

## Bushwick Takes the Spotlight

A gritty neighborhood undergoes a transformation with new apartments.

By ALISON GREGOR

The appearance of a scantily clad, twerking Miley Cyrus at a recent party in Bushwick, Brooklyn, may be stealing headlines, but the arrival of new-construction condominium developments for the first time since the 2008 real estate crisis has also attracted attention.

The first development, which just went on the market, 13 Melrose, consists of eight one-bedroom homes with prices from

\$389,000 to \$733,000, and several units already have contracts out. Brookland Capital, the developer, has plans for seven other condo projects throughout Bushwick, some with two to three dozen units, said Boaz Gilad, a Brookland partner.

Another condo development in the planning stages, with 24 units at 1300 Decatur Street, will have one- and two-bedroom apartments, said David J. Maundrell III, the president of aptsandlofts.com, which is consulting on many of the projects.

Mr. Gilad, whose company is adding condos throughout Brooklyn, said the success of Williamsburg and then East Williamsburg has enticed many developers

along the path of the L subway train to Bushwick. A decision by the Metropolitan Transportation Authority in 2010 to reroute the M train through Midtown Manhattan also opened up the south Bushwick market to commuters, developers say.

“One of the challenges, and also the opportunity, of Bushwick for developers is it’s not a typical pretty Brooklyn brownstone neighborhood,” Mr. Gilad said. “It doesn’t have the buildings you see in Crown Heights or Bedford-Stuyvesant, with landmarked blocks of brownstones. Most of the buildings are frame homes, and there are a lot of industrial areas.”

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# Bushwick Takes the Spotlight With New Units

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At the same time, "it gives us a blank canvas to create whatever we want," he added, pointing to a Bauhaus-style condo development with 24 units that Brookland has planned for 322 Menahan Street. "We wanted to do something modern and cool."

Some community groups worry that this next wave of development could change Bushwick's low-rise streetscape and displace lower-income residents.

Bushwick, particularly its industrial northwest section, has undergone a transformation since the mid-2000s, as artists and students priced out of places like Williamsburg and Long Island City in Queens has joined longstanding Hispanic and African-American residents in the working-class neighborhood.

The artists have created an enclave where vibrant street art is rampant, and galleries, restaurants and bars have followed, lending an appeal for people in their 20s and 30s seeking the latest trends in art, music and lifestyle.

Hundreds of rental apartments have been created to serve that population, along with some conversions of older buildings into condos, such as the Wy 101 Lofts at 101 Wyckoff Avenue with roughly 30 units. Around the 2008 market downturn, a few new-construction condos, such as 358 Grove Street, with 59 units, were created.

Last year, the 6.4-acre manufacturing site of the former Rheingold Brewery in northwest Bushwick was rezoned, and the developer, the Read Property Group, received city approval to create 10 eight-story buildings with almost 1,000 rental units; about 30 percent of the overall development will be affordable by city standards. While that project is in the works, several parcels in Bushwick have changed hands, and residents are waiting to hear what sort of development will follow.

"Most of the developments are being geared toward luxury rentals," said Katie Thurber, an agent with the real estate brokerage Urban Compass. "Current residents are concerned that a bunch of new high-rises will be created, and kind of change the face of the neighborhood, because the majority of buildings in Bushwick, apart from the industrial landscape and factories, is low-rise housing."

Many of the newest rentals in Bushwick include amenities more commonly seen in other Brooklyn neighborhoods, like Williamsburg. For instance, Colony 1209 at 1209 DeKalb Avenue, a former mattress factory, has a 24-hour doorman, a lounge with Ping-Pong and pool tables, a library with communal work space, a screening room, a gym and a landscaped courtyard.

The amenities "have been a huge selling point for our tenants," said Robert Schwartz, a founding partner of Spruce



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Colony 1209, with 127 units, top left and right, has a landscaped courtyard and an inviting lobby; 90 percent of the apartments are already rented. The 13 Melrose condo, above left and right, consists of eight one-bedrooms.

Capital Partners, which paid about \$58 million for the building this year and is working with a partner, Alexander Rovt.

Colony 1209 went on the market at the end of April, and about 90 percent of the 127-unit development is now rented, Mr. Schwartz said. The least expensive apartments available are a one-bedroom for \$2,262 a month, a two-bedroom for \$2,800 and a three-bedroom for \$3,115.

Colony 1209's rents are typically two-thirds the rents for comparable buildings in Williamsburg, Mr. Schwartz said.

The tenants at Colony 1209 lean heavily toward young professionals aged 24 to 35, many working in finance, "who are a few years out of college, and they're sharing a two-bedroom apartment," Mr. Schwartz said. "But also a lot of creative types."

Colony 1209 might convert to condo at some point in the near future, given the warm reception the project has had in Bushwick, Mr. Schwartz said. "Judging from the response we've received from people wanting to live in the neighborhood, and seeking out luxury finishes and amenities, I don't see why not," he said.

Because there are still relatively few condos in Bushwick, finding comparable sales can be difficult, but Mr. Gilad said that he prices his condos based on what potential first-time buyers are paying for rent. "They don't look at it as the price they're paying per square foot; they look at the cost to them," he said. "If they're renting an apartment now for, let's say, \$2,400 a month, we price our units between \$2,400 to \$2,700 a month for mortgage, taxes and maintenance — but now they own the unit."

According to an August report by MNS Real Impact Real Estate, Bushwick saw a

17.6 percent increase in rental prices over a year earlier. Justine Lee-Mills, a Bushwick resident and an agent at the Corcoran Group, specializes in selling two- to six-family homes to investors and confirmed that prices have shot up across the board.

"I think the value of the house I'm in has doubled," she said. "A few years ago, it was valued around \$550,000, and now this type of two- to three-family home is trading for \$1 million, if not a little bit more."

Ryan Jensen, a stay-at-home father and part-time photographer with a second child on the way, was priced out of East Williamsburg and now rents a three-bedroom in Bushwick that is about a 15-minute walk from the L train. "We're the leading edge of gentrification," he said. "We're the people willing to be in these areas where there isn't transportation, or where our kid may be the only white kid in the school, or where there aren't amenities. We have delis, and that's about it."

Mr. Jensen, whose wife is a public-school teacher, said they have also been priced out of the trendier northwestern portion of Bushwick, where he lived in the late 2000s.

"It's become much tonier — all the shops spruced up and better lit, with more organic food — and everything is cleaner," he said. "It's an area that's definitely pitching to a younger crew, but I don't want to say 'hipsters,' because I think it's become too tony for hipsters."

Several advocacy groups, like the Northwest Bushwick Community Group, have formed to help original residents stay in the community. The group fought to make a sizable percentage of the Rheingold Brewery development affordable, as well as to get the developer to transfer six lots to nonprofit groups for low-income housing, said Brigette Blood, a founding member of the group and an 11-year Bushwick resident.

Besides the tendency of luxury development to drive up rental rates and eventually property tax rates, the problem with much of the development in Bushwick, even with regulations that prompt developers to create affordable housing, is that it isn't being created for the existing community, Ms. Blood said. She noted that the city determines affordability using city-wide data. "So what the city defines as affordable is way out of line with what local affordability rates are," she said.

Negotiating land for community control, like the six lots in the Rheingold development, can "better serve community needs permanently than do temporary scraps of some units in a luxury building," she said.

The group is also urging the city to track the displacement of community residents.

"The city doesn't even track eviction data, which is disturbing," Ms. Blood said. "If the city isn't measuring it, how can we hold developers accountable for it?"