



## Vacant data center in Long Island Innovation Park sold for \$21 million to last-mile logistics company



*The 122,000-square-foot vacant building at 45 Oser Ave. in the Long Island Innovation Park at Hauppauge, seen here, sold for \$21 million to a last-mile logistics company, according to the brokers on the deal. Credit: John Roca*

**By: Nicholas Spangler // February 1, 2022**

A vacant data center in the Long Island Innovation Park at Hauppauge sold for \$21 million to a major last-mile logistics company with other holdings in the park, according to the brokers on the deal.

The 122,000-square-foot 45 Oser Ave. building once housed Globecom Systems Inc., which provided remote communications systems for ships at sea and operated mobile

telecommunications for U.S. government agencies. Link Logistics, a unit of financial giant Blackstone, bought the building to tear it down and redevelop it as a Class A distribution center, said David Pennetta, executive director of commercial real estate brokerage Cushman & Wakefield of Long Island, which represented the buyer.

"It's no longer about how to get off Long Island, but how to serve Long Island," said Kyle Burkhardt, Cushman & Wakefield's managing director, who worked on the deal.

Link already proposed warehouses of 96,982 and 114,512 square feet elsewhere in the Innovation Park at Smithtown's Jan. 11 Board of Zoning Appeals meeting.

Tim Taylor, who had the listing for brokerage B+E, told Newsday the property had "appealed to many different end users... Seven acres is hard to come by, pristine like this." He was quoted in a release from the brokerage saying multiple offers on the property had driven the sale price above the original \$20.5 million asking price.

The deal comes after a year where Amazon announced plans to open at least 10 last-mile warehouses on Long Island and supermarket chain Stop & Shop said it would hire 100 more drivers and shopping personnel for "warerooms" attached to stores in half a dozen communities. Those projects helped push the number of people working in the local warehousing and transportation sector to 35,270 by late last year, up 1,800 from 2020.

Pennetta called the pricing of about \$172 per square foot "unremarkable" but said the land value built into that calculation — \$2.9 million per acre — represented a high-water mark for Hauppauge, where the Innovation Park is attempting to complement legacy industrial and manufacturing with new uses.

"Long Island was always considered a dead end when thinking about distribution to the Northeast or the mid-Atlantic," he said, but major players including Walmart, Target and Home Depot now see the region as a base to reach 8 million consumers here and in Brooklyn and Queens.

"We don't think it ends here," he said. "We think pricing continues to go up," with consumers prioritizing fast delivery times.

Jericho developer Paul Amoruso, who was not involved in the deal, said there was a macroeconomic context as well, with interest rate hikes on the horizon: "There is a hot environment... Real estate is a good inflation hedge."

Globecom sold to Australian satellite communications company Speedcast in 2018 for \$135 million.

Globecom that year sold the building for \$20 million to Scottsdale, Arizona-based Store Capital Acquisitions, according to property records.

Speedcast filed chapter 11 bankruptcy in April 2020 and subsequently rejected its lease on the Oser Avenue property.

Terri Alessi-Miceli, president of HIA-LI, the group representing park businesses, called the deal one of the largest in recent memory. "It's absolutely positive for the park," she said.