



Brooklyn 2010: The borough is changing quickly and in dramatic ways

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Everyone now knows that Brooklyn is changing quickly and in dramatic ways. It has undeniably become a location of choice for both businesses and residents alike and gone are the days when financial constraints made it a distant second choice. While Brooklyn certainly retains much of the attitude (fuhgeddaboutit...) that has been its hallmark for centuries, it is also world class in its own right with much more to come.

Real Estate

Office leasing interest is showing marked improvement. There are tenants looking, albeit cautiously. This office has leases out on spaces of 4,600 s/f and 18,000 s/f and there are very active negotiations for several more sites. We are also presently working with tenants that are looking for spaces ranging from 1,500 s/f to 20,000 s/f.

Asking rents in the downtown office buildings remain in the high \$20s to mid \$30s depending on the building and other space particulars. Take rents seem to be 10-15% below that although deals are being made at close to ask. With few exceptions, those rents would include a workletter buildout (but not electric).

Ingram & Hebron Realty represented the landlord in a just-finalized 12,000 s/f government lease. Details cannot be made public as of this deadline but it is an exciting and unique project for Downtown Brooklyn.

Formerly tepid condo sales in buildings such as BellTel Lofts, Toren, Oro and others are definitely picking up based on reports from the developers.

Stimulus funds have been made available to several stalled projects in downtown Brooklyn including the City Point project (formerly Albee Square mall) and the former Pepper & Potter site at Flatbush and Tillary, slated by the developers to be a hotel but dormant since purchase in 2008.

Brooklyn is soon to be saturated with hotel rooms as there are approximately 15 hotel projects in active construction and another 25 or so at some level of planning, many of them in final stages.

Organizations of note that have recently elected to locate in Brooklyn include landscape architectural firm Michael Van Valkenberg, Spanish-language daily newspaper El Diario, law firm Weil Gotshal and advertising agency UniWorld.

Culture/Entertainment

Ground has actually been broken for the long-delayed and bitterly contested basketball arena at Atlantic Yards. Developer Forest City Ratner finally overcame the many legal and financial challenges that were mounted immediately after the announcement of the project six years ago and completion of the arena is scheduled for the 2012 NBA basketball season. There are many additional residential and office components planned for the site but their commencement and

scope remain in flux.

Over the next year, construction on six cultural and public projects worth over \$100 million is scheduled to start in Fort Greene in and around the Brooklyn Academy of Music (BAM). These include a new building for Theatre for a New Audience; a renovation of the Strand Theater building; a third theater venue for BAM; a new park; as well as new sidewalks, trees and lighting throughout the area. BAM is also working on 4,000 s/f grade level space on the ground floor of the nearby Forté condominium building which is across the street from the existing BAM Opera House. That space will be used to exhibit archives and to produce other public programming.

All of these projects have had a series of fits and starts due to the economic climate but the individuals involved say that the funding for them is secure and there is optimism that they will be moving forward.

Improvements, etc.

There are two major streetscape reconstruction projects underway in downtown Brooklyn: A \$15 million streetscape reconstruction of Fulton Mall, to be completed this summer and a \$23 million reconstruction of Flatbush Avenue (from Tillary to Hanson) that has just commenced.

YOUR ART HERE is a new program created by the Downtown Brooklyn Partnership to activate temporarily vacant properties in the Downtown area by making space available to artists and organizations for visual and performing arts projects. Current installations include 177 Livingston St. and 200 Schermerhorn St.

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Robert Hebron IV is an associate broker at Ingram & Hebron, Brooklyn, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540