



## **By Shimon Shkury: Attractive pricing and rental upside result in strong multifamily sales in Upper Manhattan areas**

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In the six-month period from February through July 2011, the Upper Manhattan neighborhoods of Hamilton Heights, Inwood, and Washington Heights overshadowed their Harlem neighbors in terms of the total dollar value of multifamily properties traded and number of units sold, according to our firm's recently published Multifamily Month in Review: New York City.

Our report shows that in this six-month span, there were 18 multifamily transactions featuring 924 units with a dollar value of \$113.69 million that sold in Hamilton Heights, Inwood, and Washington Heights, compared to 19 transactions featuring 473 units with a dollar value of \$61.5 million that sold in Central Harlem, East Harlem, and West Harlem.

The Multifamily Month in Review: New York City, which we publish every month, provides six month transaction totals and averages for multifamily sales in neighborhoods in Northern Manhattan, Manhattan below 96th St., Brooklyn, the Bronx, and Queens.

Investors are greeting Hamilton Heights, Inwood, and Washington Heights with enthusiasm because sellers are adjusting their prices to meet the market. The average price per unit sold in Hamilton Heights, Inwood, and Washington Heights in February through July 2011 was \$111,604 compared to \$117,531 for the same period the previous year. The average price per unit in the three Harlem neighborhoods from February through July 2011 was \$120,747, compared to \$117,531 per unit for the same period the previous year.

At Ariel Property Advisors, we've sold or are marketing seven buildings with around 170 units and approximately 155,535 s/f in the Hamilton Heights neighborhood alone.

Our firm recently closed on a seven-story, elevator apartment building with 28 units at 512 West 151st St. that sold for \$3.725 million. Also, we're offering a five-story, vacant building at 1624 Amsterdam Ave. in Hamilton Heights with an asking price of \$2.8 million; three properties with 70 units at 546-52 West 146th St. with an asking price of \$8.75 million; and two, five-story buildings at 504 West 145th and 1704 Amsterdam Ave. that are part of a 59-unit HUD portfolio.

Investors are attracted to multifamily properties in Hamilton Heights, Inwood, and Washington Heights because they see an upside to the area's vibrant rental market. Colleges and universities along the west side of Manhattan are thriving and expanding, making the area desirable to students seeking rental apartments.

The Columbia University Medical Center is located at 630 West 168th St.; Columbia's new 17-acre campus is planned for four large blocks from 129th to 133rd Sts. between Broadway and 12th Ave.; and Columbia's main campus is located a few blocks south in the historic Morningside Heights.

City University, located at 160 Convent Ave., just opened a new Tech Center on campus, and Yeshiva College at 2495 Amsterdam Ave., has announced plans to invest in a pedestrian plaza beside its campus on West 185th St. between Audubon and Amsterdam Aves. in Washington

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Many development projects are in the planning stages on the west side including the redevelopment of the former Taystee Bakery complex on West 125th St. into CREATE @ Harlem Green, providing an additional 328,000 s/f of commercial and industrial space to house a number of tenants from the creative industries. The NYC Economic Development Corp. recently selected Janus Partners LLC and Monadnock Construction Inc. for this redevelopment project.

In addition, Empire State Development Corp. selected Danforth Development Partners for a \$100 million project to redevelop the Victoria Theater on West 125th St. Plans call for two towers above the theater, consisting of a 175-room hotel, and 140-unit rental building that will be home to the Classical Theater of Harlem, Jazzmobile, the Harlem Arts Alliance, and the Apollo Theater Foundation.

Looking to build on this momentum, the city is in the early stages of a major rezoning effort in this area. Whereas last decade Central, East and West Harlem were center stage of Upper Manhattan's resurgence, it is becoming increasingly clear that the northern most parts of Manhattan are on the verge of something just as transformative.

For copies of our Multifamily Month in Review: New York City for July, please see <http://arielpa.com/research/reports/>

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