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Real Estate Trends in Brooklyn and Queens

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Low inventory and increased demand continue to play a key role in the growth of the Brooklyn and Queens markets. Foreign investors are gravitating to the boroughs at an unprecedented rate. It is becoming an attractive alternative or supplement to Manhattan real estate investments.

The residential development boom in Brooklyn over the past few years has left retailers playing catch up. We are seeing significant demand for retail and mixed-use property in Downtown Brooklyn. The number of shopping venues as compared to the growing population is certainly lacking, capturing the attention of national retailers like J.Crew and Banana Republic. As residential development continues to expand in Bed-Stuy, Bushwick and DUMBO, retailers are rushing in to grab a piece of this captive market.

We expect the retail leasing and development sector to play a key role in the shaping of the Brooklyn market over the next few years. As with any thriving market, the landscape is continually evolving. Many companies are now calling Brooklyn home, particularly in the technology sector. These companies are luring current and potential employees to live in Brooklyn neighborhoods due to the proximity to work. Firms like Etsy, MakerBot and Loosecubes are moving to Downtown Brooklyn, DUMBO and the Brooklyn Navy Yard known as the Tech Triangle of Brooklyn.

Developers continue to gravitate towards the industrial properties on Brooklyn's waterfront. The recent re-zoning has led to the demolition of these outdated buildings in preparation for residential construction. We are seeing increased demand for industrial sites that were previously passed over in the Brooklyn market. This has been a popular trend since discussions began for residential development plans on the Domino Sugar refinery site.



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The Queens market continues to grow as foreign investors are eyeing neighborhoods that feel comfortable and familiar. Flushing is quickly becoming one of the hottest real estate markets. As China continues to invest in New York City real estate, we are noticing an influx of capital flowing through the Asian communities in Flushing. As land prices continue to increase in Manhattan, Brooklyn and Western Queens, developers are turning to Eastern Queens. Instead of paying \$250 per buildable square foot, Flushing is more attractive at \$120-\$150. Huge development projects featuring residential, retail and commercial use is booming in the area. Notable projects include the \$850 million dollar Flushing Commons Development in Downtown Flushing and the Willets Point Urban Renewal project. Hotels and large mall developments are also contributing to Flushing's flourishing economy, like the 12-story Intercontinental Hotel with frontage on Prince Street. The site would also include a 14-story office building with frontage on Main Street, a two-level spa, multiple retail stores, and a restaurant. Just across the street on Northern Boulevard the old RKO Keith Theater is stage for another mega mixed-use project in the works.

The residential development boom in Astoria and Long Island City is expanding to other parts of the borough from Hunters Point to Willets Point. These skyscraper projects are attracting national attention to Queens, a borough that is quickly becoming as desirable as Manhattan and Brooklyn. Developers seems to have an insatiable appetite for land in Queens, which is causing what some speculate to be a land bubble. Foreign investors have played a significant role in the increasing demand for land in Queens. Land owners are taking a closer look at selling their properties for a substantial profit in this unique market environment.

Clearly all these trends indicate the strength of the Brooklyn and Queens real estate market. Brooklyn has become more comparable to the Manhattan market and Queens is not far behind. These boroughs are being recognized as leaders in the industry with so much to offer investors, developers and the overall metropolitan community at large.