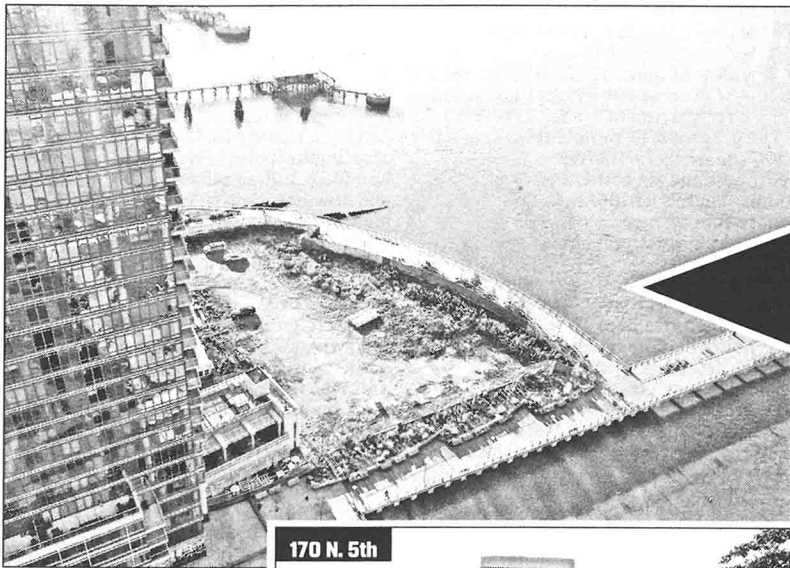


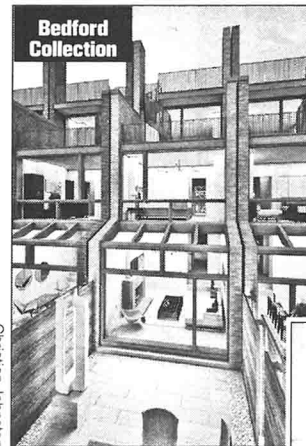
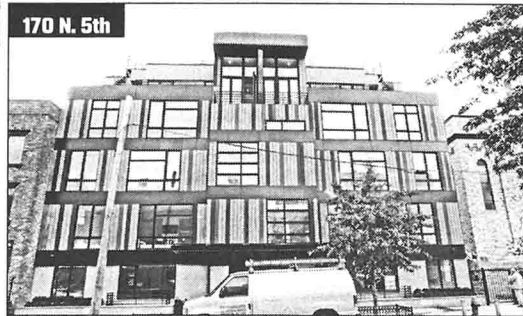
December 15, 2011

A CURRENT AFFAIR



**Williamsburg's
 rife with new
 buildings again**

170 N. 5th



By **KATHERINE
 DYKSTRA**

THINK the L train is crowded now? Brace yourself.

Much of the development in Williamsburg that stagnated after the financial crisis hit — giving the neighborhood a sort of post-apocalyptic look, with hulking steel skeletons and crater-like construction sites — is back on. And much of it is in the form of new rentals.

“There are a lot of buildings in Williamsburg that have gone rental,” says Christine Blackburn of the Corcoran Group’s Barak/Blackburn Group. “It has to do with financing. The financing that is available is available for rentals and not for condos. The banks see . . . things leasing for \$50 a foot now, and it’s enough for them to lend on.”

Blackburn is leasing 170 N. Fifth St., a 16-unit development that was initially conceived as condos. The project stalled and was subsequently rebought, and now the studio duplexes and one- and two-bedrooms are weeks from coming on the market as rentals (prices to be announced).

Other new rentals include the Driggs at 205 N. Ninth St., where 21 of 113 units have already been leased for move-ins in January and February. Prices on the studios through two-bedrooms range from

\$2,000 to \$4,500.

Further out on the Williamsburg horizon, even bigger projects loom: Word on the street is that 95 Bedford’s more than 250 rental units could start leasing in 2013. Also expected to be ready for 2013 are the nearly 100 units at 544 Union Ave., the 150-plus units at 204 Wythe and the more than 200 units at 250 N. 10th St. (Whether the two latter buildings will be rentals has yet to be announced.)

Then there is the heaviest hitter of all: the 3 Northside Piers site, once planned for a Toll Brothers condo development that’s now been scrapped completely. The site, recently bought by Douglaston Development, is now slated to be home to the Current, a roughly 500-unit luxury rental building with an amenity package that will include a swimming pool, a deck, a fitness center, a business center and a lounge that are all separate from Toll Brothers’ 1 and 2 Northside Piers condo buildings. Occupancy on the project is planned for 2014.

“Pricing will be commensurate with luxury rental product that already exists on the north side of Williamsburg,” says Jeff Levine, chairman of Douglaston Development, which also built the Edge condo building next to Northside Piers on the Williamsburg waterfront.

This windfall of surprise rentals has helped create a demand for condos where once people thought there would be a glut.

“The rental absorption has been amazing,” says David Maundrell, president of Aptsandlofts.com. “It’s fueling a condo push, because condo product is down.”

Some developers are recognizing this.

Like others, the 13-unit Louver House at 91-93 Metropolitan Ave. came on the market pre-Lehman Brothers meltdown. Like others, when its units failed to sell, the developer rented them. Now all the leases are up, and the developer has put the units back up for sale thanks to an improved market. Three have sold thus far, says Eric Benaim, CEO and

president of Modern Spaces, which is selling the building. Units are priced upward of \$700 per square foot.

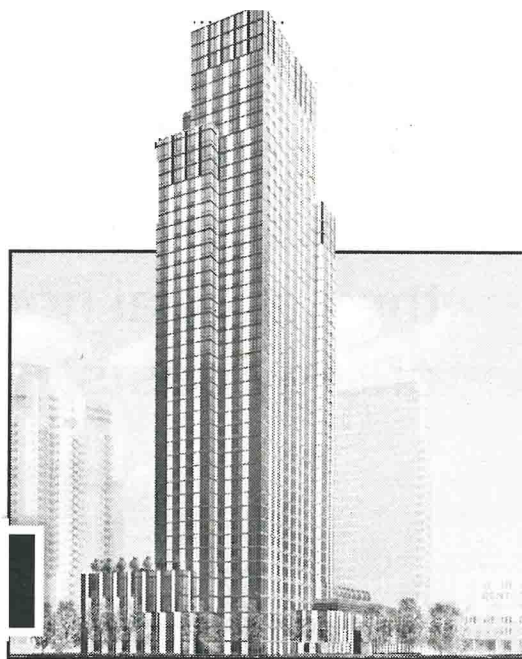
“We’re trying to figure out where rents are and how our pricing translates when compared to a rental product,” says Abraham Bennun, managing partner of Triton Realty Group.

Triton is developing the Bedford Collection, 72 condos in two five-story buildings on North Third Street — one at Bedford Avenue and the other at Berry Street — and 12 four-story, single-family townhouses between.

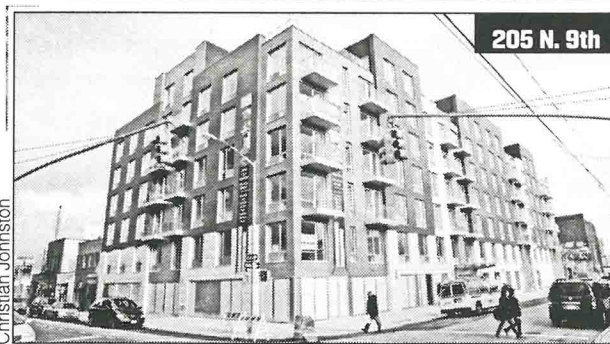
“Someone who is coming in saying, ‘I want to rent a one-bedroom, but what happens if I put my money into a condo and build my equity?’ That’s where we come in,” Bennun says.

At 144 N. Eighth St. — known as the Finger Building for how it juts out of the landscape — 60 percent of the 41 units have sold since coming to market in September, according to Deborah Rieders, senior vice president at the

Christian Johnson



ON TAP: Where once condos were planned (left), there now will be 500 rentals in the Current (above).



Corcoran Group, which is handling sales. Prices range from about \$650,000 to \$2.5 million.

As for condo relaunchees, there's the building formerly known as Urban Green, at 142 N. Sixth St., which in 2006 was on the market for about \$800 per square foot. The building, now called Jardin, stalled, got sold and the group now working on it is seeing sales around \$760 per square foot.

"I wouldn't say that we're back at 2006/2007 prices, but we're not far off," says Maundrell, who is selling Jardin.

"During the aftermath of Lehman, sales fell off a cliff, but in late fall of 2010 up until now, we've sold 300 units [at the Edge] at ever-increasing prices," Levine says.

With strong sales at the Edge — units are selling for around \$900 per square foot and 80 percent of the 600 condo units

have sold — Levine's choice to bring a rental building to the market is an interesting one.

"We have a desire to do rentals for many reasons; we think this neighborhood is in the beginning of its evolution as the premier neighborhood for Generations X and Y," Levine says.

The beginning?

"When you think back four years ago, before the Edge and Northside Piers, people were worried the neighborhood couldn't handle it," Blackburn says. "And now people are already living there and there's Duane Reade and Starbucks."

"Development [in Williamsburg] is back," Maundrell says. "This has been a good year. It started with people buying distressed debt and repackaging [older properties]. Now, they're not just buying failed notes, but land."