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Rejuvenated Area Stirs Co-op Sales in Complex

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University Towers is attracting 'a broader spectrum of buyers.'

For years, University Towers, the 549-unit, three-building cooperative half a block east of downtown Brooklyn's Metrotech Center, has struggled with sluggish sales and low prices. But in recent months, the fortunes of the 5.5-acre gated community have been turning around.

This year, 50 of the 379 sponsor-held units at the complex, from studios to three-bedroom apartments, were sold, double the number sold in either 10997 or 1996. They range from 500 to 1,200 square feet and from \$50,000 to \$130,000 for a selling price of an average of \$95 a share, up from \$50 a share in 1995, according to University Towers Associates of Manhattan, the sponsor.

Next month, the selling prices set by the sponsor will be raised an additional 5 percent. That will bring prices at the 16-story, red brick buildings on Willoughby Street and Ashland place close to the \$105 a share that the units originally sold for when the 1060's complex was converted from rental to co-op eight years ago.

Of the remaining 329 unsold units, 230 are occupied by rent-stabilized tenants, who are allowed to stay in their apartments at regulated rents. The other 99 apartments are rented on a month-to-month basis to tenants paying market rents.

Ten of those units are now vacant, and 10 more are expected to become available over the next year. Market-rate mortgages, with 5 percent down payment, are available through Chase and Citibank, an aid for purchasers who find that banks are reluctant to offer mortgages to buildings where fewer than \$1 percent of the units have been sold.

Tania Gordon, a member of the co-

op board and a 10-year resident, said of sales, "Over all, both tenants and resident shareholders seem to be happy," she said.

University Towers, like other high-rise projects in the neighborhood, is enjoying renewed buyer interest, said Christopher D. Thomas, senior vice president of the Brooklyn offices of William B. May, a Manhattan brokerage. Among the reasons, he said, is that the glut of small and medium-size cooperative apartments that flooded New York City at the start of this decade, just as the co-op market fizzled, has been absorbed.

And while prices of co-ops in downtown Brooklyn have rebounded, they are still lower than those in other neighborhoods, like Brooklyn Heights. Mr. Thomas said the prices at University Towers were competitive with comparable co-ops downtown but were one-third to one-half lower than prices for similar size units in Brooklyn Heights.

Another factor is the resurgence of downtown Brooklyn as a commercial hub, Mr. Thomas said, adding that middle-income co-ops are an alternative for middle managers and office workers employed by companies in the crop of new downtown office buildings.

Those buildings have brought more than 19,000 workers to the area in the last decade. Much of the new office space is the result of Metrotech Center, with more than five million square feet, and Renaissance Plaza, with 820,000 square feet of offices as well as a 376-room Marriott Hotel.

All those factors helped University Towers "attract a broader spectrum of buyers," said Mitchell S. Todd, its sales director, noting that 15 percent of the buyers this year were people who worked downtown. Others include people who work in midtown or downtown Manhattan or are moving



The University Towers co-operative complex in downtown Brooklyn

from elsewhere in Brooklyn, he said.

Kathryn S. Becker, who is 27 and works for a Wall Street company, moved from a rental apartment in Bay Ridge, Brooklyn, to a one-bedroom unit at University Towers last September. "I wanted a shorter commute to work, but Manhattan is too expensive," Ms. Becker said. "I like the security, and the price was perfect."

She said her \$1,100 monthly carrying cost was slightly more than the rent she paid for her Bay Ridge apartment but less than the rent for a similar size rental in the area.

University Towers Associates acquired the complex in 1984, which was built in the early 1960's, from Long Island University, whose Brooklyn campus is across Wiloughby Street from the site, and invested more than \$3 million to upgrade it.

"It was a problem property in a great location," said Daniel L. Rosenfield, a principal in University Towers Associates, which also manages the buildings. The work included installing new windows as well as a fence around the property.

It was converted to a co-op in 1990 and 17 percent of the units were sold before the market collapsed. The rest were rented out and "we struggled along, living tight and making few sales" through 1995, Mr. Rosenfield said, adding that even when sales were slow, "we did attract mar-

ket-rate tenants".

Average monthly rents of \$1,050 for market-rate units and \$675 for rent-stabilized apartments were more than sufficient to cover the unsold units' maintenance charges, which have risen in the last eight years by just 15 percent to an average of \$570 a month. That helped the complex, with a \$1.3 million reserve fund; avoid the major financial woes that other co-ops experienced. What also helped was that the sponsors were able to modify the loan on their unsold units several times at a lower interest rate with their lenders, including Long Island University.

In 1995, the sponsors held an auction, selling some units for prices under \$50 a share. The sales pace started to accelerate over the last three years, most noticeably in the last 12 months.

The complex has 275 on-site parking spaces, which sell for \$8,500 each. And the apartments are renovated, at a cost of \$10,000 to \$20,000 each, before they are sold, Mr. Rosenfield said. Improvements, to cost \$400,000, also are being made to the common areas in the buildings.

"The market has finally caught up with University Towers", he said.