



NY REAL ESTATE COMMERCIAL

What's the Deal: News Digest

A Roundup of Commercial Property News From Across the Tri-State Region



Three Gateway Center in downtown Newark, N.J. *JOHN TAGGART FOR THE WALL STREET JOURNAL*

Betting Big on Newark

Rugby Realty Co. is making a big bet on the Newark office market, despite its relatively high vacancy rate.

The New Rochelle, N.Y., real-estate company, which has bought 33 buildings in the last 36 months, has purchased the 579,000-square-foot building at Three Gateway Center.

The price wasn't disclosed. The seller, Tahl Propp Equities, bought the tower in 2000 for \$57 million and had been marketing it for \$65 million.

Three Gateway is part of a four-building complex. Its main tenant, [Prudential Financial Inc.](#), is moving some of its employees from Three Gateway Center to a new office building it is constructing in downtown Newark. Prudential said it would continue to occupy about a third of the building. Rugby Realty, however, estimates the insurance company will occupy about 40% of the tower. The real estate company plans to invest \$20 million in a new lobby, cafe and elevators.

“At Rugby Realty we don't buy buildings that are leased but partially leased so we can put our stamp on the building,” said Maurice Ades, Rugby Realty's principal and managing director.

The office vacancy rate for Newark was 18.7% in the third quarter, according to Cushman & Wakefield Inc.

Mr. Ades said he is optimistic the city is on an “upswing.” He said positive signs include residential and hotel projects in the works, Prudential's investment in its new tower and Panasonic's new building for its North American headquarters. New Jersey's economic incentives are also strong attractions for tenants.

“It is such an easy way to still have access to Manhattan and get the benefit of somewhat lower rents,” Mr. Ades said.

—Keiko Morris

Gurals Take Brooklyn

The Gural real estate family has made its first acquisition in Brooklyn in a decade.

Along with partners New Jersey-based real estate developer KABR Group and New York's Twin Oaks Equity Partners, the Gurals have purchased 7 Bushwick Place, a 71,000-square-foot commercial building. The building is a block from the Montrose Avenue L train station.

The property was sold for \$12.5 million, according to city property records. It is fully leased to noodle and dumpling manufacturer Twin Marquis Inc., a subsidiary of Korea's CJ Group.

The seller was Boerum Development LLC, according to property records. Brian Steinwurtzel, a Gural family member, described the seller as a local family who formerly had operated a business in the building.

The Gurals have invested previously in Brooklyn. They bought and sold residential properties in Williamsburg before the last recession.

Now the borough's surging real estate market has brought them back. "I think Bushwick is undergoing a tremendous transformation," said Mr. Steinwurtzel.

Twin Marquis has around eight years left on its lease, said Mr. Steinwurtzel. If the lease isn't renewed, the new owners have the option of converting the building into retail space or commercial artists' lofts, he said.

The Gurals control 8.5 million square feet of real estate, primarily in Manhattan.

—Roland Li

What's in a Name?

The venture led by Forest City Ratner Cos. that was selected to overhaul the Nassau Coliseum in Uniondale isn't planning to complete the \$229 million project until the end of 2016. But it is already cranking up its search for a naming rights sponsor.

The venture Nassau Events Center LLC is talking to possible sponsors in the fashion, health, banking and other businesses and has gotten "a lot of traction," according to Brett Yormark, who is heading up the venture's day-to-day operations. Mr. Yormark also is chief executive of Barclays Center, which is 55% owned by Forest City.

"We're hoping to have something done by the spring," he said.

Mr. Yormark said the venture is taking a "nontraditional" approach to selling the naming rights because the Nassau Coliseum is going to be redeveloped as part of a larger project on the 77-acre property that will include retail, dining and other entertainment. "It is more about branding the entire project," he said. "We're taking a very holistic approach."

Barclays Bank paid over \$300 million for the Barclays Center naming rights. Experts don't think the Nassau Coliseum will fetch near that amount because the New York Islanders, the only pro sports team that currently uses it, plans to move to Barclays Center next season.

After that, Nassau Events Center plans to use the facility now named the Nassau Veterans Memorial Coliseum for a range of events such as concerts, boxing, college basketball and lacrosse. "At the end of the day the price tag will be

what the market can bear,” said Mr. Yormark.

“We think this is a very unique opportunity,” he added. “The sponsorship business right now is very robust. Companies are looking for differentiators.”

Mr. Yormark said it is important to choose a naming rights partner now so the new name sinks in with the public before the overhaul is completed.

The venture redeveloping the Nassau Coliseum and its surrounding area also includes Onexim Sports and Entertainment Holding USA Inc., controlled by Russian billionaire [Mikhail Prokhorov](#) , and Blumenfeld Development Group, of Long Island.

Mr. Prokhorov also is a part owner in Barclays Center and the principal owner of the Brooklyn Nets basketball team.

—Peter Grant

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