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Who's Afraid of a Transit Desert?

Developers are moving farther away from train and rail stations in New York in search of bargains and untapped markets.



By Stefanos Chen

For a city crisscrossed with subway and rail lines, New York has its share of remote outposts — considered by some to be transit deserts, but to others urban oases.

Now a growing number of bargain hunters, including real estate developers, are homing in on properties farther from the train — at least a 15-minute walk — in search of dwindling affordable options and sometimes a respite from the madding crowd.

This is not merely a case of being priced out of the markets closest to central Manhattan — some of the areas with the most new construction are an hour or more from Midtown. It represents, in part, a rethinking of the city center: Bus routes, bike lanes and ride-sharing are changing the calculus for many commuters, more of whom [can work from home](#). New additions like the city-subsidized ferry service have also altered both the real and imagined convenience of once remote enclaves, and developers are taking notice.

The shift could also mean the weakening of one of the most reliable safeguards for affordable housing: the long schlep to the subway. As new buildings rise in transit-rich hubs in the boroughs, some developers are testing the limits of how far residents will travel, offering amenities they couldn't offer on smaller, more centrally located, infill sites.

Speculation has already pushed prices up in many of these once overlooked precincts, places like Astoria in Queens and Coney Island and East New York in Brooklyn — home to large communities of lower-income residents, many of them black and Hispanic. Some of the new projects will preserve many or all of the units for below-market-rate renters and buyers, but critics argue there is still a mismatch with the needs of longtime residents, and competition for land is growing.

*"You can't go near a subway stop and find something to build anymore," because of the prohibitive cost, said **Ariel Aufgang**, an architect for the project, who has designed several affordable buildings in the city. Despite the distance from the train, the developer anticipates tens of thousands of applications for fewer than 1,200 units.*

To analyze the least-accessible pockets of the five boroughs, we asked Localize.city, a housing data and listings portal, to map all the areas located at least a 15-minute walk, or roughly three-quarters of a mile, from a subway or rail station. Then they identified all of the new residential permits for buildings with at least four units that were issued in those areas, and filtered out stalled projects. Remote is a relative term, because most of these areas have some bus service, but the analysis focused on subway and rail options like the Long Island Rail Road, which often have a larger influence on property values.

There were 6,006 new apartments in the planning stages or under construction in these transit deserts through late September, according to Localize.city. That represented just 6 percent of the 97,553 new units expected in the city over the next several years, suggesting there is still plenty of underdeveloped land near train stops, in part because of recent rezoning that permits higher density building in some areas.

The neighborhoods with the most new construction at least 15 minutes away from the train were East New York in Brooklyn with 1,464 units, Astoria in Queens (1,105), Coney Island in Brooklyn (625), Forest Hills in Queens (442), and Rochdale in Queens (159). Neighborhoods in the Bronx and Staten Island also made the list.

But in seven of the 10 neighborhoods with the most new units rising in remote locations, the rate of growth in the faraway corners was as fast or faster than in more commuter-friendly parts of the neighborhood. In rapidly developing Astoria, where 44 percent of new units were in a transit desert, construction in those remote areas was growing six times faster than in the neighborhood overall.

Of the more than 32,000 apartments listed for sale or rent on [Localize.city](#), about one in 12 are more than 15 minutes from a train, and the rate jumps to one in three in Queens, the borough with the most transit deserts, said Nir Gonen, a data scientist with the company.

“Listings with good transit connectivity could become a rare commodity in some of the hottest neighborhoods in Queens and Brooklyn,” said Tal Rubin, the company’s vice president of research, adding that both residents and builders are getting pushed farther from transit hubs.

Pushing Boundaries

Growing demand in less-central neighborhoods is also the story of the city’s shifting center, said Nancy Packes, the principal of Nancy Packes Data Services, a development consulting firm.

“Manhattan is no longer an island,” she said, at least in the metaphorical sense.

Rezoning that allowed for higher density in largely industrial areas of northern Brooklyn and western Queens began in the early 2000s, and not long after,

developers sought ambitious rental prices that spurred more speculation. The sites nearest train lines filled up first, but job growth and increasing demand for affordable housing — at least by Manhattan standards — continues to push development outward, she said.

Manhattan had the most private-sector jobs in the city in 2017, nearly 2.3 million, compared to about 1.5 million in the rest of the city, according to the [New York City Independent Budget Office](#). But together the other boroughs have added jobs at a faster rate since 2009, 28.6 percent growth compared to 21.5 percent in Manhattan, albeit for typically lower-paying jobs.

“We are nowhere near satisfying housing creation,” said Ms. Packes, especially in the category of middle-income housing, and so the demand is making far more distant sites viable.

“These buildings in second- and third-tier transit deserts are addressing the outer-borough work force,” said Patrick W. Smith, an agent with Corcoran.

Some builders are aiming higher than others. On the sandy tip of Coney Island in Brooklyn, a 10-minute bus ride (or 30-minute walk) to the subway, Red Apple Group is completing [two 21-story luxury rental towers](#) with a total of 425 units.

Formerly called “Ocean Dreams,” the glassy beachfront towers have been recently rebranded “Ocean Drive,” a fitting adjustment for a project that will offer shuttle service to and from the subway for residents.

“I made the joke — or it could be a reality someday — that it’s almost looking like a Miami skyline,” said John Catsimatidis, the developer and former New York mayoral candidate. Prices will range from \$2,500 to \$3,500 a month for smaller units, with a three-bedroom penthouse expected to rent for around \$7,000 a month. That is an ambitious range for a market where the median asking rent was \$2,308 in August, according to StreetEasy, and the surrounding area had a household median income of \$27,345 a year, one of the lowest in the city.

Mr. Catsimatidis, who has bet before on parts of Brooklyn once considered remote, is unfazed. He bought the land for the two towers eight years ago for about \$33 million, a spokesman for the company said, about one-third what it would have cost in a prime Brooklyn neighborhood. And the project received tax abatements under a now-expired subsidy program and is not required to include affordable units. So what is his target demographic? “Whoever is doing well in business and wants to live on the ocean,” he said.

More Affordable Housing

Still, the bulk of new building farthest from train stations is geared toward more affordable projects. In East New York, where the annual median household income

was \$30,755 in 2017, the developer Arker Companies is building a 1,163-unit mixed-use complex along Fountain Avenue, about a 20-minute bus ride to the nearest subway. All of the units will be reserved for tenants making less than 80 percent of the regional median income, with others reserved for senior and supportive housing. For instance, to qualify for one of the most common offerings, a family of three must make less than about \$58,000 a year.

Land farther from the subway can be significantly cheaper than prime sites, and is often the only viable option to build lower-cost housing, said Daniel Moritz, a principal with Arker. While land costs around \$75 a square foot to build in East New York, it could cost hundreds of dollars more in nearby Williamsburg, he said. And pricing pressure comes not just from residential developers, but also commercial tenants who bid up prices for warehouse space.

“You can’t go near a subway stop and find something to build anymore,” because of the prohibitive cost, said Ariel Aufgang, an architect for the project, who has designed several affordable buildings in the city. Despite the distance from the train, the developer anticipates tens of thousands of applications for fewer than 1,200 units.

Growing speculation also means reliable standbys are becoming more expensive. Land prices have risen 20 to 25 percent in parts of the South Bronx over the last five years, said Anivelca Cordova, a principal at Lemle & Wolff, which, along with the Avante Contracting Corporation, is building a 10-building townhouse project near Clason Point, a peninsula in the South Bronx that is about a 20-minute bus ride to the subway.

Called [Soundview Park Homes](#) and designed by Stat Architecture, the proposed complex is awaiting financing from the city’s department of Housing Preservation and Development. Details are not finalized, but the development could have 72 for-sale units reserved for buyers making up to 90 percent of the regional median income, or \$86,490 a year for a family of three. It is the third phase of a project that also included below-market-rate rentals and senior housing on a former parking lot owned by the New York City Housing Authority.

New means of transportation could also raise the neighborhood’s profile. The NYC Ferry, a city-subsidized, privately run ferry service that connects commuters at several stops along the East River, began service to Clason Point last year, providing a faster route to parts of Manhattan.

But [critics of the ferry](#) have argued that the \$2.75 fares (which the city subsidized by \$9.34 per one-way trip in June) are most popular among white and more affluent commuters, and could accelerate gentrification at new stops outside of Manhattan. Ridership at the Clason Point stop was more diverse than other lines, [according to a report](#) released by the city’s Economic Development Corporation, which runs the network. And new ferry stops in other lower-income neighborhoods in the Bronx, Brooklyn and Staten Island will open by 2021, an E.D.C. spokeswoman said.

Making Moves

New developments in transit deserts have also attracted New Yorkers who don't fear a longer or nontraditional commute.

Dean Taucher, the production designer for the TV series "Law & Order: Special Victims Unit," made the move to Red Hook, Brooklyn, after becoming fed up with the touristy vibe near his home in Chelsea, on the West Side of Manhattan.

"Once Hudson Yards was announced, I knew we had to get out of there," he said of the [recently opened mega development](#). He and his wife, Gabrielle Lansner, a choreographer and filmmaker, had been visiting the low-rise waterfront neighborhood in Brooklyn for years when they heard of a rare condo opening in a converted warehouse at 160 Imlay Street. They bought a three-bedroom apartment in the 70-unit building, billed as one of Red Hook's first luxury condos, where prices ranged from about \$900,000 to over \$6 million, according to Patty LaRocco with Douglas Elliman, who sold them the unit.

"It's more of a sleepy seaside village," said Ms. LaRocco, about the area nearby, which is about a 20-minute walk to the F train.

"People might look at me like an interloper," said Mr. Taucher, who is renting nearby while the apartment is completed, but he said he wants to become a longtime member of the community. "I just had one of the best pickup kickball games in my life at Valentino Park," he said.

Michelle Kessler-Sanders, a fashion and beauty consultant, moved this summer from an apartment in SoHo, right above the 6 train, to an apartment in Beekman, between First Avenue and the East River.

"Our number one priority was to find quiet," she said, after years of the 6 train's low rumbling, and loud crowds in the SoHo streets. She and her husband, Derek Sanders, the owner of the Mexican restaurants called La Esquina, now live in a prewar complex called Southgate, on a cul-de-sac where she said "it feels like there are more dogs, per square foot, than people."

The couple's walk to the train is about 12 minutes, close enough to travel downtown for work, but also far enough away that there is a parking lot nearby for their Tesla.

"It's easier to live up here," she said, likening it to the country. "It's simpler." Though she wouldn't share the rent, she said the new apartment is about 30 percent less expensive.

And there are those for whom subway and train access don't mean much.

“There’s a whole world out there that’s not in the public transportation system,” said Elizabeth Kee, an agent with CORE, who deals with several clients who rarely, if ever, commute to Manhattan.

Brooke Fazio, a nurse, and her husband, Paul Fazio, a New York Police Department detective, bought a three-bedroom detached house last year in Great Kills, Staten Island for about \$645,000, leaving behind Ms. Fazio’s childhood home of Sheepshead Bay in Brooklyn.

Ms. Fazio would have liked to stay in Sheepshead Bay, but despite a typical commute time of close to an hour into Midtown, she said prices for comparable homes were in the \$800,000-range for attached homes and tiny yards. Both she and her husband now work on Staten Island, and she would sooner drive to New Jersey than take public transit into Manhattan on the weekends.

“I don’t feel like I’m part of New York City anymore,” she said, but is embracing her new neighborhood, which she said feels more suburban. Back in Brooklyn, her mother is about to sell the family home in Sheepshead Bay, and is contemplating where to move next. The most likely outcome: Florida.