

February 10, 2020 04:00 PM | UPDATED 26 MINUTES AGO

Amazon's failed Long Island City HQ drove up residential prices anyway

DANIEL GEIGER  



Assemblywoman Aravella Simotas

Assemblyman Michael Blake joins other elected officials at an anti-Amazon rally in November 2018.

It turns out that some of the fears that [Amazon's](#) arrival in [Long Island City](#) would push up home prices in the neighborhood were justified, according to experts and data on the doomed deal's effect on the market.

From the period in November 2018 when Amazon announced that it would build a second headquarters on the Queens waterfront neighborhood to Valentine’s Day two months later when the [tech giant abruptly canceled off the blockbuster deal](#) after being hit with a flurry of criticism and opposition, the neighborhood recorded a surge of buyers.

Patrick Smith, a residential sales broker with Corcoran who focuses on LIC deals, calculated that 336 condos were sold in the neighborhood in 2019, an uptick of over 15% from the year before and over 35% in 2017. About 45% of those condos went into contract during the two-month window when Amazon appeared to be planting its flag in Long Island City.

“The Amazon effect was real,” Patrick Smith said. “It had a major impact on the market in terms of creating a surge of deal activity and upward pressure on prices.”

RELATED ARTICLES



An Amazon plan its critics (probably) can't stop



Amazon inks megadeal in Staten Island

In 2018 and 2017, about 22% of each respective years’ deal activity went into contract during the same window of time—showing that sales activity roughly doubled in the neighborhood during Amazon’s brief arrival in late 2018 and early 2019.

Smith’s report also found that prices rose as a result of the upswing in activity, with the median sales price rising 14% from 2018 to \$993,401 in 2019 and the median

price per square foot growing 9% during the same period to \$1,304—making the neighborhood one of the most expensive outside of Manhattan.

Smith acknowledged that some of that increase was due to newly built residential projects and their pricey units hitting the market, but said he believes Amazon bolstered that.

“We had fancy new developments opening up and selling for the first time and that pushed up the market, but if Amazon hadn’t arrived, that per square foot growth in prices may have been 6% instead of 9%,” Smith estimated.

Amazon’s decision to walk away from the second headquarters in Long Island City didn’t tank the LIC residential market that had soared after its arrival.

Instead, brokers say it enhanced its continued upward trajectory by bringing the neighborhood widespread attention from buyers and the general public.

“People in Middle America suddenly knew where Long Island City was so if you’re a New York City buyer who wasn’t necessarily paying attention, it certainly put it on your map,” said Eric Benaim, the CEO and president of the Long Island City focused residential brokerage Modern Spaces. “People are thinking that if LIC was good enough for Amazon, maybe it’s worth a look, so just them selecting the neighborhood has been a big boost to activity and prices here.”

Inline Play

Source URL: <https://www.craigslist.com/real-estate/amazons-failed-long-island-city-hq-drove-residential-prices-anyway>