

The New York Times

SEPTEMBER 5, 2013 - 101 BEDFORD IN THE NEWS - REAL ESTATE - By Jim Rendon

A Low-Rise Feel at High-Rise Prices



LEASING LUXURY The central courtyard of 50 North 5th Street in Williamsburg, will include a bocce ball court and have areas for sitting, working and socializing. The building, which will have 229 rental apartments, is expected to be completed next month. *Photo by Neoscape*

The apartments that agents begin leasing this month at 50 North 5th Street, in Williamsburg, Brooklyn, will be among the first rental buildings in the neighborhood to offer the kind of perks that have become increasingly common in the neighborhood's most expensive condominiums.

The red-brick building with large windows is only seven stories tall, yet 50 North 5th, which is expected to be completed in October, takes up about two-thirds of a block, giving it a long and low look similar to the neighborhood's remaining warehouses. The sprawling low-rise is a departure from luxury towers like Northside Piers and the Edge that mark the waterfront just a block away.

"All of the things that attracted young people to Williamsburg attracted us," said the developer, Richard L. Mack, a founding principal of the Mack Real Estate Group, as he surveyed the neighborhood and the sliver of the East River visible between the neighboring high-rise towers from the building's roof deck. "We didn't make it up, we just followed."

The large roof deck will have space for grilling, sunbathing, socializing, an outdoor shower for overheated sunbathers and a pee pad for dog walkers too busy to take their pooches out to the street. Much of the second floor is made up of an open-air, central courtyard that includes a bocce ball court and will have areas for sitting, work-

Continued on Page 2

The New York Times

Page 2 - SEPTEMBER 5, 2013 - 101 BEDFORD IN THE NEWS - REAL ESTATE - By Jim Rendon

A Low-Rise Feel at High-Rise Prices

ing and socializing. Outside the lobby is another outdoor space, with a fountain.

A gym on the second and third floors has views of the courtyard. There is an indoor basketball court, a large bicycle room and several lounges. The building has 7,000 square feet of retail space on the ground floor, possibly for restaurants or some other food-related business.

Mack Real Estate secured the building's lot in 2007 but didn't close the deal until 2011 because of a contract dispute with the previous owner, according to the company. The opportunity to build on such a large lot is rare and was part of the draw for Mack. "The industrial base has allowed for the creation of a new neighborhood," Mr. Mack said. "We wanted to be part of that."

Williamsburg once attracted young artists looking for affordable loft space, but now draws families with young children and young professionals. Many artists and long-term residents have been pushed out by rising rents and new development. This building is designed to have broad appeal, said David J. Maundrell, the founder and president of Aptsandlofts.com, which is marketing 50 North 5th.

The building will have 229 studio, one- and two-bedroom apartments, 46 of which will be affordable units reserved for low-income tenants. The apartments have quartz stone countertops and large closets; every unit has a washer and dryer and a dishwasher. The interiors were designed by Cl-oth Interiors of Williamsburg.

"When you walk in from the outside, we want this to feel like a restaurant or a nice boutique hotel," Mr. Mack said.

This is the first building to be completed by Mack Real Estate (which worked with Urban Development Partners on the project), though it has plenty of experience in real estate. Richard Mack and his father, William L. Mack, founded AREA Property Partners, which took over the troubled Apthorp condominium on the Upper West Side. The company has invested more than \$14 billion in equity in more than 600 transactions. AREA was recently

acquired by an investment company.

Mack Real Estate has a number of projects under way, many of which are on the West Coast. Mr. Mack said he was interested in creating rentals in Williamsburg because he is bullish on the neighborhood. "We believe there is long-term value being created here over the next 10 to 20 years," he said, "and we want to participate in that."

Jonathan J. Miller, the president of the appraisal firm Miller Samuel, says that upscale rentals in Williamsburg make sense. According to Mr. Miller, Brooklyn median rents were up 5.1 percent in July over the previous year and the borough's luxury market — the top 10 percent in price — was up 11.8 percent over the same period. At the same time, many potential buyers have been shut out of the market, because not only have sales prices climbed while inventory remains low, but credit remains tight.

Rents at 50 North 5th are high for Williamsburg — two-bedrooms, averaging 976 square feet, are \$4,500 a month and up — where the average in the neighborhood is \$3,625. But they are not unusual for Manhattan; the average rent for a two-bedroom is \$4,794, according to Mr. Miller. Mr. Maundrell said he expected that about half of the building's renters will come from Manhattan.

Eric Hantman, the founder of Prime NYC, which handles sales and rentals in Brooklyn and Manhattan, said that the success of amenity-rich rental buildings in Manhattan like 8 Spruce Street, the Ashley and MiMA have proved that some people are willing to pay high rents for lots of perks. And, he said, "there are people living in Manhattan making good money that want to live in Williamsburg. And they are willing to pay Manhattan prices."

Another luxury rental building, 101 Bedford, which abuts McCarren Park, also offers numerous amenities, including an indoor pool, a hot tub and sauna, spa treatment rooms, a wine vault, a recording and photography studio and a yoga room, as well as a roof deck with cabanas. There are fees for accessing these perks.

A version of this article appears in print on September 8, 2013, on page RE8 of the New York edition with the headline: A Low-Rise Feel at High-Rise Prices.