



Area code 718: Now a choice destination for renters

March 25, 2008 - Spotlights

While we all want the glamour and status of owning or paying top dollar to live in one of Manhattan's luxury properties (which remain the healthiest sector of all residential rental markets in the city), the truth is that there's a very strong desire to get the best value for the almighty dollar among the solid middle/upper middle class New Yorkers who are not ready or willing to pay top dollar to own a piece of the rock.

The rental markets in New York and the outer boroughs have been strong this year and here's why... single multifamily houses, small apartment (boutique) buildings, midsize to grand art deco or bland post-war styles from bygone years in quiet staid areas are all gaining that *je ne sais quoi*, that certain something. Here's what's happening...

With employment growing in the city, the need to house the new wave of graduates, medical residents, corporate transferees, foreigners and yes, the "it's time to leave the family nest" youngster, affordable rentals in the outer "not hot" areas of the big 5 are looking very attractive.

We see a diverse pool of renters: singles, starter families, reverse commuters or middle-aged retirees and sellers who have cashed out at the height of the New York's boom market who wish to be future home buyers once there's a major price correction but are now priced out of the "hottest 'n highest" real estate market in history. Some of these thrifty folk are now fleeing from Manhattan's sky high (shared/yuppie dorm/change of relationship status) rentals to be able to save their pennies. Their mantra seems to be "Prepare to pay less for more..."

It's easy to see why renters are being drawn to quieter working class neighborhoods which still enjoy the old fashioned mom and pop shops, family restaurants, authentic ethnic food stores, delis and unique community scents and flavors. Of particular note are emerging neighborhoods that are becoming choice destinations for renters that are near public transportation especially the subways, bus and express bus service.

These new "explorers" are venturing into un-hip, non-status areas feeling like pioneers of old. Also for some, they're moving back to their grandparents' home territory to experience the nostalgia of the "old time neighborhood" full of tall stories they've heard forever...not wanting to be a stranger in a strange place. There's a great need to be part of and fit into a community that's not "gentrifying" too fast but is safe and convenient, just like in the good old days of folklore.

To note: The vacancy rates in non-stabilized apartments have remained low, hovering around 1.4% for much of the year. Rents are on the rise, but nowhere near the pace of last year's unusually strong increases.

These higher rent levels are once again attracting developers, who now see better returns on their investments in developing rental properties. Smaller rental properties are also being updated and spruced up to attract this influx of newcomers to the quiet stable areas of the outer boroughs. These older often forgotten areas, now being seen with different "pioneering" eyes, have become the new

cache for new up and coming neighborhoods of the "city"...such as greater Riverdale, the Bronx.

Susan Seidner Chasky, GRI, SRES, ABR, is the senior vice president and associate broker, at Halstead Property Riverdale, LLC, Bronx, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540