



## Coney Island, home to hot dogs and the Cyclone roller coaster, sees a budding real estate boom

- Coney Island, home to the legendary amusement park and boardwalk, could be Brooklyn's next neighborhood to undergo a development boom.
- The Ocean Dreams project, a 21-story, 425-unit apartment complex, is set to open in the summer of 2019 and there's another massive development project in the cards.

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Thanks to its location on Brighton Beach, along the Coney Island peninsula, the four-bedroom, 3½-bath penthouse with a fireplace listed by Douglas Elliman boasts impressive oceanfront views, something most properties in Brooklyn's hot real estate market can't match.

The area's demographics, which 2010 Census data shows as being at the lower end of the city's income range and skewed heavily toward Eastern European immigrants – may make it an unlikely choice for a nearly \$3 million home. Yet if the real estate trends of the past few years are any indication, the home to the legendary amusement park and boardwalk could be Brooklyn's next neighborhood to undergo a development boom.

Take for instance the Ocean Dreams project, a 21-story, 425-unit apartment complex, which is set to open in the summer of 2019. If owner and real estate developer John Catsimatidis has his way, Ocean Dreams is just the beginning: He recently told *The New York Times* in an interview that he's "itching" to plant more properties on the beachfront land he owns.

"Demand for projects like Ocean Dreams will be strong, from not only millennials but from nostalgic baby boomers that enjoyed Coney Island during its heyday in the '50s and '60s," said John Boyd, a management consultant and owner of The Boyd Co., a corporate selection site firm.



*People enjoy a quiet winter afternoon at Coney Island on December 22, 2018 in New York City. New York City and much of the nation is preparing for the Christmas holiday week where many Americans will enjoy time with family and friends.*

"Look for strong demand to also come from Russian investors and the Russian community that has gravitated to the Coney Island environs in recent years," he added. "Coney Island redevelopment could not come at a better time."

The home of the historic wooden Cyclone roller coaster became a popular resort and amusement park destination during the 1880s, but during the 1960s it experienced a major decline in visitors. As a result, the surrounding neighborhood suffered a downturn, and bids to revitalize it came and went.

However, in 2005 a proposal by former Mayor Michael Bloomberg was approved by the Coney Island Development Corp. Now Coney Island appears poised to take its place alongside Williamsburg and Dumbo as a working-class, racially mixed enclave that's undergoing an unexpected renewal.

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"According to one city report, 1 in 10 jobs in the neighborhood was lost. But prices began to stabilize and grow in part due to the redevelopment efforts, such as Luna Park in 2010," he added.

Housing prices in the neighborhood have risen steadily for the past decade. Data from real estate analytics firm NeighborhoodX showed that rentals surged from a median rent of \$700 in 2008 to around \$1,900 currently, an increase of about 170 percent over the course of a decade.

Alex Lavrenov, an agent at Warburg Realty, said that more than 2,000 units are expected to come to the neighborhood — which is twice as many as the 1,000 that the massive Essex Crossing development is expected to bring to Manhattan's Lower East Side.

A new Coney Island development at 1709 Surf Ave. is expected to open in 2021 that includes a mixed-use complex now under construction, which will account for 1,000 units just on its own. There will also be 80,000 square feet of office space, and 150,000 square feet of retail space.



*People walk along an empty beach at Coney Island on October 1, 2018 in New York City. Despite a week of warm temperatures and bright sunshine, most of the rides, stores and restaurants have closed for the season at the iconic New York beach.*

Still, Coney Island has several obstacles to overcome before it becomes a potential real estate hot spot. It's a long, 45-minute subway commute from Manhattan, which could be a deal breaker for those who work there. Meanwhile, many of the perks of a gentrifying neighborhood — including trendy food and retail establishments that attract hordes of upwardly mobile city dwellers — have yet to make their way to the area.

The neighborhood still suffers from a scarcity of retail establishments, but Valhouli of NeighborhoodX expects that situation would shift, along with Coney Island's changing demographics.

Along Coney Island's main street, Surf Avenue, median retail rental prices are \$50-\$58 per square foot, and Valhouli said that retailers would want to take advantage of those prices as people move in.

The influx of new apartments will create built-in foot traffic and demand for retail," he said. "It makes for a compelling business case."