

Brooklyn Bound

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In the 1960s, when my in-laws lived in Manhattan, Washington Square Park was a haven for pimps and drug dealers, and Times Square was a collection of peep shows and strip clubs. Nonetheless, several years ago, when my wife and I told my father-in-law that we were looking for an apartment in Brooklyn, he wondered if we had lost our minds.

"Brooklyn?" he said. "I thought Brooklyn was crummy."

How times have changed. The hustlers in Washington Square Park now push chess rather than drugs, Times Square has become a family-friendly light-show, and Brooklyn is one of the hottest real estate markets in New York City. Indeed, Brooklyn is beginning to rival Manhattan as a center for young artists, musicians, and writers, whose growing presence on the Long Island side of the East River is slowly transforming the once-forgotten borough into New York's Left Bank.

Brooklyn has long enjoyed a reputation for local color, much of it tinged with nostalgia: egg creams, red-sauce restaurants, the original Nathan's at Coney Island. And some Manhattanites, at least, were quick to recognize its charms. Wall Streeters, for example, were among the first to colonize the borough, forsaking their traditional nesting grounds to the south in order to establish a beachhead among the brownstones of Brooklyn Heights. As Karen Heyman, a senior managing partner with Century 21 William B. May in Brooklyn, says, "Staten Island is a great place, but it's a little bit more of a commute." Today, Brooklyn Heights is recognized as the first Brooklyn neighborhood to have followed the time-honored Manhattan pattern of professional in-migration and gentrification.

To Marilyn A. Donahue, director of sales for Prudential Douglas Elliman, Brooklyn, the recent explosion in Brooklyn's housing market represents the culmination of a long, slow process. "It looks like we've been an overnight success," Donahue says. "But it really began in the late 60s and early 70s."

Donahue, who has worked in the borough for over 25 years, recalls an influx of artists, architects, and other creative types from the West Village in the late 60s, when they were forced to seek new housing after New York University acquired their buildings. By that time, prices in Brooklyn Heights had already begun to rise, and the newcomers crossed Atlantic Avenue – formerly known as the DMZ, or demilitarized zone – to found Cobble Hill, which remains one of the borough's most popular neighborhoods.

Since that time, Donahue has observed nearly continuous growth in the Brooklyn real estate market; but she traces the current boom back to the early 90s, following the first

Gulf War. Frank Percesepe, Brooklyn regional senior vice president for the Corcoran Group, agrees that the current boom is the culmination of a gradual process, but notes that the momentum gained over the past five years has been remarkable. "The prices have risen dramatically, and buyers are going deeper into the borough," Percesepe says.

The rapidly rising market has led to numerous changes throughout the borough, some obvious, some not. For one thing, the comparatively reasonable prices that initially lured many Manhattan residents to the Western shores of Long Island are rapidly becoming a thing of the past.

Percesepe says that price was still a major draw at the turn of the millenium. Today, not so much. In some neighborhoods, like Bedford-Stuyvesant, one can still buy properties for less than one might spend in Manhattan, but the price gap has narrowed. "It's not like people are coming out here to find a bargain," Percesepe says. "They're coming to live in Brooklyn."

And they're coming with very little arm-twisting. Heyman recalls having to send her own driver to ferry prospective clients over the Manhattan Bridge when she first began selling properties in Dumbo. In the past two years, however, Heyman has made \$70 million in sales in the now-chi chi neighborhood named for its location down under the Manhattan Bridge overpass. As Donahue says, "Today, they run across the bridge looking for opportunities."

But with prices rapidly approaching Manhattan levels, what is it that keeps drawing people across the river? Percesepe points to the ready availability of a commodity that is more precious than gold for many New Yorkers: "Houses. There are so many neighborhoods that are chock full of houses. And there's a shortage of houses in Manhattan." Heyman adds that many prospective buyers are attracted by Brooklyn's newfound trendiness and its (rapidly waning) reputation for value. They soon discover the borough's no longer a bargain, but are persuaded to stay by things like easy accessibility to Manhattan, good schools, and comparatively low property taxes. Most importantly, however, they fall in love with the neighborhoods.

With their leafy, tree-lined streets and classic brownstones, Cobble Hill, Carroll Gardens, and Park Slope are all family magnets, as is Ditmas Park, which is home to a large number of old Victorian homes. Now that those portions of Park Slope closest to Prospect Park have become nearly saturated, the once-drab 4th Avenue corridor at the western edge of the neighborhood is rapidly heating up, as well.

While many of the artists who first made Dumbo and Williamsburg icons of outer-borough cool have left in search of cheaper pastures, the cafes and restaurants they helped attract remain, and both neighborhoods continue to entice young professionals. Further north, the traditionally working-class Polish neighborhood of Greenpoint has acquired a similar reputation for hipness, as have pockets of Fort Greene, to the south. Bay Ridge, just across the Verrazano Bridge from Staten Island, is attracting large numbers of young singles and families alike. Even neighborhoods once famous for urban

blight, like Bedford-Stuyvesant and Red Hook, are showing signs of gentrification, with Red Hook in particular being the odds-on favorite to become the next "break out" 'hood. At the far southern tip of the borough, Coney Island – yes, Coney Island, home to the Cyclone and Nathan's annual hot-dog eating contest – is also gaining momentum.

This may seem like a crazy patchwork of current and future hotspots. But as Donahue points out, there has been a natural tendency for gentrification to radiate east and south from its origins in the northeast corner of the borough. Intrepid real estate seekers first moved inland into neighborhoods like Fort Greene and Bedford-Stuyvesant, then began pushing southward into Flatbush, Bay Ridge, and Dyker Heights. Ultimately, Donahue believes that development in Coney Island will spread northward, leaving virtually no square foot untouched. "At some point, we'll be saturated," she says.

That could take a while, however, especially given recent rezoning activity. In May 2005, New York's City Council Land Use Committee adopted the Bloomberg administration's plan to rezone nearly 200 blocks in Williamsburg and Greenpoint, paving the way for the development of what may be the most neglected stretch of waterfront in the five boroughs. The plan calls for the addition of approximately 10,000 apartment units and a public esplanade. ("The promise of gentrification is overwhelming," Donahue says.) In August 2004, the council adopted a rezoning plan for Downtown Brooklyn that calls for a combination of residential, commercial, and retail development that would add 1000 apartment units to the borough's financial center. And recently adopted rezoning plans for Bedford and Bay Ridge would see additional low-rise development in keeping with the existing architectural character of the neighborhoods.

Plans are afoot to develop the MTA railyards at Atlantic and Flatbush Avenues, as well. Developer Bruce Ratner hopes to erect a new sports arena designed by architect Frank Gehry to house the Nets basketball team. Ratner's Atlantic Yards project, toward which Governor Pataki and Mayor Bloomberg have already each pledged \$100 million in support, also calls for the addition of 4500 new apartment units. (The Extell Development Company recently announced its own proposal to develop an arena and high-rise complex on the site.) And the BAM Local Development Corporation has announced plans to build a new theatre co-designed by Gehry and New York architect Hugh Hardy just blocks from the proposed arena.

Not surprisingly, brokers and developers view all of this activity with undisguised glee. But many long-time Brooklyn residents are wary of the changes sweeping through their borough. Some fear eminent domain seizures, while others are concerned that minority and low-income residents will be priced out of their digs by the incoming stream of affluent white Manhattanites – a process that is already well under way in neighborhoods like Dumbo, Williamsburg, and Park Slope. Opposition to the City Planning Department's initial Williamsburg and Greenpoint rezoning plan was stiff enough to force an amendment guaranteeing a higher percentage of low-income housing units, and local community organizations like Develop Don't Destroy Brooklyn have been quite vocal in their protests against Ratner's Atlantic Yards project.

"It would be sad if you could no longer see the old Italian men playing bocci at Carroll Park," says Donahue, herself a Cobble Hill Resident. But Percesepe contends that long-time Brooklynites benefit just as much from gentrification, and from the amenities that it brings (shops, restaurants, health clubs), as recent buyers do. In any case, given present trends, it seems unlikely that the current real estate boom will subside any time soon – making the notion that Brooklyn might one day surpass Manhattan as the borough of choice seem somewhat less ludicrous.

"That would be a hoot!" Donahue says with a laugh. But she doesn't dismiss the possibility.

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