN

Residential construction and home prices may be at an all-time high for the mid-Hudson, but area commercial realtors say their market is just as strong. Several responded to a recent comment at the Greater Southern Dutchess Breakfast about the lack of class "a" office space in that county.

"I don't disagree with the concern," concedes Rob Shneiderman of Parallel Holdings. "We are currently involved in a project we financed for construction in a brokerage capacity and obtaining permits for the project that will offer that type of space." Parallel Holding's Heritage Square on Route 52 opened a few months ago, offering the kind of space that high-end users are looking for. "We do need more of it, because there is not a preponderance of it in the area. In the city of Poughkeepsie, some buildings have been converted and rehabbed." Schniederman says building patterns are reactive, not proactive. "There is high quality residential growth, which is attracting retailers. After that, office development becomes

more important to the homeowners moving here, particularly in the high-end types of residential. Eventually, they are going

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Elizabeth Mansfield is optimistic about what's coming into Orange County. "There is a lot of activity, and much more office space is coming on line. We have

different challenges. Dutchess has a great deal of former IBM space. Mansfield points to First Columbia's office parks at Stewart Airport as a "wonderful example of the class "a" space available in our region."

New York International Plaza opened in 2000 and has 300,000 square feet of class "a" space leased, with approximately 20,000 square feet still available. Spokesman Chris Bette confirms they're planning a fourth building in the Plaza, shooting to break ground in 2006. "There is a lack of modern space in Orange and Dutchess. Many of the buildings are older and lend themselves to class "b" space. We have been successful in attracting area businesses to relocate to our corporate park." They'd like to see more out-of-towners move to Orange County's corporate park, and Bette welcomes the Drury Lane boondoggle conclusion. "We built with the idea in mind that Drury Lane

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would be the main entrance both to New York International Plaza and to Stewart Airport. We will have an exit right off I-84 into the Plaza. When that happens, it will be a tremendous benefit in attracting high-end users to relocate to the region." Bette says they work with several brokers in the area and have the support of local leadership. "We're also in the Empire Zone and Foreign Trade Zone, so we have tax credits to offer potential lessees. It's been slow now-summer is traditionally down time in this business-but we're optimistic it will pick up."

David Livshin of the Dagar Group says larger spaces for retail are easy to come by. "The majority of calls we receive in the mid-Hudson Valley are for smaller-sized stores ranging from

1,000-3,000 feet. The same with offices. Many Connecticut and Westchester users are looking at the mid-Hudson to have a presence in our area."

Dagar Group is currently focusing on the redevelopment of the Dutchess Mall. Demolition is underway for a Home Depot, which plans to open a new 132,000 square foot store in 2006. "It's a site with tremendous visibility, and we are working on conceptual plans for the remainder of the property."

The decline of manufacturing is a challenge realtors can't overcome easily. The recent announcement of Tarkett closing their Vails Gate plant, in addition to the impending closure of Nepera Chemical in Harriman. They are two examples of manufac-

turing leaving the Hudson Valley-and in Nepera's case, leaving the country. "We are losing more of it, there's no doubt. It's being outsourced to other countries where labor is cheaper," said Schneiderman. "What we can do is hope some sweet programs come into being that make it more attractive for manufacturers to stay here, but the trend is shifting towards building for the white-collar workforce."

Realtors agree the region is attracting an educated, quality workforce looking for housing options. "They are here and still coming," said Bette. "We hope they will eventually realize the benefit of being able to live and work in the same community."