"You see people jogging, you see businesses opening up," said Eon Griffith, a 38-year-old hotel operations manager who grew up in the neighborhood and once couldn't imagine sending his daughter to school in the area.

PETER

Franklin Avenue is known as restaurant row, and rents have soared. 'You see people jogging, you see businesses opening up,' said one person who grew up in Crown Heights.

Many factors have played a role in Crown Heights' rebound. The gentrification of nearby Park Slope and Prospect Heights has spilled over into Crown Heights. The transformation of the once crime-ridden Prospect Park into an urban oasis and improvements at the nearby Brooklyn Museum also have served as catalysts, said David J. Maundrell III, executive vice president of new-development marketing in Brooklyn and Queens for real-estate-services firm Citi Habitats. Easy access to a number of subway lines has also helped.

"Over the past five to 10 years, people have been buying apartments at such a discount to Park Slope," said Mr. Maundrell, whose firm is marketing a number of new developments in Crown Heights. "And here, the park is still at their doorstep, so to speak."

Crown Heights' identity as a diverse neighborhood in transition also has attracted independent Brooklyn businesses. Franklin Avenue quickly has turned into a restaurant row of sorts. Between 2009 and 2014, retail rents on the corridor rose by at least 100% to a range of $65 to $79 a square foot, according to Brooklyn real-estate-services firm CPEX Real Estate LLC.

While rising real-estate values can push out some businesses, it actually helped Crow Hill CrossFit to expand, said co-owner Kurt Roderick, who has been a Crown Heights resident for the past six to seven years. The gym was bought out of its lease at its first Crown Heights location because the building was being converted into condos. The money enabled the business to move to a bigger place, where Mr. Roderick is adding a separate Olympic weightlifting and powerlifting gym.

Median rents for all renters in north Crown Heights and neighboring Prospect Heights rose 36%, from $857 in 2000 to $1,168 in 2014, according to New York University's Furman Center. Median rents in the south Crown Heights and Lefferts Gardens area rose 31%, from $949 to $1,241 for the same period. Rents for market-rate apartments in new developments in the general Crown Heights area can be as high as $3,000 for a one-bedroom apartment and $3,800 for a two-bedroom apartment, according to some real-estate agents.

Those increases are a concern for those who don't already own their homes or have rent-stabilized apartments, according to some community leaders.

"Individuals have become victims of their own success since they lived in Crown Heights and helped to turn the community around in its greatest hour of need," said Rep. Hakeem Jeffries, a Democrat whose district includes Crown Heights. "Twenty-five years later, if they don't own their residence, they may be forced out due to skyrocketing rents."

Although Stephanie Providence, a St. Vincent native, came to Crown Heights eight years ago, long after the riots, she said she is worried about rents. Two years ago, her rent rose by $300, forcing her to find a roommate.

"Other folks want to come in, and they're jacking up the price," said Ms. Providence, 54, who was selling flowers at the spot of the car accident 25 years ago.

What's the Deal

MIDTOWN

Full-Floor Spaces Lure Office Tenants

A Times Square building has attracted new tenants because of its availability of modestly sized, full-floor office spaces.

Handler Real Estate Organization has owned and managed the office building at 561 7th Ave. for about 50 years, according to Chief Executive Scott Galin. For the last two years leasing activity has picked up in the company's effort to reposition the building, he said.

Two companies recently signed leases for full-floor headquarters. Financial-services tech firm LiquidityBook will occupy 3,944 square feet on the sixth floor next year. Oasis Children's Services, an organization that hosts summer camps, took 3,944 square feet on the third floor and will move in later this month. Asking rent for the building is between the high $50s and low $60s a square foot, said Mr. Galin.

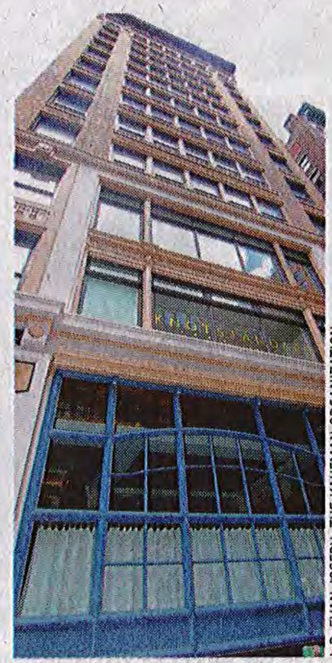
"We've attracted companies who only need 4,000 to 5,000 square feet but would like their own floor," Mr. Galin said. "To find office space like that anywhere in Midtown is a rarity."

"We love the fact that it's a full floor," said Taylor Wielage, finance chief at LiquidityBook. "We are a company in transition... the full floor speaks to our optimism in where this company is going."

Bernie Suarez, director at Oasis, said the full-floor space was "a nice add-in." The bigger draw was relocating from Brooklyn's Dumbo area.

"Our employees can't afford to live in Brooklyn anymore," Mr. Suarez said. "I wanted to make it easier for them and find a location with the easiest commute."

—Emily Nonko



L-R: EVAN JOSEPH; THE KAUFMAN ORGANIZATION

Left, the building at 561 Seventh Ave., which has signed new tenants; and 19 W. 24th St.

NEW JERSEY

Demand Is Surging For Industrial Space

The continued gentrification of former manufacturing neighborhoods in New York has caused the New Jersey industrial sector to boom through 2016.

CBRE Group Inc., a commercial real-estate services firm, released a report that found demand for industrial space outpaced the supply in the second quarter of this year. The availability rate in the state was 7.2%, the lowest level recorded since 2007.

"It's my 30th year in the industry, and I've never witnessed as much tenant leasing velocity as I have in the past 12 months," said Thomas Monahan, executive vice president at CBRE.

Mindy Lissner, executive vice president at CBRE, credits the boom to demand from companies relocating from New York, tax incentives offered by New Jersey and the growth of the e-commerce industry. E-commerce companies were responsible for nearly 35% of new leases in the second quarter, according to the CBRE report.

Companies that are used to paying high industrial rents in the city have "no problem paying higher rents" for buildings that are often superior to the warehouses in New York, Ms. Lissner said.

The average asking sales price for industrial product rose to $70.21 a square foot for the second quarter, the highest recorded sale price since 2010.

The demand has led to an increase in industrial development throughout the state. Since the fourth quarter of 2014, there has been 14.6 million square feet of newly delivered space along the New Jersey Turnpike corridor, according to Mr. Monahan. Currently, only 1.3 million square feet is available.

Both Mr. Monahan and Ms. Lissner expect demand to continue through this year.

"With all the new apartment development in New York, those residents will be shopping online," said Mr. Monahan. "They'll need washers and dryers from a warehouse... it's likely to be in New Jersey."

—Emily Nonko

FLATIRON

Office Portfolio Lures Overseas Investor

The Kaufman Organization has recapitalized a portfolio of four Flatiron office buildings that it has renovated in recent years.

In 2014, the company purchased vacant buildings at 19 W. 24th St., 13 W. 27th St., 45 W. 27th St. and 119-125 W. 24th St. in partnership with Principal Real Estate Investors, said Fredric Leffel, president of Kaufman New Ventures.

The company has since renovated the buildings and begun leasing office and retail space.

"Principal was looking for a shorter-term investment over a few years," said Mr. Leffel. "We have recapitalized with a partner who wants to own it for the longer term."

China Orient Asset Management Corp., a financial-services firm based in China, has come on as that long-term partner. The company has invested about $60 million of equity in the office portfolio, said Roy Chen, head of U.S. real estate for China Orient.

"We think we can benefit from this value-added real estate as it finishes up leasing," said Mr. Chen.

The investment marks China Orient's 11th in New York since the company expanded into the U.S. two years ago, he said.

—Emily Nonko