

Citibank Building Sold

By Kristin Espeland

Citibank has sold its 50-story office tower at One Court Square in Long Island City to Reckson Associates, a Long Island-based real estate investment trust. But that doesn't mean that Citibank is abandoning LIC.

"Essentially for us, it's a financial transaction," said Amalia Duarte, a Citibank spokeswoman. "We're not moving folks anywhere."

Duarte said the company shed the real estate asset as a way of "getting money back on the books." But its commitment to the neighborhood remains strong, she said.

"And that's underscored by the fact that we're having a groundbreaking on 'LIC 2,'" Duarte said, using the company's playful nickname for the 475,000 square-foot property it plans to build across the street from the office tower.

The tower's new owner, Reckson, appears to share that commitment, perhaps signaling a change in the area's attractiveness to com-

mercial real estate investors.

"The investment will provide a solid return for Reckson," a company spokesman said. "Furthermore, the company has confidence in the future blossoming of the Long Island City office market and looks forward to being a property owner here."

Citibank employees moved into the tower in 1990, when this stretch of Long Island City was still predominantly industrial. Back then, a Crain's New York Business reporter compared the move to the arrival of the railroad in a tiny town out West, speculating about when the gold rush would begin.

John Maltz, president of Long Island City-based real estate investment firm Greiner-Maltz, says the sale of the Citibank building could herald the real rush for a neighborhood once called "East, East Midtown."

"It's a landmark sale because it is the first time a real estate investment trust has purchased a significant property in Long Island City," Maltz said. A real

estate investment trust, or REIT, is a publicly-traded investment company. Reckson is one of the largest REITs in the New York City area.

A number of commercial properties have been bought or are under development in the area now, suggesting a surge in market activity. Maltz cited several factors behind that new development, including Midtown office vacancy rates, which have plunged to their lowest point in three years; prices per square foot that cost half as much in Long Island City; the 2004 rezoning to encourage development; and an influx of bargain-hunting residential renters and owners.

Whether this confluence of events means that Long Island City is the next commercial office hotspot remains to be seen, but Maltz needs no convincing.

"At this point it's happening...it's actually happening," Maltz said.

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THE QUEENS COURIER/File Photo by Anthony DelMundo

One Court Square, the focal point of the Long Island City landscape, has been sold by Citibank to Reckson Associates, a Long Island-based real estate investment trust.