



Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

[See a sample reprint in PDF format.](#)

[Order a reprint of this article now](#)

THE WALL STREET JOURNAL

WSJ.com

NY REAL ESTATE RESIDENTIAL | Updated April 27, 2012, 9:34 p.m. ET

Long Island City Is Perking

By [LAURA KUSISTO](#) and [DANNY GOLD](#)

Long Island City's coming of age has been much desired and long delayed. But development in the waterfront Queens neighborhood is gathering momentum, leading some to believe the area is finally making a large move forward.

A total of 4,500 new rental units in Long Island City are in the pipeline for completion by 2015, according to Nancy Packes, a consultant to large developers. That surpasses every neighborhood in the city except Williamsburg, according to Ms. Packes's data.



Robbie Whelan/The Wall Street Journal

A TF Cornerstone residential project in Long Island City, Queens.

Many of those projects are already under construction, including the first building in an 1,800-unit multiphase project by Rockrose Development Corp. in the Court Square area as well as four buildings on the waterfront by TF Cornerstone that will have a total of 2,100 units.

Other major developers working on or eyeing sites in the area include Durst Fetner, L+M Development Partners and Silvercup Studios.

Meadow Partners recently acquired through foreclosure the Crescent Club, a Karl Fischer-designed condo with a backyard pool, which has sat eerily half-finished for years. The new owner plans to begin leasing as rentals in

May, with one-bedrooms in the low \$2,000s a month.

It has a familiar ring: in 2006, developers, brokers and city officials heralded the transformation of Long Island City from a haven for commercial bakeries and taxi stands into the next hot neighborhood. But the honeymoon was brief; when the real-estate market took a deep dive, sales activity in emerging neighborhoods like Long Island City was slow.

But with rents in prime neighborhoods of Brooklyn now approaching Manhattan levels in some cases, developers are angling to make Long Island City— where rents are still 30% lower than similar product in Manhattan—the new favored affordable option for singles and young families.

"I don't think people consider Long Island City as an alternative to high rent in Manhattan. They think, 'I'll go out to Brooklyn, which has a vibrant downtown. Everybody knows Williamsburg,'" said Tom

Elghanayan, chairman of TF Cornerstone, part of a family development company that built several large projects in the neighborhood and was recently split in two.

Indeed, for those who stuck it out through the downturn, they say there is a palpable shift.

Eric Benaim started the neighborhood's main real-estate brokerage, Modern Spaces, just a couple of months before Lehman Brothers Holdings Inc. collapsed in 2008.

He now says he is in charge of leasing or selling 2,000 to 3,000 new apartment units in the next few years. "It's like another huge building boom. Even bigger than it was in 2006," Mr. Benaim said.

But Long Island City is a long way from catching up to Williamsburg's restaurant scene and cachet, residents and developers concede.

While both were once gritty industrial neighborhoods, Williamsburg began to see an influx of artist and hipsters and funky dining spots before pricier glass towers followed. Long Island City's rebirth, in contrast, is carefully orchestrated by private developers, motivated in part by the lack of developable land elsewhere in the city.

In the last few years, wine bars and chichi bistros belatedly have started to pop up, but the streets still feels eerily quiet by day and night.

Theodore Primis, a 36-year-old musician, says when he feels like going out for a drink or dinner he rarely stays in the neighborhood.

"I'll get a drink here, but I prefer to go out in Williamsburg if I want to hang. Greenpoint, too. There are not as many hip places here. There is not as big a demand here for that," Mr. Primis said.

But others are attracted by precisely that low-key vibe. Norie Jones, 35, and her husband were married in Long Island City and gave up their studio apartment in Midtown East to move there to start a family.

Even when the rent for their waterfront one-bedroom apartment went up, they decided to give up the doorman and the sweeping views and stay in the neighborhood anyway. "It's more of a community" than Manhattan, she said.

But developers' continuing heavy reliance on proximity to Manhattan and cheap rents, without a unique neighborhood feel like Williamsburg or even neighboring Astoria, could make them vulnerable to another downswing in the real-estate market, said appraiser Jonathan Miller.

Meanwhile, some developers are pushing to create more retail outlets in Long Island City, recognizing that proximity to transportation and cheap rents may not be sufficient to attract residents. Coffee bar Sweetleaf is opening another location soon in one of TF Cornerstone's new waterfront developments.

Justin Elghanayan, president of Rockrose Development, is currently negotiating with large grocery stores to open in the company's first new rental tower in the Queens Plaza area.

Write to Laura Kusisto at laura.kusisto@wsj.com

A version of this article appeared April 28, 2012, on page A17 in some U.S. editions of The Wall Street Journal, with the headline: Long Island City Is Perking.