



Letter of Intent - Brooklyn's Continued Development Boom

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Brooklyn's total new development sponsor sales in the first quarter of 2015 grew 95% from fourth quarter 2014 and the median sales price jumped an astounding 28%, while the median price per s/f slowed down a bit and pulled back just over 5%.

The flourishing neighborhoods of Clinton Hill, led by sales at 260 Greene, Downtown Brooklyn led by 388 Bridge St., and Crown Heights, led by well, everything great that's happening in Crown Heights, have led to significant bumps in sales prices and have paved the way for even more excitement in areas already bustling with activity. Downtown Brooklyn aside, areas such as Clinton Hill and Crown Heights have expected resurgence for some time, and it's happening in a big way. The onslaught of new development, mostly boutique condos, have led to a migration of families from Manhattan and the more expensive neighborhoods of Brooklyn, heading to Clinton Hill and Crown Heights for the wealth of amenities, parks, and activities.

The median price per s/f for new development sales is up 13.4% in Crown Heights and 52.6% in Downtown Brooklyn over the last four quarters; neighborhood hangouts like Berg'n (a project from the folks who bring us Smorgasburg) are attracting the young and trendy in droves. No longer is Crown Heights a secondary neighborhood, professionals are getting on waiting lists to get into buildings in the area, including the new construction at the corner of Franklin and Eastern Pkwy., which at one point had close to one thousand applications for its 63 units (there is a Starbucks on the retail space, which helps). The Pratt Institute's students and staff no longer need to commute from far distances, Clinton Hill has been revitalized, and why not? It has the transportation, the infrastructure, and now, the quality housing necessary to attract this newly settled demographic. I think that we will see continued interest and investment into these two neighborhoods on opposite sides of Atlantic Ave., and there is still more than modest room left in the upside to the rents and sales prices in these areas, now hovering around the \$50 per s/f mark for rent and achieving north of \$850 per s/f for sales.

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