

Williamsburg market rebounds after reversal of L train shutdown

By [Eddie Small](#) | April 10, 2019 07:00AM



Williamsburg, Brooklyn (Credit: iStock)

Buyers hoping to find a good deal in Williamsburg may have waited too long.

After years of uncertainty in the neighborhood over the pending L train shutdown, prices, deals and interest have all shot back up following Gov. Andrew Cuomo's [abrupt reversal](#) of the plan at the beginning of the year, according to multiple sources in the real estate industry.

"Literally 24 to 48 hours after the announcement that Cuomo made — overnight — people showed up and started signing leases," said TerraCRG founder and CEO Ofer Cohen.

A home in Williamsburg occupied the top spot in Stribling's weekly reports on Brooklyn's luxury market for three of the four weeks between Feb. 19 and March 24. A townhouse at 64 South 4th Street topped the list the week of Feb. 19 with a roughly \$4.5 million price tag; a condo at 278 North 6th Street topped the list the week of March 4 with a \$3.15 million price tag; and a townhouse at 138 North 1st Street topped the list the week of March 11 with a price tag of slightly less than \$6 million.

"The first quarter of this year saw a big bounce back compared to the first quarter of 2018," said Garrett Derderian, chief data officer at Stribling. "There was a 20 percent increase in the number of contracts signed. It's now at 146 deals compared to 122 last year."

The average sales price in Williamsburg went up year over year as well, increasing by 12 percent to slightly more than \$1.4 million, according to Stribling. Average days on the market actually went up year over year

from 117 to 164, but Derderian said this was more a reflection of listings that had been lingering on the market finally selling.

Competitive pricing in the neighborhood is helping to drive interest, but the reversal of the L Train shutdown is having a real and significant impact as well, according to Derderian.

“There are a couple things going on in this market. Of course, the obvious one is the L train shutdown now being canceled,” he said. “We see there’s less of a concern over people moving to the area both on the rental side and on the buy side.”

Christine Blackburn, a broker at Compass who focuses on Williamsburg, agreed that the market was off to a very strong start to the year. She credited this almost entirely to the new plan for the L train.

“It really was a noticeable change in sales traffic and offers within that very first week” after the shutdown was called off, she said.

The Metropolitan Transit Authority first announced that it would need to [fully close](#) the tunnel under the East River connecting the L train to Manhattan in 2016, and the Williamsburg market took a hit almost immediately after, according to Blackburn. Sales started picking up again after the initial shock passed but then started slowing back down toward the end of 2018 as the reality that the shutdown would happen soon started to sink in, she said.

“I think Williamsburg had been artificially depressed,” Blackburn said. “You had all these people who love the neighborhood and wanted to buy there, but they just were scared about the lack of knowledge about what living there during that shutdown was really going to be like.”

“The moment that went away,” she continued, “everybody just pounced.”

The tunnel was initially due to close in April, but Cuomo unveiled a new plan in January where work would only be done on the tunnel during nights and weekends. The specifics of the plan are “still evolving,” but it should mean that service will operate normally during the busiest weekday hours, according to the MTA’s website.

Daniel Fried, a Douglas Elliman broker who works frequently in Williamsburg, said broader economic forces also helped explain the neighborhood’s strong first quarter, including interest rates settling down and investors seeing real estate as a more stable place to put their money than the stock market.

However, he agreed that Cuomo’s L train announcement played a significant role in jumpstarting the market this year.

“Once the announcement happened, more people started re-leasing their apartments and feeling more confident to sell,” he said. “People did reenter the market. Williamsburg got back on their radar.”

Derderian did not expect to see the number of contracts and sales prices rise in Williamsburg indefinitely, but he did predict that this trend would continue at least through the first half of the year.

“I don’t anticipate that to be a trend in terms of every quarter we’re going to see greater and greater numbers,” he said. “I think we’ll see a leveling off after the first and probably through the second quarter, where more buyers reengage in the market.”

Tags: [Brooklyn Sales](#), [l train](#), [Williamsburg](#)

00:32 / 01:13

Rabsky sells Williamsburg
apartment building to UDR for
\$130M

Piece of Ko-Rec-Type
portfolio sells for \$23M

Investors make offers on Toby
Moskovits' Williamsburg
Hotel: report