



"It's devastating": Agents react to Amazon abandoning New York

Fallout looms following Amazon's decision to pull out of Long Island City. "We drove out the largest company in the world because of socialism," one agent scoffed

BY [JIM DALRYMPLE II](#)   TODAY 12:11 P.M.

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When the news broke Thursday morning that [Amazon had flip flopped](#) on its decision to put an HQ2 campus in Long Island City, Vincent Koo was in a meeting with other agents in the Queens, New York, neighborhood.

"Our phones all exploded," Koo, an agent at Exit Kingdom Realty told Inman. "People were all reaching out and commenting. I think that people are going to rethink their investments there."

Amazon's decision to abandon New York City came after, and in response to, [fierce](#)



Vincent Koo

opposition from area politicians and some locals. That opposition gained steam after the retail giant **announced** in November that it would split its much-touted HQ2 offices between Long Island City and Crystal City, in Virginia. Though the company touted the offices as job generators, opposition focused on the **massive tax incentives** the company got as well as potential impacts to neighborhoods, such as gentrification.

However, Koo said Thursday morning that most people he knows in the area supported Amazon. And he added that while he doesn't think the company's decision to pull out of Long Island City will tank the local real estate market, he is disappointed that the area won't get the influx of investment the retailer might have spurred.

"I think it's a negative," he said of Thursday's news. "I think that they would have brought a lot to the city."



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Eric Benaim — the founder and CEO of brokerage Modern Spaces, which serves the area — went even further, saying that "it's devastating" Amazon decided to abandon Queens. He too argued that opposition to Amazon was overblown and that most locals actually living in the neighborhood wanted the retail company to open a base there.

Benaim also said that a petition started a week ago in support of the online retailer had already garnered 4,000 signatures.

"It's a devastating time for not just Long Island City, not just Queens, but all of New York," he added of Amazon's decision to pull out.

Like Koo, Benaim believes the real estate market in Long Island City will ultimately survive. His particular brokerage has a significant share of the market, and prices in the



Eric Benaim

neighborhood had been rising for years even without Amazon's plans. Overall, then, he and his agents will be okay.

Still, Benaim is worried about the message New York City has sent by resisting Amazon.

"New York just told the world that business is not welcome here," he said. "We drove out the largest company in the world because of socialism."

Benaim also said that some Amazon employees had already taken steps to move into the area, as have some small business owners who were planning on catering to those employees.

"It's sad," Benaim continued. "It's sad for small business people like a vet or a hair salon or a restaurant, who had high hopes."

Now, it's unclear what will happen with all of those plans.

Data provided to Inman by Patrick Smith — a broker with Stribling & Associates who lives in Long Island City — also indicates that the area has seen an uptick in interest for residential real estate. The data shows that from Nov. 6 2017 to Feb. 4 2018, there were a total of 40 condominium contracts signed in the area, with an average of three per week.

But during roughly the same period in 2018 and 2019 — which corresponds with Amazon's announcement — there were a total of 130 signed condo contracts, or 10 per week. That's more than three times what the area was seeing during the same period a year earlier.

The data does not specify *why* those sales closed or if they were specifically linked Amazon, though numerous agents working in Long Island City said that after the November announcement [they were flooded with calls](#) from prospective buyers.



Danielle Hale

Danielle Hale, the chief economist at Realtor.com, told Inman Thursday that "without the additional housing demand of the previously anticipated 25,000 to 40,000 Amazon employees coming to Long Island City, housing activity will slow and prices are likely to stagnate or even slow as well."

But like the agents who spoke to Inman, Hale expects the area's real estate to ultimately pull through thanks to "proximity to Manhattan, access to transportation, and diverse

community with lots of lifestyle amenities”

“These positive factors will likely attract other job-producing companies and also help its real estate market succeed in the long run,” Hale said.

Other real estate professionals also expect Long Island City to be okay long-term, but were nevertheless dismayed by Amazon’s decision, and the New York-area opposition that prompted it.

In an email, Jason Haber, a broker at Warburg Realty, told Inman that “we just literally threw out the baby with the bathwater.” He added that while there were “legitimate concerns” about the financial incentives Amazon had scored, New York City needs “companies like Amazon and the 25,000 good paying technology jobs that they bring.”



Jason Haber

“Can you imagine if NYC shunned Standard Oil when they moved from Ohio to Manhattan?” Haber added. “Standard Oil brought with them jobs, and they stayed here for a century.

That’s how you make a city great – when the Rockefellers and the Carnegies, and Bezos of the world bring their businesses to our shores.”



Lawrence Hakimi

Lawrence Hakimi, a Compass agent, said he had seen some local opposition to Amazon among people who were “concerned that they were going to get priced out of the neighborhood.” But he also said that the trend toward gentrification in Long Island City predates Amazon, and it is “inevitable already.”

Like other agents who have spoken to Inman both Thursday and [in recent weeks](#), Hakimi was disappointed by the prospect of a Long Island City without Amazon.

“I was for Amazon,” he said following the company’s Thursday announcement. “I thought it was a good opportunity for Queens and the area. Long term, it was bringing more jobs into the area, into New York. With that perspective, it’s unfortunate that all these jobs are not coming here.”

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Kyle Bennett

“New York just told the world that business is not welcome here,” he said. “We drove out the largest company in the world because of socialism.”

If Amazon was influenced with money from the state government (not the free market) to make this move wouldnt protesting against that be the most capitalist thing you could do?

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