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Building sites drawing eager bidders again

Five properties in Brooklyn hit market and attract offers seen as “within reason”; activity comes on eve of Wednesday's bankruptcy auction of big vacant parcel in Manhattan.

By [Amanda Fung](#)

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In a further sign of a recovery in the property market, more sellers are putting building sites on the market. Five of them in Brooklyn, totaling 90,000 buildable square feet, were recently put up for sale, according to TerraCRG, a boutique commercial real estate brokerage that was retained to market the sites.

“The offers we are getting so far are within reason,” said Ofer Cohen, TerraCRG's president. “Most believe that the worst is behind us, and it is not a complete catastrophe to sell now.”

Recently, brokerage Massey Knakal Realty Services sold a 10,000-square-foot residential development site in Coney Island, Brooklyn, near the plot where the city plans to develop a 27-acre amusement destination. The deal, expected to close by the end of August, was seen as the first transaction for a residential development site in the area in two years. A few months ago, Massey Knakal began marketing a bigger lot in the area—a vacant three-acre site that had been home to the popular Thunderbolt roller coaster.

Elsewhere, a major development site on Greenwich Street in lower Manhattan is coming up for grabs via bankruptcy auction. On Wednesday, a vacant parcel of land that can be used for 156,000 square feet of mixed-use development will go on the block for a minimum bid of \$14.5 million. According to published reports, Sam Zell of Equity Residential has his eye on the site.

The five sites marketed by TerraCRG in Brooklyn are in the neighborhoods of Clinton Hill and Prospect Heights and are zoned for residential use. One site on Nostrand Avenue was formerly slated to become a Walgreens, which had to pull out of its lease with the owner when the 14,000-square-foot site was rezoned and lost the privilege of building more parking. That site, which has an asking price of \$2.1 million, allows for some commercial use, said Melissa DiBella, vice president of sales and marketing at TerraCRG.

A different owner is selling four smaller sites, a 4,500-square-foot lot for \$650,000; 7,000 square feet for \$1.2 million; a 10,000-square-foot lot for \$2.4 million and 12,500 square feet for \$1.5 million.

“On the smaller sites we are getting interest from local developers who have waited for prices of land to come down,” Ms. DiBella said.

Because of their size and the allowed buildable square feet, each site is also ideal for townhouse development, said Mr. Cohen of TerraCRG. “It's cheaper to build townhouses, sell it and move on to the next one,” said Mr. Cohen, adding that developers could turn a 30% to 40% profit by doing just that.

Smaller development sites are coming on the market because they can be sold for all cash. Nonetheless, he noted that it is still difficult to get construction financing to do anything with bigger parcels of land.

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