

**CREATIVE DESTRUCTION: New York City's Key to Growth**

by  
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The Key to New York City's growth has been creative destruction, whether it goes under the nomenclature of revitalization, gentrification, urban rebirth, etc. When industries or neighborhoods wither in Upstate New York or Midwestern Rustbelt towns, they generally back step to a lower economic level with land uses such as imported waste site, prison development, or best of all choices, farmland. Not so for New York City.

The biggest difference between the rustbelt scenario and the continued vibrancy of the New York City Commercial Markets: Strong, relatively healthy industries are destroyed for even stronger industries. Good examples of this would be:

The property at 196 Diamond Street in Brooklyn, a fully-operational tin foil manufacturing plant. Although employing over 50 skilled workers in over 100,000 sq. ft. it was closed down to make way for a television and movie

studio production facility in 2000. The sale, which my firm brokered for \$1,400,000.00, resulted in the plant's reconstruction as four fully operational soundstages where hundreds are employed for TV productions such as "Third Watch."

For years along the East River in Long Island City, has been located a successful tennis and sports club complex on 2 acres: squeezed between a Board of Education, 5-story book depository building and a Consolidated Edison school and training site. With its health club, restaurant, and tennis activities, numerous employment opportunities were offered on site as well as economic benefits to peripheral businesses. However, such low intensity land use was not good enough for New York City planners. After a few years of architectural review this site was rezoned to allow for a million sq. ft. of residential development, and reasonably promptly thereafter we found a developer who paid \$25,000,000.00 for the rezoned 2 acres.

One of the landmark transactions, which I like to point to as a high profile example of the creative destruction principal, is the recent conversion of the Sperry Rand 1,400,000 sq. ft. defense plant on the Nassau / Queens border to multi-tenanted industrial

and office use by the talented people at iPark. A resourceful team headed up by Lynn Ward and Joe Cotter took over this obsolete defense plant that produced gyroscopes during WWII and which later became the temporary headquarters for the United Nations, and gutted it for its eventual readaptation for use by Long Island Jewish Hospital, LA Sports Club, Equitable Life Insurance, as well as several others. Unlike in many other areas of the country, the saying, "Create the space and it shall be filled" became a fairly rapid reality. Our brokerage team satisfied a long standing requirement of The New York Times distribution division for 150,000 sq. ft. when, with the active participation of ownership, we showed them how the space could physically, locationally, and economically fill their needs.

This process not only is a long range positive for New York City, but also has a significant impact on relative property values. By way of example, we recently were retained by a manufacturing company with industrial sales offices across the country, to dispose of one of their typical sales/service properties of 7,500 sq. ft. with accessory parking in Long Island City, Queens. The Chairman of the Board was delighted with the attained sale price of \$1,400,000.00 in light of the

\$138,000.00 received for a similar property in Syracuse, NY! While this firm was repositioning their assets due to the heat felt from China, a rapidly expanding enterprise based in the burgeoning immigrant community of Flushing, Queens required the property for growth.

Whether it is the planned condemnation of several square blocks on the West Side for the construction of a new football stadium/exhibition hall annex; the condemnation on 8th Avenue for the construction of The New York Times World Headquarters; the proposed redevelopment of the Atlantic and Flatbush Avenue downtown Brooklyn site as a new home for the Nets basketball team; it appears that there continues to be unrelenting destruction of what, in other areas of the country would be strong, economically viable buildings and neighborhoods for a more economically intense land use. It should, therefore, be no surprise that this process of creative destruction will continue to keep the New York City area as one of the country's fastest growing regions.

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**commercial property listings**

110TH AVENUE	8,000 SQ. FT.	BARNETT AVENUE	60,000 SQ. FT.
126TH STREET.	5,500 SQ. FT.	BARNETT AVENUE	3,324 SQ. FT.
132ND STREET	45,000 SQ. FT.	BARNWELL AVENUE	27,000 SQ. FT.
14TH STREET	16,500 SQ. FT.	BEDFORD AVENUE	15,000 SQ. FT.
170TH STREET	15,000 SQ. FT.	BORDEN AVENUE	30,000 SQ. FT.
19TH AVENUE	8,000 SQ. FT.	CANTON STREET	8,000 SQ. FT.
25TH STREET	6,000 SQ. FT.	CENTRAL AVENUE	10,000 SQ. FT.
28TH 29TH STREET	8,275 SQ. FT.	CHAMBERS STREET	6,250 SQ. FT.
29TH STREET	5,000 SQ. FT.	CHAMBERS STREET	7,000 SQ. FT.
31ST AVENUE	45,000 SQ. FT.	CLINTON STREET	110,000 SQ. FT.
35TH STREET	3,990 SQ. FT.	CODY AVENUE.	14,000 SQ. FT.
38TH STREET	6,200 SQ. FT.	DUNKIRK STREET	90,000 SQ. FT.
39TH STREET	20,000 SQ. FT.	FRANKLIN AVENUE.	5,000 SQ. FT.
39TH STREET	38,000 SQ. FT.	FREEMAN STREET	5,000 SQ. FT.
39TH STREET	12,500 SQ. FT.	GRAND AVENUE	156,000 SQ. FT.
43RD AVENUE	11,600 SQ. FT.	GREENPOINT AVENUE	77,000 SQ. FT.
47TH AVENUE	0,000 SQ. FT.	GREENPOINT AVENUE	102,120 SQ. FT.
47TH AVENUE	40,000 SQ. FT.	HART STREET	60,000 SQ. FT.
47TH ROAD	6,200 SQ. FT.	HUNTERS POINT	7,000 SQ. FT.
47TH STREET	4,000 SQ. FT.	INGRAHAM STREET	7,000 SQ. FT.
48TH AVENUE	27,000 SQ. FT.	SKILLMAN AVENUE	75,000 SQ. FT.
49TH AVENUE	25,000 SQ. FT.	STEINWAY STREET	10,000 SQ. FT.
49TH STREET	72,000 SQ. FT.	STEINWAY STREET	7,260 SQ. FT.
49TH STREET	88,000 SQ. FT.	THOMSON AVENUE	4,900 SQ. FT.
54TH AVENUE	200,000 SQ. FT.	THOMSON AVENUE	37,655 SQ. FT.
74TH STREET.	10,000 SQ. FT.	THOMSON AVENUE	120,000 SQ. FT.
98TH AVENUE	3,500 SQ. FT.	VAN DAM STREET	28,000 SQ. FT.
ALBION AVENUE	105,000 SQ. FT.	VERNON BLVD.	70,000 SQ. FT.
ASTORIA BLVD	32,000 SQ. FT.	WOODSIDE AVENUE	75,000 SQ. FT.
AVENUE D	44,000 SQ. FT.	WYCKOFF AVENUE	123,000 SQ. FT.

**COMMERCIAL  
PROPERTY OF THE MONTH**



**LOCATION:**

**79-20 BARNWELL AVENUE,  
ELMHURST, NY**

**27,000 sq. ft. Fully Air-Conditioned Building  
35,000 sq. ft. Lot**

**M1-1 Zoning...14 - 15 1/2 Ceiling Heights...Gas Heat...  
Fire Resistant construction...Fully Sprinklered...  
1,200 Amps Power...3 Loading Docks Plus Parking...**

**1/2 Block to Queens Blvd.  
Minutes to G & R Subway Lines  
Near Brooklyn/Queens Expressway**

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