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A Brooklyn neighborhood
gets a good polish

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IN THE HEIGHTS:
An eight-story vertical is rising at 3rd Eastern Parkway in Crown Heights.



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crown jewels

A Brooklyn neighborhood gets a good polish

DON Doe had his eyes on Crown Heights for more than a decade. An artist, Doe purchased a brownstone in the neighborhood 12 years ago, using one unit as his studio while renting out the other four. Meanwhile, he and his family lived in Park Slope.

Meshberg Group



In The HeIGHTs: An eightstory rental is rising at 341 Eastern Parkway in Crown Heights.

The whole time, though, "I was watching the neighborhood from my studio," Doe says. And, as the years went by, he noticed changes.

"There was a lot less crime, walking down the street was more comfortable," he says. "There were more shops opening. It just felt better."

A year and a half ago, Doe and his wife Cecilia purchased a four-story Renaissance Revival limestone on Park Place for \$840,000, making Crown Heights their permanent address. It was more than double the \$400,000 they paid in 2002 when they bought their first Crown Heights property (which they still own).

But it was likely a shrewd decision: Recently comparable brownstones have sold in the \$1.2 to \$1.6 million range.

Crown Heights is heating up, in particular on the townhouse side of the market, where, says Douglas Elliman broker Alex Maroni, "if you want a really classic Brooklyn brownstone, it's one of the last affordable neighborhoods where you can get it." Indeed, with brownstones in spots like Fort Greene topping out at over \$3 million, Crown Heights remains a deal.

And if you're willing to settle for something more modest, you can get into the neighborhood for an even more reasonable sum. According to appraiser Jonathan Miller, the average sales price of a one- to three-family home in Crown Heights in the fourth quarter of 2013 was \$642,000. The average sales price of an area condo during the same period was \$435,000.

Bordering Bed-Stuy to the north and Prospect Heights and Prospect Park to the west, Crown Heights boasts good subway service (2, 3, 4 and 5 trains) and proximity to the Brooklyn Museum and the Brooklyn Botanic Garden.

Traditionally, however, it's had something of a checkered reputation. As Jonathan Butler, founder of Brownstoner.com and the Brooklyn Flea, notes, when he mentions the area to Manhattanites, the 1991 Crown Heights riots are often the first thing they bring up. "That was [almost] 25 years ago, but it's still what non-Brooklynites think of," he says.

That hasn't deterred Butler from investing in the neighborhood, though. This month he, developer BFC Partners and Goldman Sachs Urban Investment Group are opening a commercial office space at 1000 Dean St. Aimed at area creatives, tech firms and non-profits, the four-level building consists of 150,000 square feet in a former Studebaker service station with room for around 60 businesses. This May, Butler plans to open as part of the complex the Berg'n beer hall and restaurant, a 9,000-square-foot venue that will be run by the Brooklyn Flea.

A crucial factor for investors like Butler is the raft of new amenities — in particular, all the bars and restaurants popping up along Franklin Avenue. Like Franklin Park, at 618 St. Johns Place, which is celebrated for its monthly reading series.

In addition to buyers like Doe, the neighborhood has also seen a wave of investors snapping up brownstones to renovate and flip, says Corcoran broker Gregory Todd, a longtime area resident. And,

he notes, developers have begun building more condos and rentals to serve would-be residents who can't quite get together the scratch for a brownstone of their own.

Ofer Cohen, president and founder of brokerage TerraCRG, noticed a similar trend. "Initially new residents were moving into the area to occupy renovated walk-ups," he says. "But in the last couple of years more and more development sites have come to market."

David Maundrell, president of aptsandlofts.com, represents 15 condo developments going up in the 'hood. The first will be 875 St. Marks Ave., a seven-unit condo slated to open in the next two months with prices for one- and two-bedrooms ranging from \$449,000 to \$659,000.

Maundrell also represents 341 Eastern Parkway, a 62-unit rental building designed by the Meshberg Group, launching in June. A number of other rentals are also going up, including a 165-unit development at 1267 Rogers Ave., a 128-unit building at 505 St. Marks Ave., and a 77-unit project at 500 Sterling Place.

As development has heated up, Crown Heights land prices have also risen, Cohen says, noting that they've roughly doubled in the last 2 ½ years from around \$100 per buildable foot to over \$200. But, he says, with rents growing at a 10 percent annual clip, the area still presents an opportunity for builders.

"In these markets where we are still seeing rapid rent growth, if you can build rentals — which is what most people are doing right now — and you can rent the apartments for significantly more money than you could three years ago, then you can afford to pay more for these sites," Cohen says. A recent MNS report notes that average rents in the area have increased from \$1,776 to \$1,910 since February 2013.

In response to this increase in development, the city last September approved a rezoning of a 55-block stretch in western Crown Heights that placed height limits on a number of residential streets to maintain their low-lying, brownstone character, while up-zoning several avenues to allow for larger projects.

Despite the ongoing boom, Doe still pines for amenities like a good pharmacy and more restaurant variety. On the other hand, life in Crown Heights has a neighborliness he'd come to miss.



"It's more personal; you have conversations with your neighbors all the

time," he says. "Park Slope used to be that way. But in the last several years it got very cold. People were moving in expecting a very clean, upscale neighborhood. We'd have discussions about litter, about how your garbage cans were arranged. It wasn't very



appealing anymore.”