

# CRAIN'S

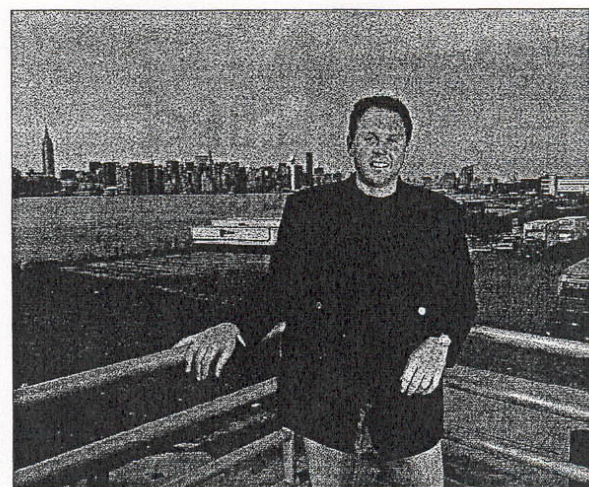
**4-STAR GAZING:**  
Bob Lape relishes  
Blue Hill at  
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**COMMERCIAL  
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CATCH FIRE;  
LAWYERS TURN  
DEVELOPERS**  
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## SPECIAL REPORT



ARNOLD ADLER

**ZONE OFFENSE:** Now that the area's zoning change has been approved, Louis Silverman will have his firm's truck lot redeveloped as 1,000-unit residential towers.

## B'klyn lots hold residential gold

*Values take wing ahead of rezoning; Manhattanesque condo sale prices*

BY WENDY DAVIS  
Some people win the lottery. Louis Silverman did at least as well when he bought a 250,000-square-foot plot on the crumbling waterfront of Williamsburg, Brooklyn, three and a half years ago.

He thought the location would be a perfect place to park his 4G's Truck Renting Co.'s vehicles, and maybe someday to park a residential development.

That day got a lot closer the following year, when the city unveiled a proposal to allow developers to build residential skyscrapers along the water in the Williamsburg and Greenpoint areas. Suddenly, Mr. Silverman

### ANATOMY OF A KILLING

**SITE:** 250,000-square-foot plot with two blocks' worth of river frontage  
**LOCATION:** Kent Avenue between North Fifth and North Seventh streets  
**PREVIOUS TENANT:** USA Waste Services of NYC Inc.  
**BUYER:** Louis Silverman  
**PRICE PAID:** \$8.6 million  
**DATE:** December 2001  
**PLAN:** Construct as many as 1,000 residential units in two towers with prices of up to \$650 per sq. ft.  
**PARTNER:** Levine Builders of Douglaston, Queens

found his trucking business situated on some of the most valuable real estate in Brooklyn. He potentially possessed more than 1 million buildable square feet in a neighborhood where some new residents are ponying up \$650 per sq. ft.  
*See BROOKLYN LOTS on Page 36*

## Plotting the pricing payback

**TO MAKE THEIR HIGH COSTS PAY OFF**, area developers are ratcheting up purchase and rental prices. Condo prices in Williamsburg now approach those found in parts of Manhattan.

For instance, the few units left in the 10-story Gretsck Building, a former musical instrument factory at 60 Broadway, are being offered at between \$650 and \$700 a square foot. Even loft apartments that haven't been significantly retooled go for \$400 to \$500 a square foot, says John Reinertsen of CB Richard Ellis. In comparison, **condo prices in tony east midtown** now average \$830 a square foot.

Williamsburg residential rents have soared to around \$35 a square foot. That puts them roughly on par with those on the Lower East Side, says Ralph Trionfo of Upside Ventures.

**Store rents** are also rising steeply. Faith Hope Consolo, chairman of the retail leasing and sales division of Prudential Douglas Elliman, says that top rents in the area are around \$75 a square foot, up from about \$35 three years ago and \$15 to \$20 five years ago.



# Brooklyn lots' residential gold

*Continued from Page 28*  
square foot for condos.

Mr. Silverman—who has rejected more than 100 offers to sell out, preferring to develop the property with a partner—was lucky. The combination of the city's superheated real estate market and the Brooklyn rezoning proposal, which won overwhelming City Council approval last week, has triggered a near tripling of prices in Williamsburg over the past five years.

"In the past two years, things have gone crazy," observes John Reinertsen, first vice president

with CB Richard Ellis.

Developers in Williamsburg now routinely pay \$150 per buildable square foot in areas likely to be rezoned as residential, say brokers, up since 1990 from the \$50-to-\$90 range. Part of the recent rise has been driven by speculators who have made huge profits by flipping property—either reselling a building while it's still in contract, or buying a building and selling it again shortly afterward.

**Triple your pleasure**

Ralph Trionfo, president of Manhattan-based real estate in-

vestment firm Upside Ventures, points to a 50,000-square-foot warehouse on the corner of North 11th and Roebling Streets that was sold for \$7.5 million last year. It is now on the market for \$20 million, courtesy of the zoning change, which will allow construction of 165,000 square feet of apartments at the location.

Only in recent months, as the zoning change became a virtual certainty, has the Williamsburg market calmed down a bit. Certainly, prices can still climb from current levels, but the land use modification is no longer a wild card; it has already been factored in.

Now the fate of Williamsburg is up to the markets—including those on the other side of the East River.

"As long as Manhattan stays hot, the outer boroughs stay hot," says Neil Dolgin, executive vice president of brokerage Kalmon Dolgin Affiliates Inc. in Williamsburg. ■

## NJ transit towns get state funds

*Continued from Page 35*

ket Square, an 80-unit condominium development that will have 30,000 square feet of ground-floor retail space directly across the street from the station.

"We are still in the process of rejuvenating the downtown, and the plans going forward will surely attract new business," says Stephen Skoller, principal of South-Orange-based New Market Square Development Co., one of

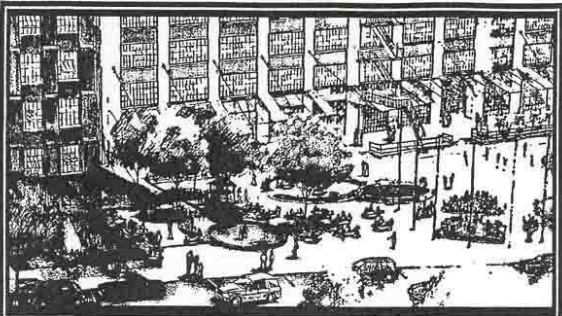
Twenty-five towns applied within the past year to become official transit villages

two developers on the project.

South Orange's success has drawn a queue of other towns interested in joining the initiative. Twenty-five towns applied within the past year to become official transit villages.

Now, if only Trenton would put a bit more money in the pot.

"We would like to have more money, no doubt about that," says Richard Johnson, chairman for the Northern New Jersey District Council of the Urban Land Institute. "But \$1 million renewable on a yearly basis is a start." ■



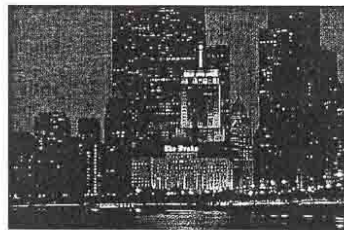
NEW JERSEY'S MOST EXCITING NEW TRANSIT VILLAGE

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- Neighboring new 80,000 s.f. Shoprite
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