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## COMMERCIAL REAL ESTATE

### REGIONAL MARKET

#### Queens

# Knitting Business Departs And Leaves Space Behind

By SANA SIWOLOP

Twenty years ago roughly three out of every four sweaters worn in the United States came from the New York area, especially from the corner of Queens that includes Ridgewood, Glendale and Maspeth.

But in recent years, and increasingly over the last few months, the knitting factories and related businesses have been closing as a result of rising costs and competition from abroad, especially China and India. This has put hundreds of thousands of square feet of industrial space on the market in the area.

According to figures compiled by Greiner-Maltz, a commercial real estate firm in Long Island City, about 16 percent of the 1,039 industrial units — buildings or portions of buildings — in the greater Ridgewood area are available for sale or lease. That number, said John Maltz, the real estate company's managing director, reflects a 25 percent increase in the last six months in space available for lease, while the availability of units for sale has stayed constant.

"The continuing decline in knitting, apparel and related services in the Ridgewood-Maspeth-Glendale industrial markets in Queens has accelerated and now appears to be reaching a climax," Mr. Maltz said, adding that substantially all of the recent increase in rental space in the area was the result of the decline of the local knitting industry.

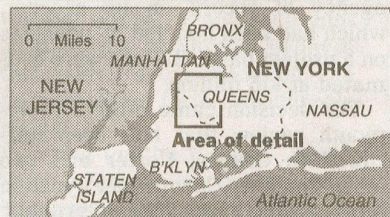
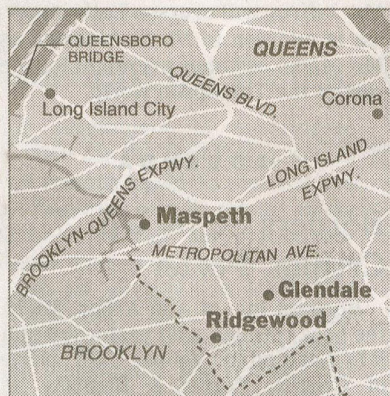
Adam Doeringer, the owner of ACD Knitting Mill in Ridgewood and president of the Knitting Mill Owners Association of Brooklyn, Queens and Long Island for 18 years until it was dissolved in 2001, said that over the last year at least 30 local knitting businesses had closed, with about 15 of them shutting down in the last three months. "All the business has left this country, and I have no work whatsoever," Mr. Doeringer said. He used to employ 70 people, none of whom now works with him.

In the early 1990's, faster and

more efficient knitting machines gave New York City mills a temporary reprieve, and as recently as five years ago the Ridgewood area was still home to some 500 factories that provided the industry with everything from yarn, needles and dyes to finished sweaters. Now, the area is home to only about 75 knitting-related factories, said Robert Szanto, a local mill owner who recently started a second career as a commercial real estate broker at Major Development Inc., a firm in Queens that specializes in industrial properties.

Mr. Szanto estimated that knitting-related business liquidations have caused more than 350,000 square feet of space to come onto the market in the Ridgewood area over the last three months. "Every day I hear about another factory closing down," he said, adding that he is about to do the same with his 12-year-old business, Simply Knitting Mill.

George G. Sirras, the president of Major Development, agreed with Mr. Szanto's assessment. "When it



Foreign competition and rising costs are hurting the knitting industry in sections of Queens.



Richard Lee for The New York Times

Robert Szanto, owner of Simply Knitting Mill in Queens, is closing the mill and pursuing a second career as a commercial real estate broker.

comes to a single industry giving up so much space so fast, I've never seen anything like it," he said.

Local brokers say that some knitting-related businesses are managing to hang on, generally those that own their buildings or that are paying rents of a few dollars a square foot. But some mill owners are clearly suffering, like Chris Balos, who owns two knitting buildings on Cody Avenue that he put up for sale two weeks ago. Mr. Balos said that his business, Jamco Knitwear, is now bringing in only about half as much revenue as it did five years ago, but that his business costs for expenses like insurance, taxes and workers' compensation have risen 40 percent in two years.

What ultimately convinced Mr. Balos that he could no longer afford to stay in business was the cost of his new knitting machinery. Like a number of other mill owners, he spent \$450,000 to buy four knitting machines two years ago. He still owes \$350,000 on the machines, even though they are now worth only about \$140,000, he said.

Last year Mr. Szanto sold half of the 16-foot-long German-built knitting machines that his business once used to produce 15,000 pounds of sweater fabric a week. In February he began to sublet, to another knitting company, half of the 20,000-square-foot space that he is renting for \$4.50 a square foot annually at a 250,000-square-foot building on Decatur Street.

Still, not everyone in the Ridgewood area has had similar luck in finding new tenants for old knitting space. While Ridgewood's busy Myrtle Avenue commercial district now has a vacancy rate that local officials say is 3 to 4 percent, the area's industrial vacancy rate has probably doubled over the past year, to about 20 percent, Mr. Szanto said.

Local brokers say that some food distributors, furniture companies and warehouses have moved into the Ridgewood area. But they add that in Ridgewood itself, the area's mix of commercial streets with often-narrow residential streets and its relative lack of access to major highways are drawbacks. As a result, brokers say, many potential industrial tenants are still opting for areas like Long Island City or Greenpoint, in Brooklyn, even though annual rents there tend to be \$2 to \$3 higher a square foot.

Some knitting-related buildings in the Ridgewood area have managed to generate interest lately. One example is the 140,000-square-foot building at 1125 Wyckoff Avenue, which has just one knitting tenant left that is renting 40,000 square feet at \$3 a square foot annually, Mr. Maltz said. He said the building was sold three months ago to a private investor who intends to lease the remaining space to industrial and commercial tenants at \$7 a square foot, but who also has the option of using some of the space for his own lighting equipment rental business.