

October 1, 2010

## The Brooklyn Bridge Park price bump

*Foot traffic is helping sales for nearby projects*



Brooklyn Bridge Park, Lisa Gomez of L+M Development Partners, a map of the southern portion of Brooklyn Bridge Park and Columbia Waterfront

In the 1950s, Robert Moses excised a patch of Brooklyn waterfront from the larger brownstone neighborhoods of Carroll Gardens and Cobble Hill, using his preferred surgical tool: a highway. The BQE created a nameless neighborhood -- part industrial, part residential -- that one real estate agent calls "the orphan." Today, a jewel of a city park is shedding light onto a renewed Columbia Waterfront.

The majority of the 85-acre Brooklyn Bridge Park forms Brooklyn Heights' undercarriage, but its southern tip stretches to Columbia Waterfront, where it's sparking condo sales and interest from developers in previously dormant sites.

Two sizable projects are nearing completion; a third site will likely begin development once the market absorbs the first two properties. Meanwhile, just inside the park's footprint, One Brooklyn Bridge Park saw an unseasonal summer surge in activity. The development is approaching 50 percent sold after a sluggish start.

"Brooklyn Bridge Park, in my opinion, is better than they ever thought it would be," said William Ross, a lifelong Brooklyn resident and director of marketing at Halstead Property. "The only bad thing I can say is it should've happened 20 years ago."

The park has made Ross's job selling Columbia Commons, a 48-unit condo project, much easier. The new apartments, fronting Warren and Baltic streets between Hicks and Columbia streets, sit a half-dozen or so blocks from the Pier 6 portion of Brooklyn Bridge Park, a playground tailor-made for children that opened in June. It's a built-in amenity, and Ross said that entire families

have shown up for open houses at Columbia Commons.

Ross helped convince L+M Development Partners to build more three-bedrooms (which top out at \$955,000) by sacrificing one-bedrooms (which range from \$420,000 to \$545,000). The three-bedrooms have been "flying off the shelves," said Ross. About half the apartments -- which average between \$665 and \$740 per square foot -- are in contract or close to it.

L+M wasn't banking on the park when it bought the property in 2007, according to Lisa Gomez, the executive vice president of development, but the developer knew the park could only make the neighborhood better. "If you want space and light and views on a tree-lined street, it's hard to beat," Gomez said of the neighborhood. The condos at Columbia Commons about 94 affordable rental units, known as Columbia Hicks Apartments, also developed by L+M. A June lottery for middle-class renters drew thousands of applications, according to Gomez.

So far, in terms of sales, 2010 looks like a rebound year for Columbia Waterfront. StreetEasy data for a sampling of blocks in the neighborhood shows the number of sales has already eclipsed 2009 figures. And after two years of declining prices, the median sale price is \$753,500, up from about \$629,000 last year.

Brooklyn Heights and Dumbo are benefiting from the park too. Chris Thomas, managing director for Brown Harris Stevens' Brooklyn Heights office, said the large apartments in Dumbo have shown considerable strength. "In a city where you can't let the kids go out the back door and play, proximity to a park is a real advantage."

Columbia Waterfront may never rise to Brooklyn Heights' or Dumbo's prestige, but it certainly isn't a secret anymore. A sunny weekend offers plenty of evidence. The Brooklyn Bridge Park Corporation estimates that about 10,000 people are visiting the park each weekend day, with a little less than half that on weekdays. And additional phases of the park, including recreational fields and a "picnic peninsula," will continue to open, with an estimated 2013 completion.

No massive city project gets done in New York without controversy. The Brooklyn Bridge Park Corporation estimates the final price tag of the park at \$350 million. Questions persist about where all the money will come from and how the park, a public-private partnership, will sustain itself. But now that the park's gates have opened, much of the focus has been on how it's benefiting the area.

Anticipation of park traffic led Louis Greco, through his company SDS, to double down on Columbia Waterfront. L+M's initial investment included two additional parcels, which it sold to SDS in 2008 for \$10 million. The deal closed as the city's real estate market was tumbling, and Greco decided to develop one property, on Congress Street, and unload the other. He said he'll

have 37 condos on the first property, nearly half of which will be three-bedrooms. Marketing is expected to start by the end of this month, and prices will be similar to Columbia Commons'.

He never sold the second piece of land; several buyers showed interest, but his outlook shifted. "Once we got confidence in the market, we thought, If someone else can make money here, so can we," said Greco. A second condo is planned for the site at the corner of Columbia and Warren streets, similar in scope and size to the Congress Street building.

Traveling to Columbia Waterfront remains a task that may yet stymie development. Recently slashed bus service is spotty and overcrowded. One Brooklyn Bridge Park offers residents a subway shuttle, but these new developments don't have the scale to support such a service. Only three streets cross over the BQE, making entry and exit a little cumbersome.

Frank Manzione, 69, a semi-retired real estate agent with 40 years' experience in the Columbia Waterfront and Red Hook areas, said a few more overpasses could make the area more attractive to businesses.

To Manzione, Columbia Waterfront and Red Hook should embody Brooklyn's reputation as a place of work, where stevedores unload ships and businesses manufacture products in factories and warehouses.

"What did we lose here?" said Manzione, who as a boy worked at the former White Rock soda factory in Red Hook. "On a day-to-day basis, today, somebody's not going to work there." The docks that were sacrificed for the park, he said, could've been brought back to life.

Michael Sorkin, who directs the graduate urban design program at the City College of New York, agreed, saying he would like to see more mixed-use and industrial projects on the waterfront. "At the moment, the city's repertoire of what to do with the waterfront is limited," he said, adding that "urban amenities are not equitably distributed." But he admitted that the park's location is a "slam dunk."

Not every developer is leaping headfirst. Greg O'Connell Sr. is known for his extensive development in Red Hook, especially the Fairway project. He also owns perhaps the largest undeveloped piece of land on Columbia Waterfront, a parking lot that takes up about a third of an acre on Tiffany Place, a one-block street between Kane and Degraw streets.

"Sometimes you want to be the first, sometimes you want to be the last," said O'Connell, adding that he'd like to see a stronger economy. "For many years, I've been the first one in. This time I'm going to wait awhile."