

# The Star-Ledger

## Soaring condo market

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Most of the housing built during Newark's nearly decade-long construction boom has been two- and three-family detached homes.

So when Baye Adofo-Wilson proposed building 19 condominiums in Newark's Lincoln Park neighborhood, his financial backers and city development officials frowned on the plan.

"No one believed a condo market would work in Newark. Everybody thought we were crazy," said Wilson, executive director of the Lincoln Park Coast Cultural District.

To secure financing for the project, Wilson had to agree to sell the six townhouses as well as 13 condominiums on Washington Street before construction began. Much to the surprise of the financial backers, the condos sold out in the pre-construction phase.

"Newark has outgrown the two-family homes," Wilson said. "Now a diversity of people want a diversity of housing."

Condominiums are coming to Newark in numbers that could reshape the evolving landscape of the city.

In the first five months of this year, Newark has 22 condo projects totaling more than 770 units before the planning board. From 2002 to 2007, only 155 condo units were approved.

"This is a sign of the revitalization," said Mayor Cory Booker, who has been critical of the type of homes that sprouted all over the city, derisively calling them "Bayonne boxes" in his State of the City speech earlier this year. "There wasn't a condominium market in the city of Newark and now, in a matter of months, we are seeing a market."

Former Business Administrator Richard Monteilh, who also served as the city's point person on major development issues, said he sees the growth of condominiums as the next chapter in Newark's unfolding development story.

"The biggest cost in Newark now is land," Monteilh said. "Building a single-family or two-family (home) means the cost is greater. The two- and three-family homes served their purpose in the early days. Now we are saturated. We have to do what New York is doing, which is give people high-quality developments and use the remaining land wisely."

While many of the new condos are being built downtown or in the established Ironbound section, condominiums are also appearing and are planned in the Weequahic section and Clinton Hills. Ten recent proposals before the planning board involve rehabilitation or restoration projects.

At the old Richardson Manufacturing Co. building on Columbia Street, Michael Saltzman thinks the timing is right. He and his partners at Newwork plan to convert the half-filled former jewelry factory into 62 loft-style condominiums.

Located a 10-minute walk from Newark Penn Station, a few blocks from the Prudential Center and close to downtown and the municipal complex, the building will maintain many of its characteristics-- the brick front and facial reliefs-- while adding a three-story modern addition. The sixth floor provides views of Manhattan and Jersey City. The neighborhood, though, is typical of the area, with two- and three-family homes, some with vinyl and wood siding.

The factory is next to a development district and blocks from the Mulberry Street project, now in litigation, but which could result in up to 2,000 condominiums in the area.

"We are looking toward the future of redevelopment," Saltzman said. "The people who buy here will be pioneering a bit, but it's near downtown and they will be investing in what is to come."

Parc West, a six-story luxury condominium in the South Ward near Weequahic Park, was once an abandoned property used by drug addicts as a shooting gallery.

The GLC Group in Irvington purchased the abandoned apartment building in foreclosure eight years ago and transformed it into 44 units, with hardwood floors, stainless steel appliances and spacious bedrooms priced between \$149,900 to \$289,000. Since the opening in January, 27 condominiums have been sold.

Mark Caller, one of the principals of The GLC Group, said he decided to build luxury units in Newark because he sensed a demand for them. The group also has built luxury homes in Washington, D.C., and Brooklyn. He said he expects to sell all of the units in Parc West by the summer.

One of the new tenants, Joniran Boone, 33, moved to Parc West because it was more affordable than Edgewater, where he had been living. Boone, a salesman for a health care company, read about new luxury units going up in the city and decided to check it out.

"I didn't know much about Newark," he said. He thought the city was a place to "get in and get out of."

But he was lured by the cost of a new home and plunked down \$150,000 for a brand-new one-bedroom unit. He moved in around January.

"I'm surprised," he said. "I feel safe and comfortable here."

While city officials are celebrating the growth of condominiums, there is some concern in the community, said Floyd Melvin, president and CEO of United Community Corporation, a nonprofit that helps people with jobs and housing.

"The people I work for probably can't afford these condos," said Melvin. He said he agrees that Newark needs housing options. He just doesn't want anyone to get left behind.

"The real issue is over services. People want to know will there be better police service or better garbage pickup in an area with condos? Will the schools in those areas be better than other schools?" asked Melvin.

Michael Meyer, Newark's director of housing and real estate, said a balance will be maintained between market rate and affordable housing. Developers will have to build affordable components into their projects in the future to get tax abatements. They also will be encouraged and helped to secure outside funding sources to maintain their affordable housing units. City housing funds will be given out in some cases based on affordability.

For example, the city has provided the Lincoln Park project with more than \$400,000 in federal funds to make some of the condominiums affordable.

Robert Puentes, a fellow at the Brookings Institution Metropolitan Policy Program, said the growth in Newark's condominium market should not be taken for granted. Many of the older cities in the country are not poised for this sort of growth.

"As Newark transitions, it needs to ensure the robust growth is inclusive, equitable and sustainable," Puentes said. "There does not need to be two Newarks, one for new residents and one for older residents."