

## The New York Times

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# ***An 'Amazon Effect' on Queens Real Estate? Brokers Say It's Real.***

**By Corey Kilgannon**

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Even in Long Island City, Queens, one of the fastest-growing neighborhoods in New York City, 2018 was not exactly shaping up as a banner year for real estate.

Heading into the traditionally slow winter season, condominium sales had slumped. But then in early November, news broke that Amazon would build a vast campus in the neighborhood and hire more than 25,000 employees.

The deal has stirred political controversy and drawn mixed reaction from New Yorkers. But it has been greeted with euphoria among real estate brokers who have seen a sudden gold rush of interest in the local condo market.

Some inquiries have come from Amazon employees, but since only a few hundred will arrive in 2019, most buyers have been investors and New Yorkers looking to relocate to a neighborhood on the rise.

Asking prices jumped. Buyers rushed to make deals. Inactive listings turned into bidding wars. Brokers are taking bids via text message. And the rush has fueled concerns that a gentrifying neighborhood will become even less affordable, as “tech bros” push out the working class.

The initial hype has leveled off, and with interest rates rising and signs of a recession, the market's ascent could come to a halt. But for now, while the rest of the city remains sluggish, the Amazon effect has changed the game in Long Island City real estate, as visits with three sleep-deprived brokers showed.



“People want a slice of the pie,” Ms. Lee said of Long Island City.  
Chang W. Lee/The New York Times

## Taking bids by text: “People want a slice of the pie.”

Kayla Lee put on a hard hat and took a large work elevator to the roof of Corte, an eight-story condo building under construction where she is the sales director.

She pointed to the nearby Citigroup Building, where Amazon has rented office space for the first wave of employees. A few blocks in the other direction was the future site of Amazon’s headquarters on the East River, facing Manhattan.

With Amazon’s arrival, she said, the street below, 44th Drive, would become a “golden road” lined with shops and restaurants.

The apartments Ms. Lee shows at Corte are barely framed out and will not be habitable till next October. They range from \$560,000 studios to penthouses selling for nearly \$3 million.

Since the Amazon news, Corte has raised prices about \$30,000 per apartment; more increases are planned.

The Amazon deal, Ms. Lee said, has boosted buyer confidence.

Some buyers texted her offers moments after viewing units and are now in contracts to buy. One overseas buyer bid \$2 million for an apartment without seeing it. When Ms. Lee took 30 minutes to respond, he raised his offer by \$20,000. He is now in contract. Of the building’s 85 units, 57 are

under contract, with 35 having been bought after the Amazon deal.

A handful of Amazon employees from Seattle have expressed interest, Ms. Lee said, adding that the number of daily showings had jumped from a half dozen to about 28.

“People want a slice of the pie,” said Ms. Lee, 41, who led a potential buyer, Darren Floyd, 48, through a three-bedroom priced at \$2.3 million.

Mr. Floyd, who creates e-commerce start-ups and lives in Chelsea, said that moving to Long Island City would shorten his weekend trips to East Hampton and put him in an up-and-coming neighborhood.

“You can just kind of feel that things are moving,” he said. “You don’t want to buy after the wave has come through.”



“We’re the only neighborhood in New York that is a seller’s market,” said Patrick W. Smith, a longtime Long Island City real estate broker. Chang W. Lee/The New York Times

**“We’re the only neighborhood in New York that is a seller’s market.”**

Patrick W. Smith was bearing good news when he stepped into a spacious two-bedroom penthouse on the seventh floor of the Fifth Street Lofts, a couple of blocks from the future Amazon headquarters site.

The apartment owner, Michael McGoldrick, had bought the condo for \$848,000 nine years ago and recently decided to sell after upgrading it and purchasing a deeded parking space.

His asking price was a million more — \$1.85 million— but offers had fallen slightly short. Now, with a sturdier market, Mr. Smith, a broker with Stribling & Associates, was here to tell him that a buyer was willing to pay the asking price.

Both men smiled and recalled speaking on the phone when the Amazon news was breaking.

“I said, ‘Can you believe this?’” Mr. McGoldrick, 54, recalled.

Mr. McGoldrick, a commercial real estate lender, said he would weigh this latest offer.

“I’m not in a rush,” he said, “but I don’t want to leave money on the table.”

Mr. Smith, a longtime Long Island City resident and broker, puts out a weekly report for clients that includes weekly totals of all signed contracts reported in the neighborhood. Recent levels of buyer interest and sales have soared, he said.

Before the Amazon announcement, there were fewer than five signed contracts per week in 2018, he said. But since the Amazon news, the figure has nearly doubled — and does not include many recent units that have gone into contract.

“We’re the only neighborhood in New York that is a seller’s market,” said Mr. Smith, who has taken to categorizing local listings into separate tiers, based on proximity to the Amazon site.

“No one knows how long this will be the new normal,” he said. He is working with an investor hoping to purchase 10 apartments. “This has always been a growing and desirable neighborhood, but since the Amazon announcement, we’ve been catapulted by unprecedented national and international exposure.”





Paris Hampton, left, a sales associate at Galerie, another new Long Island City building, showing a model apartment in the building's showroom. Chang W. Lee/The New York Times

## **“The Amazon news hit and created a tsunami.”**

Paris Hampton, a sales associate at Galerie, a 182-unit condo building across from the MoMA PS1 museum, smiled as a potential buyer, Ian Samlin, browsed the building's showroom.

Mr. Samlin, 25, runs a money-lending firm in Manhattan and rents an apartment in Midtown Manhattan with friends, but the Amazon announcement prompted him to start looking across the East River. “There's a buzz and people know what Long Island City is now,” he said.

The plush sales gallery that shows off the luxury amenities of the 11-story Galerie was inundated after the Amazon deal.

“The Amazon news hit and created a tsunami,” Ms. Hampton said. “We had to start doing group tours.”

Galerie, too, is still under construction, so buyers have been bidding on units based on floor plans, Ms. Hampton said.

“People are excited to be part of a new neighborhood evolving in New York City,” she said.

About 50 units have been sold in the nearly seven weeks since the Amazon deal was announced, nearly equaling the roughly 55 sold in the building's first nine months on the market, said Ms. Hampton's boss, Vanessa Connelly, director of sales at HPDM, which handles marketing and

sales for Galerie.

After the Amazon announcement, Galerie filed with state officials to increase asking prices. One penthouse unit increased by \$250,000, going from \$2.5 million to \$2.75 million, Ms. Connelly said.

Gary Hirschfield, 57, an ophthalmologist from Queens, counts himself lucky for having secured a three-bedroom penthouse in the building for \$2.5 million before the Amazon announcement.

He was back in the showroom to look at an adjacent studio for about \$700,000, as a guest apartment.

“Now that Long Island City is more of a hot commodity,” he said, “I might grab it.”

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