

CRAIN'S

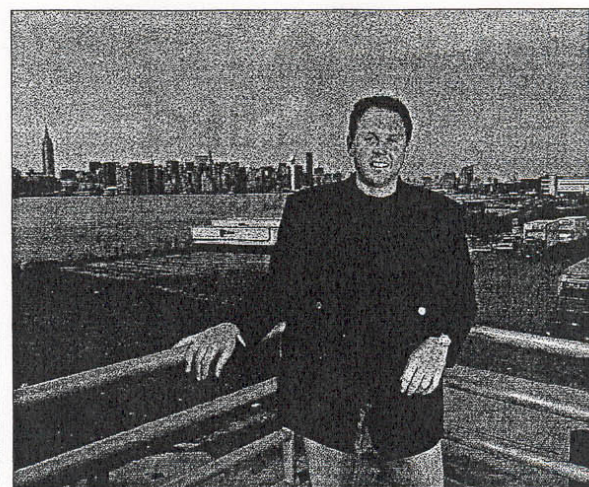
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**COMMERCIAL
REAL ESTATE:
FRINGE AREAS
CATCH FIRE;
LAWYERS TURN
DEVELOPERS**
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SPECIAL REPORT



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.
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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.

