

NEW YORK REAL ESTATE

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What Glut?

Williamsburg, once plagued with too many condos for too few buyers, appears to be a hot sell again.

By S.Jhoanna Robledo



From left: The Edge, Two Northside Piers, 80 Metropolitan, 14 Hope Street.
(Photo: Courtesy of the brokers)

Three years ago, Williamsburg real estate looked like a terrible bet. Saturated with amenity-laden new developments at the exact moment when the economy plunged, the neighborhood looked like a textbook case of oversupply. Except that it hasn't turned out that way. Today, the Williamsburg market, though still evolving, is looking surprisingly stable. According to the appraisal firm Miller Samuel, new condominiums accounted for 87.8 percent of transactions here in the second quarter of this year, their biggest market share in three years. Prices were up 6.2 percent from the same period in 2010. And

the Corcoran Group's second-quarter survey found average prices up for the neighborhood's co-ops and multifamily townhouses as well. What's changed? The emerging neighborhood has emerged. Older, better-paid New Yorkers - the 38-year-old Pitchfork writer turned ad-agency executive who married a banker, say - have supplanted the broke-new-graduate cohort. "As Manhattan gets more homogenized and mall-ified, Williamsburg is the antidote," says developer Douglas C. Steiner (though, it must be said, the same labels are often slapped on the new Williamsburg). Some builders also took condos off the market entirely, turning the apartments into rentals. Price cuts helped, too, though it never became the fire sale a lot of Williamsburghers were hoping for. And with only a few new projects, like the just-opened 144 North 8th Street, joining the field, supply and demand look to be well balanced again. Here's how four once-teetering developments are faring now.

The Edge

This waterfront development sold 100 of its 565 units from spring 2008 to fall 2008. Then Lehman Brothers toppled. In the two years after that, only about 50 sold, says developer Jeff Levine. "There was very little velocity," he says.

Since last year, however, there's been one transaction after another here - 252 apartments. Now, The Edge is 70 percent sold, and "on any given weekend, we have about 150 visitors in our salesroom," he says.

Two Northside Piers

"We opened the sales office for tower two just when Lehman was tanking," says Toll Brothers City Living president David Von Spreckelsen. Of 270 apartments, less than a dozen sold that first year. Now, just 60 are left. Von Spreckelsen says he's done the lion's share of the deals since January, closing on about twenty units a month, and just signed a contract to sell a \$4 million combination apartment - the building's highest price yet.

80 Metropolitan

“It’s virtually sold out,” reports Doug Steiner of his project, 80 Metropolitan. Only 5 of 123 units are available after a “slow but steady” period of selling -- and some highly publicized back-outs by buyers who, when prices fell as much as 15 percent, possibly decided they were overpaying. Deals here finally picked up momentum in the past year, and more than 60 buyers have closed on their properties since September 2010.

14 Hope Street

Sales began at this condo in the winter of 2009 with the recession in full swing. Corcoran’s Tom Le took over sales a few months later and persuaded the developer to cut the average per-square-foot price from \$750 to \$650. The move worked: By June 2010, the building was completely sold out (it didn’t hurt that there were only 23 units). “We had to really respond to the market,” Le says, “and fortunately the developer was reasonable.”