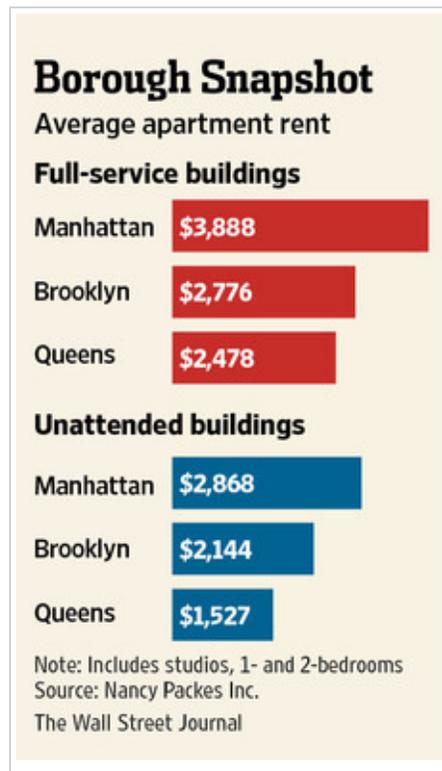


Brooklyn Is Set for a Building Boom

by LAURA KUSISTO • JAN. 18, 2012

Developers are rapidly running out of space to build new projects in Manhattan, but brownstone-dotted Brooklyn could be poised for a building boom, according to a new report.

Brooklyn has in the early planning stages as many as 14,000 new residential units in the coming years, compared with Manhattan, where just 5,000 new units are in the early planning phase, according to a new report by Nancy Packes, a consultant to some of the city's largest developers.



That's primarily because Manhattan is running out of new sites that are zoned for residential use, according to Ms. Packes.

Developers, such as AvalonBay Communities Inc., Stahl Real Estate and Douglaston Development already have large new projects planned for downtown Brooklyn and the Williamsburg waterfront in the next few years.

But Ms. Packes said developers need to pay close attention to the demands of tech and creative workers, who make up a large share of the borough's renters.

Her report shows that 34% of Brooklyn renters are tech or creative workers, compared with 25% who are creative and tech workers in Manhattan, according to data provided by On-Site.com, a provider of electronic tenant screening and lease-processing services for landlords.

Creative workers, in particular, spend a lower proportion of their incomes on rent, according to her data. That means

they are likely to gravitate toward simple, tasteful new construction at lower price points and away from modern towers loaded with amenities.

"The idea of luxury, it may finally be finished, at least to these emerging neighborhoods," Ms. Packes said.

Average rents for full-service buildings in Brooklyn remain well below Manhattan. The average rent for studios and one- and two-bedrooms in Brooklyn is currently \$2,776 a month. In Manhattan, the average rent is \$3,888 a month, according to the report, using data provided by StreetEasy.com.

Brokers and developers agree that they are seeing demand in the borough for brownstones or new construction with classic touches, and less interest in shiny modern construction.

"That charming brownstone feel is what people tend to like about Brooklyn," said Anthony Dellecave, a broker with Citi Habitats, who specializes in Brooklyn. "From a developer's perspective, I'd stay away from the modern, luxury high rise and focus on old-world charm and prewar character."

In one recent example, Two Trees Management saw strong demand for its new rental building, Gair 2, on Washington Street in Dumbo. The 106 units in the building rented in about three months at some of the highest prices ever for the neighborhood—about \$4,900 a month for a two-bedroom, according to the developer.

"In Dumbo the amenities are the location," said Asher Abehsera, a managing director at Two Trees.

Other similar projects are planned, such as 30 Henry St., a low-rise project in Brooklyn Heights with full-floor units designed to emulate townhouses.

"When you tell people that you live near Union Square, it sounds like a desirable area. In reality, it's pretty overrun by NYU students and old rich people," according to Jeff Baum, a 30-year-old paralegal who recently moved with his wife from Union Square to a neighborhood near Brooklyn Heights and Boerum Hill. Brooklyn, he said, "seemed more of our speed, the type of area we wanted to live in."

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