

Astoria shrugs off downturn's worst

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With the recession raging and two locations just a mile from each other in Astoria, the owners of Brooklyn Bagel & Coffee Co. made an odd decision back in June. They decided to open a third outpost in the middle-income Queens neighborhood famous for its ethnic diversity—and eateries that draw patrons from far and wide.

It was a good move. The chain's newest location, in the heart of Astoria's restaurant row along 30th Avenue, is already ringing up sales that rival its well-established flagship in Manhattan's Chelsea.

“We always felt that Astoria was a strong, stable neighborhood,” says John Rocchio, co-owner of Brooklyn Bagel & Coffee. “If it wasn't for all the news stories, we wouldn't have realized that we are in a recession.”

While Astoria hasn't been totally immune from the economic slump, an analysis of employment and other data conducted for *Crain's* by research firm ESRI shows that overall the neighborhood, which roughly encompasses ZIP code 11103—stands as the most recession-resistant in the city.

True, the unemployment rate hit 8.9% on July 1—up 2.7 points from a year earlier—but that rise was among the smallest in the five boroughs, according to ESRI data. In fact, only four other neighborhoods fared better.

In addition, 11103 stands out as a rare island of tranquility in the sea of the city's widespread residential woes. As of July, only half a dozen homes in the ZIP code were in foreclosure, a number that is unchanged from a year earlier, according to RealtyTrac. It is also a small fraction of the 1,213 in foreclosure in Jamaica, Queens, and 767 in Williamsburg, Brooklyn.

“Our strength is our ethnic and economic diversity,” says Democratic Councilman Peter Vallone Jr. “Our residents are old-fashioned and hardworking and are the type of people who survive through all types of crises.”

Gentrification began a few years ago, when young professionals fled Manhattan, and even Brooklyn, drawn by Astoria's cheaper rents and quiet streets, plus the restaurants, outdoor cafes and even a Bohemian beer garden that give it a surprisingly cosmopolitan feel. It also got a boost from the venerable Kaufman Astoria Studios as well as from the nearby Museum of the Moving Image.

Fingers in many pies

Many residents today are either self-employed or work for small businesses, not the big banks, media companies and others that have made deep cuts in their employment rolls. In addition, roughly a third work in education, health care, social services, or arts and entertainment,

according to the most recent American Community Survey. All of those areas have fared relatively well.

“Yes, I took a pay cut and some furlough time, and my commissions were withheld,” says Brett Goodman, a 28-year-old who works for a nonprofit headhunter and has lived in 11103 for seven years. “I’ve been affected by the recession, but I have not lost my job.”

Along Steinway Street, Astoria's commercial backbone, vacant storefronts are rare. Supported by the high volume of foot traffic, big chains proliferate, including Gap, Express and Duane Reade. The Center for an Urban Future recently counted 55 outlets of national chains in 11103, enough to rank Astoria fifth in all of Queens.

The chains are good for the area because they draw people who are willing to spend, says Bijan Arshavan, owner of Venice Menswear, which has been on Steinway Street for 30 years.

“Steinway is one of the most desirable retail corridors in the city,” says Timothy King, principal of CPEX Realty. “It is surrounded by canyons of apartments, a stable population base, and good transportation.”

The street has been a good location for family-run Rizzo's Pizza, through boom times and bad, for 50 years. Over the past year, revenue has risen 10% at the shop, known for its square-shaped thin crust pies.

“The increase keeps us above water,” says second-generation owner David Rizzo.

Similarly, at Empire Beauty School, enrollment rose 12% to 150 since last year, according to Laurence Nunez, the school's academic director. Empire recently hired two teachers and is seeking three more.

“Astoria is the kind of place that you can feel at home,” says Mr. Nunez. “That helps us to boost our enrollment.”