

SCENE

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Across the East River: Brooklyn



“When I first moved to Brooklyn, you had to beg your friends to get their passports stamped to come here,” jokes Jay Molishever, a licensed broker at Citi Habitats. “Now it is well known this is where the creative people live. Brooklyn is what New York used to be—a city of neighborhoods and human-scaled living.”

Once the cheap alternative to Manhattan, Brooklyn has become known for its rich identity rooted in the arts and culture.

“Now, Brooklyn is a choice and a lifestyle,” says Eric Sidman, a broker at Town. “The value proposition that once existed is almost gone and people are now moving to Brooklyn because they want to.” Ten years ago, Sidman explains, Brooklyn was considerably cheaper than Manhattan and a two-bedroom in Williamsburg would go for the price of a one-bedroom in Manhattan. But the western neighborhoods in Brooklyn, especially those along the water, have become highly desirable and now scale the ranks of Manhattan’s expensive neighborhoods with prices equaling, and in the case of Dumbo surpassing, its counterparts across the river.



WILLIAMSBURG: A NEIGHBORHOOD DIVIDED

It was only a matter of time before the Bedford Avenue subway station—the first stop on the L in Brooklyn—would become flooded with tourists and newcomers. The early 2000s transformed the neighborhood into a cultural, musical and artistic center. Breuk Iversen's *11211 Magazine*, which hit the printing press in 2000, chronicled the neighborhood's distinctive artistic and cultural evolution, with the likes of the Front Room Gallery, the Brick Theater and the Charlie Pineapple Theater opening for business. Former Mayor Michael Bloomberg would later come to fast track the neighborhood's gentrification with the rezoning of land along the waterfront, allowing big-name developers to swoop in and construct large residential buildings.

Toll Brothers, a home building company synonymous with the suburbs, has ventured into Washington D.C., New Jersey, Philadelphia and New York through Toll Brothers City Living. The urban development division has developed nearly a dozen buildings in New York with two—Northside Piers and North8—in the heart of Williamsburg.

North8, which is located at 49 North 8th Street and fronts Kent Avenue, includes 40 loft-style apartments across its six floors. The two towers that comprise Northside Piers stand at 29 and 30 stories and span 181 and 269 apartments, respectively, with sales running from the high-six figures to the low- to mid-seven figures. "Northside Piers and The Edge are two of the most successful ground-up construction condominiums in Brooklyn, and have obtained some of the highest price points in the borough," says Michael Falcone, a

project manager at Town New Development, on Toll Brothers' and Douglaston Development's success with Northside Piers and The Edge, whose penthouse sold for \$3 million.

The developments are joined by Steiner Equities' 80 Metropolitan Street and Savanna's 125 North 10th Street, which have transformed the north and waterfront sides of Williamsburg into blocks of luxury developments populated by professionals intrigued by the neighborhood's cultural offerings. "Not unlike Soho, Williamsburg retains much of its artistic edge, which helped establish its initial draw," explains Falcone. "The converted factories and loft-brick buildings now live among large glass structures, creating an eclectic mix of old and new. With time, more mainstream and luxury retail tenants will migrate to the area, and additional housing structures will emerge.

Although Soho remains at the forefront of New York fashion, it has pushed its boundaries north to Nolita and also west to an area Trinity Real Estate is revitalizing as Hudson Square. Similarly, Williamsburg is expanding eastward and deeper into Brooklyn.

"There is an ongoing movement to rename East Williamsburg to Morgantown to differentiate it from South and North Williamsburg," says Neil Dolgin, co-president of Kalmon Dolgin Affiliates. "This area still offers a village-style setting with mixed industrial, residential and retail space, including grocery bodegas, little bars, coffee shops, music spaces and hip, eclectic restaurants."

Dolgin and his team recently represented both parties in a commercial lease that will bring Arrogant Swine, a North Carolina-style barbecue restaurant, to 173/175 Morgan Avenue. "Bushwick is the center of the universe for all that is cool these days—from local craft beers to artisanal chocolate shops to new and exciting art galleries," Sidman adds. "The dreary strip of Grand Street between Union and Bushwick is going to explode with new developments and new retail opportunities in the upcoming years, and the new neighborhood is going to look vastly different very soon."



HEADING DOWNTOWN, IN BROOKLYN

“Retail is exploding,” notes Doug Bowen, a broker at CORE and a board member of the Real Estate Board of New York. “Downtown Brooklyn has added 1.5 million square feet of retail space and 332,000 square feet of office space since 2006 . . . Perhaps the most hotly anticipated building coming to Brooklyn is the 388 Bridge Street, which is currently the tallest building in Brooklyn.”

388 Bridge Street, slated to hit 53 stories, will include 378 residences divided between 234 rental apartments and 144 condominiums. The prices for the rentals will start at \$2,540 for a lower-level studio and run through \$6,290 for an upper-floor two-bedroom.

The race toward the sky started at the height of the market with the Brooklynier at 111 Lawrence Street becoming the first to hit 50 stories in Brooklyn. The 51-story building held its crown until this year, when 388 Bridge Street topped off. The Hub at 333 Schermerhorn will also knock it down a notch on the list of tallest buildings when it opens its 720-unit, 53-story development later this year. 388 Bridge Street’s reign will be short-lived, holding the title until Avalon Willoughby Street adds its 861 rentals across 57 stories to the market. Though the developers were able to add four more floors, the total building will span 596 feet, just 6 feet shy of 388 Bridge Street.

Communal amenities on the roof have been a staple at many skyscraping developments. The Financial District’s 2 Gold Street opened its roof to tenants a few years ago offering

breathtaking views of the neighboring buildings. The Brooklynier has its own communal rooftop with similarly breathtaking views, especially that of the Manhattan skyline that stretches from Midtown to the Financial District.

Not too far from 388 Bridge Street, the Brooklyn Trust Company Building at 138 Pierrepont Street in Brooklyn Heights is coming to the market. The building was initially constructed in 1913 in Italian High Renaissance style and modeled after the Palazzo della Gran Guardia in Verona, featuring a rusticated limestone base and a double-height colonnade on the piano nobile.

Little is known about the building, but residences will be strictly for sale and span two- to five-bedrooms. Prices have not been determined.



DOWN BY THE WATER

The waterfront in Brooklyn Heights and Dumbo has transformed as it becomes connected through the 85-acre Brooklyn Bridge Park. The park, which initially opened its first section, Pier 1, in 2010, has become one of the most desired destinations to visit and live within the city. Upon completion, the park will include 11 divisions with Pier 2 and Pier 4 Beach opening this spring.

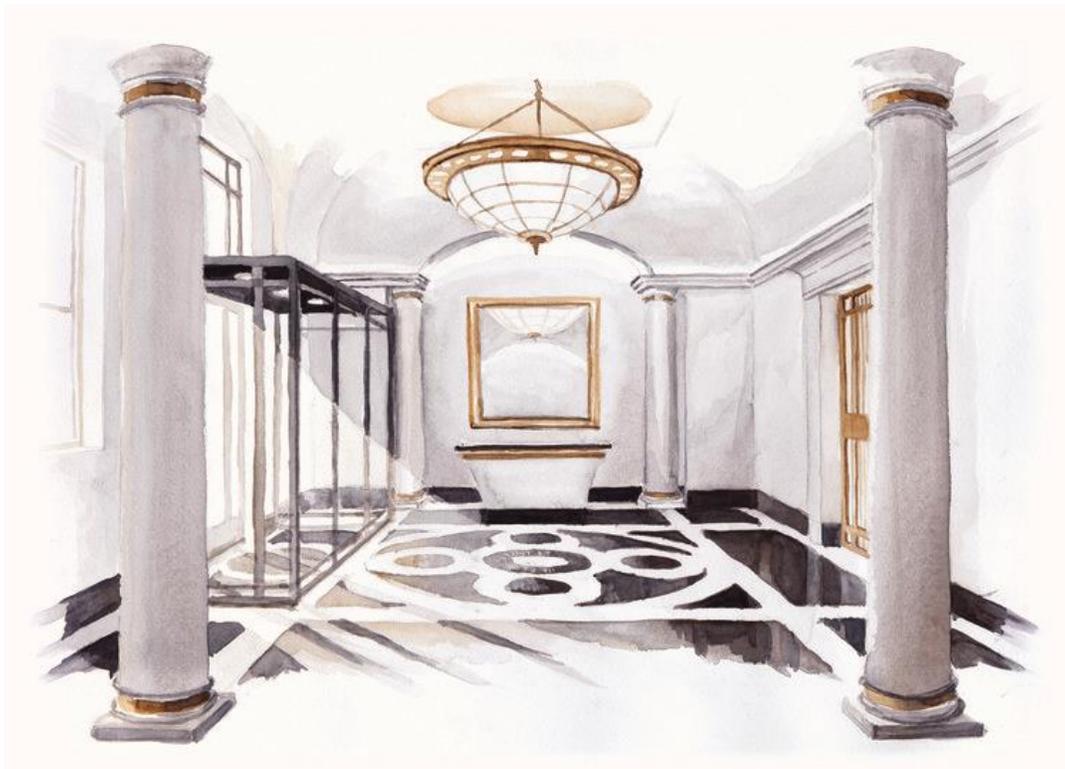
Developers have also become interested, with the Toll Brothers and Starwood Hotels teaming up at the Pierhouse and 1 Hotel in Brooklyn Bridge Park. The residential portion,

the Pierhouse, will include 109 condominiums and Starwood plans to have 195 rooms for its new hotel line, the 1.

“Another notable project is Toll Brothers’ Pierhouse in Brooklyn Bridge Park, which lies right next to a Starwood Hotel project and faces the water through the park,” says Bowen.

The residences feature 18-foot ceilings and 600-year-old heartwood pinewood floors that were reclaimed from local warehouses, cold-rolled and blackened steel stairs, railings and accents, among several other distinctive designs. Prices are speculated to come in over \$1 million for one-bedrooms and upward of \$3.5 million for three-bedrooms, though currently no units are on the market. The interest list is also rumored to be several thousand people long, according to Curbed, which has closely followed its development.

Two Trees has also planted its roots in the area with its developments in Dumbo and Brooklyn Heights. The company’s developments at 30 Washington Street, 66 Water Street and 65 Washington Street, among others in the area, have earned it the title as one of the leaders in luxury living in Brooklyn. One of its latest projects includes Court House at 125 Court Street near neighboring Downtown Brooklyn and Cobble Hill. Rental units range from a little over \$3,000 for a one-bedroom and upwards of \$4,750 for a 1,000-square-foot two-bedroom.



THE NEW FRONTIER

The same market dynamics that developed the areas along the East River will look further into Brooklyn for cheaper land and greater opportunities for development. Speculation over the next market has ranged from southern areas to eastern areas and from those within the industry in New York to those as far as the Australian property trust that is buying up properties in Bushwick.

“Bushwick is going to happen and in a big way, just not as quickly as Williamsburg,” says Warner Lewis, a broker at Halstead Property. “It will never be Williamsburg due to its industrial past and proximity to the city. Bed-Stuy is growing by leaps and bounds, but I believe that Bushwick is the long-term better play.”

“We think Brooklynites will move further into the borough, but the areas closest to Manhattan will continue to be built up at a faster pace and will continue to garner higher rents,” says Adrienne Alberts of The Marketing Directors. “They will go where transportation is convenient and they feel safe, as long as it’s affordable.”

“Development is beginning to happen in both Ditmas Park and Sunset Park and doesn’t show signs of stopping,” says Molishever of two neighborhoods that rarely come to mind when thinking of Brooklyn. Architecturally, Ditmas Park leans toward Victorian with expansive houses and tree-lined streets. Sunset Park favors Romanesque architecture and recent developments have offered it a strong chance of revival.