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Industrial-strength quickness, flexibility

Local firm works to capture 'the least sexy niche' in the business

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Commercial real estate brokers Frank, left, and Michael Rao. 'We're street guys,' says Frank Rao, the older of the brothers. 'That's our style. We'll drive around and see what's going on.'

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In the tough-as-nails real estate business, professionals generally line up in two main sectors: commercial and residential.

Commercial real estate typically gets a lot of attention in the Lower Hudson Valley, which is home to corporate headquarters, sprawling office parks and modern shiny glass-enclosed office buildings. It's a market dominated by the big players such as Mack-Cali, Cushman & Wakefield and CBRE.

What's a small real estate outfit to do?

If it's New York Commercial Realty Group, they say they use their small stature to their advantage by being nimble, flexible and quicker-acting than their competitors.

But lately the firm — run by two brothers from Yonkers, Michael and Frank Rao — has been on target by specializing in the industrial sub-sector, perhaps the least sexy niche in all of real estate.

"We're street guys," says Frank Rao, the older of the brothers. "That's our style. We'll drive around and see what's going on."

The strategy sounds simple enough, but sometimes that's all it takes. In addition to all the research, networking and deal-making that most firms undertake, the Raos say they also visit random industrial parks and office complexes just to assess business with their own eyes.

"If there's 450 parking spaces and only 60 cars, then what's going on?" asked Michael Rao. "Everybody's walking to work? I don't think so."

They say these street tactics are an effective way to assess the health of a business and, more importantly for them, it's a great way to gauge a company's real estate needs.

"That's what happened with the Nokia deal," Frank Rao says.

When the Finnish cell phone manufacturer put its Corporate Park Drive headquarters on the market in Harrison a couple years ago, the Raos were representing Histogenetics, a fast-growing biotechnology company based in Ossining, with their search for a commercial warehouse.

They were showing the Histogenetics representatives the property at 104 Corporate Park Drive, which had been vacated by the environmental engineering firm Malcolm Pirnie.

Histogenetics' executives liked the property and indicated that they'd be interested in expanding their research and development headquarters, as well.

So the Raos suggested Nokia's 102 Corporate Park Drive located next door, and \$12 million later they had a deal.

"You have to be able to switch gears," says Frank Rao.

Where the big commercial real estate companies might have different departments handling different types of real estate, New York Commercial Realty Group is wheeling and dealing with a flexible business model that offers clients a one-stop shop.

"You need to have knowledge of the whole market," Michael Rao says.

The brothers have been busy this past year with industrial deals in Yonkers, Mount Vernon and Greenburgh, and now they're poised to close a few more in New Rochelle.

They've also representing northern Westchester clients' warehouses in Pleasantville and Chappaqua.

However, one of the most promising sites is their listing for 115 Irving Ave. in downtown Port Chester.

The property — a warehouse that was once used to manufacture sporting goods — is being marketed as a "flex" site, which can be used for almost anything that a buyer wants.

The Raos say that generous zoning like that has contributed to the renaissance taking hold in Port Chester, marked by the return of the Capitol Theatre, an healthy restaurant sector, a new luxury apartment building called The Mariner and new retail outlets including L.A. Fitness and Whole Foods.

“Port Chester is definitely going through a drastic change,” Michael Rao says.



From left, brothers Michael and Frank Raos pose at their headquarters in Harrison Sept. 12, 2012. They run New York Commercial Realty Group, a small real estate brokerage and their specialty is industrial real estate