



Long Island City: The busiest neighborhood in Queens - Major transactions report

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Long Island City in 2012 turned out to be a year of major transactions, achieving sales prices rarely seen in the Queens market. Investors and Developers are placing their money here due in part to the great zoning in the area from the 2001 rezoning as well as exciting future developments.

One of these developments is the city's Hunter's Point South project, which is a mixed-use, middle-income housing development on about 30 acres of waterfront property in Long Island City. 5,000 residential units are planned for the massive site with 60% being affordable and middle-income units. There will also be new retail space, school space, parking, a waterfront park and community facility developed to service the "new neighborhood". A partnership of major and well respected developers, Phipps Houses, The Related Companies and Monadnock Construction, are handling the development.

There are also major firms that have moved into the area in 2012, such as JetBlue Airlines, bringing close to 1,000 employees into the area and taking about 200,000 s/f of space at 27-01 Queens Plaza North; the Federal Social Security Administration took space in the Alma Building at 31-10 37th Ave. and The City University of New York Law School have moved into space at 2 Court Sq. as well. Another major firm with expansion plans in LIC is FedEx Ground, which plans to build a new \$56 million, 140,000 s/f distribution center on Borden Ave.

Developers and investors notice all of this activity and have invested accordingly. Let us look at some of the largest commercial transactions in Long Island City for 2012 (above \$15 million.)

In February 2012, the Criterion Group sold off their development site to the World-Wide Group at 41-36, 44 & 50 24th St. for \$28.85 million. The site is a 40,000 s/f plot with about 320,000 buildable s/f calling for a residential tower. According to Department of Buildings records, there are approved plans from the prior owner for a 40-story tower with 416 residential units and 14,000 commercial s/f. In May of 2012, 21-15 Queens Plaza North, the Graybar Building, sold for \$18.25 million to Storage Deluxe. It is an approximate 105,000 s/f facility. With all these new developments, storage companies will be flocking to open locations here. "Tuck-it-Away" Storage Company just paid \$6.1 million for 37-19 Crescent St., a 47,000 s/f seven-story building, to run their first storage facility in Queens.

Also in May, Jamestown Properties purchase the Falchi Building at 31-00 47th Ave. from the Chetrit Group for a healthy \$81.2 million. The office building boasts over 630,000 s/f in five-stories on about 120,000 s/f of land.

Then in July 2012, 1 Court Sq., the "Citi Tower," the tallest building in Queens, a 52-story, 1.49 million s/f, class A office tower, owned by JP Morgan and SL Green sold to an Israeli investment group led by Mr. David Werner for a record breaking \$481.093 million. Citibank has a NNN lease on the building until 2020 plus a 25-year option. This was a strong statement sale for the area.

December 2012 was a busy month with several large closings.

43-22 Queens St., currently a 320,000 s/f commercial building owned by the Electric Realty Company sold to Rockrose Development for \$48 million. It is slated to become a redevelopment project since it boasts over 500,000 buildable s/f. This can make way for a fantastic residential tower in a prime location.

22-22 Jackson Ave., a development site situated on a 25,000 s/f lot with 125,000 buildable s/f also sold in December for \$16.5 million to Gershon & Co. The site is perfectly positioned for a residential/commercial project.

42-15 Crescent St. also closed in December. It is a nine-story office building located on the foot of the 59th St. bridge featuring about 115,000 s/f of office space. This investment property sold to Meadow Partners for \$19 million.

Another property owned and sold by the Electric Realty Company in December was 23-10 Queens Plaza South and 23-01 42nd Rd. that sold to an investment group formed by PMG, Vector Group and Hakim Organization. They purchased these properties for \$37 million. The new owners plan to build one loft with 110 units and a 28-story tower with 300 residential units on the site with much needed retail on the ground floor.

Finally, the last transaction I will touch on is the sale of the roughly 500,000 s/f, eight-story office building at 33-00 Northern Blvd., "The Center Building." The sellers, Hampshire Properties, purchased the building vacant in 2002 for \$12.6 million. They sold it, almost fully occupied, on December 28, 2012 for \$84.5 million.

The above nine sales I discussed have a total gross sales consideration of over \$814 million.

With so many new developments going up, (too many to name for this article) the area needs more retail tenants, parking (and restaurants similar to the ones in Williamsburg), to service the future population. Amusingly, a new bus route is proposed to connect Williamsburg to Long Island City. It is planned to start from Washington Plaza in Williamsburg, Brooklyn to 44th Dr./21st St. in Long Island City.

The coming years will noticeably be an exceptionally busy time for developers in Long Island City. Stay tuned.

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