

McCarren Park Pool outscores Barclays Center

In terms of impact on the property market in the surrounding community, both have done well, but the pool has done better. However, Barclays has bigger impact on the retail scene in area.

By Matt Chaban
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The Barclays Center has been outscored by McCarren Park Pool in terms of its performance as a neighborhood economic spark plug.

Photo: Bloomberg News

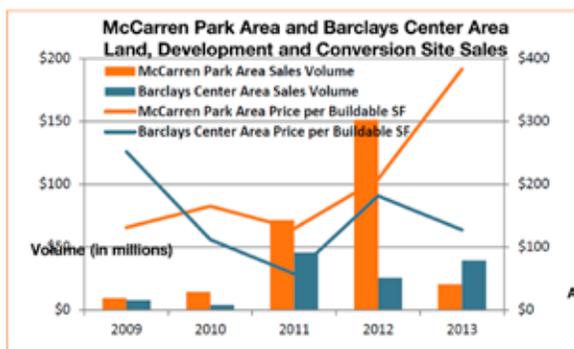
Since the Brooklyn's Barclays Center opened last fall, the arena has undoubtedly had an impact on the surrounding neighborhoods of downtown Brooklyn, Fort Greene and Park Slope. But just as the arena's main tenant, the Nets, made the playoffs this year but failed to win the championship, so too has the Barclays Center.

The arena has been out-scored in terms of its performance as a neighborhood economic spark plug. In fact, the trophy for the Brooklyn project that has had the most transformative impact goes to the renovation of Greenpoint/Williamsburg's McCarren Park Pool, according to a new report from real estate services firm Eastern Consolidated.

Both neighborhoods have experienced explosive growth, with the price of land and buildings doubling in price over the past two years, yet the area around McCarren Park, where the pool recently underwent a \$50 million transformation to return it to its Robert Moses glory days, has posted even better numbers.

In terms of land sales, there were 14 within half a mile of McCarren Park in the last two years, with an average price \$10.8 million. That compares to 10 deals within half a mile of the Barclays Center, where prices only averaged \$2.6 million. The volume of multi-family properties around the park also outpaced the Barclays Center's with about \$95 million in sales in both 2011 and 2012 in the area around the park, compared to roughly \$85 million near the arena in 2011 and \$41 million in 2012. The average price for the former was a little over \$490 a foot, compared to \$400 a foot near Barclays.

Land, Development and Conversion Sites



Source: Eastern Consolidated, CoStar, PropertyShark and NYC Dept. of Finance

"Despite the bad press early on, I think the pool has really helped solidify the transformation of Williamsburg from a neighborhood that had been a big hipster hang out to a more family friendly place," said Eastern Consolidated chief economist Barbara Byrne Denham, who prepared the report. When the pool first opened last summer, there were widespread reports of violence and theft—but those came long after developers had begun work on their projects nearby. "For them, I think it's a real community amenity," Ms. Byrne Denham said.

The one place where the Barclays Center outperformed McCarren Park was the one that would have been expected, in retail. In 2011 and 2012, retail properties around the arena traded for an average of about \$650 a foot, with the massive deal by Forest City Ratner to sell a 49% stake in the Atlantic Center in 2011 driving the charge. The area around the pool saw much less activity (in part because the area is more residential) but there was still a notable uptick, with properties going for \$600 a foot in 2012, up from about \$400 a foot in 2011.

“Barclays still dominates the retail sector, as expected,” Ms. Byrne Denham said.

Obviously, the neighborhoods are quite different, with Park Slope and Fort Greene having developed decades ago, compared to Greenpoint/Williamsburg’s far more recent rise. Still, Ms. Byrne Denham said that the development around the park even outstripped that seen on the Williamsburg waterfront, which fell below the levels of either the arena or the pool.

Chris Havens, director of commercial property at aptsandlofts.com, predicts that ultimately Barclays will be more transformative, but he said that both projects showed the value of major infrastructure investments in these neighborhoods. “Brooklyn is the place to be these days, it’s popping off, and these projects will only help keep it that way,” Mr. Havens said.