



The sky is the limit for the Washington Heights area!

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What makes Washington Heights so special? Is it the area's diverse cultural influence? Its abundance of parks and river views? Maybe it's the historic pre-war architecture that houses the local population in grand five- and six-room apartments. It could also be the five different subway lines and numerous bus routes to Midtown. I think it's all of the above.

Once plagued with crime, drugs and prostitution, Washington Heights is now building a new reputation as one of Manhattan's hottest, trendiest areas. One of the cities last true neighborhoods, people who know Washington Heights can see the similarities it had to the Lower East Side in the '90s or the Upper West Side in the '80s. The reduction in crime and the soaring rental and ownership markets have opened the eyes to so many who are seeking to live in Manhattan at prices they can afford. Free market renovated rental apartments can achieve prices in the \$20-\$30 net square foot range. That works out to be about \$900 per month for a studio, \$1,300 for a 1-bedroom, and \$1,600-\$1,800 for a 2-bedroom - basically 50% of apartments south of 96th Street.

Those who know New York City can see the strong similarities and patterns foreshadowing a thriving future. The restaurant Malecon, located on 175th and Broadway and famous for its arroz con pollo, caf  con leche and Latin foods, could be compared to the Lower East Sides Katz's Deli best known for its pastrami on rye, salami and corned beef sandwiches. Both are icons synonymous with their respective neighborhoods. New Yorkers are getting smarter and wising up to the fact that they don't have to pay big dollars to live in a shoebox-sized apartment if they want to live in Manhattan. Why not rent an apartment in WAHI (pronounced wah high) for half the price and double the size?

Institutional funds with extremely capable managing agents have been pouring money into malnourished apartment complexes and restoring and modernizing the buildings and neighborhoods alike. The affect has been that of a snowball. Similar to Rudy Giuliani's "Broken Window Theory," which illustrates that to stop crime on the higher level government must first conquer smaller quality of life crimes, landlords have begun to show pride in their assets and in turn tenants are showing more pride in the neighborhoods and buildings. "Broken Window Theory" crimes range from having broken windows and excess garbage outside an apartment building to people jumping the subway stops. The crackdown on these issues ultimately led to the landlords providing healthier communities for residents and many times the capture and removal of criminals wanted for larger crime.

In WAHI graffiti is down, crime is down, streets are cleaner and people are neighbors again. The migration north currently is being fueled by students, recent college graduates, artists, hipsters and families looking for more space at prices they can afford. This revitalization shows no sign of slowing down in the near future and will inevitably lead to WAHI continuing to be one of Manhattan's most desirable neighborhoods.

New condominium developments have been rising wherever land is available. Once vacant lots filled with typical NYC goodies are now 6-story new construction condominiums. Condominium values have been continuing to climb with the strong demand and are landing in \$550 to \$700 per s/f range. All along Riverside Dr. in Washington Heights, rental apartment buildings have now started to be converted to condominiums. New developments such as Heights 163 and the Hudson View condominium on 163rd St. are fueling the race to buy and develop any vacant land left in the neighborhood. Today, land is trading anywhere from \$80 to \$100 per buildable s/f. Vacant shells that once housed squatters and were a breeding ground for drugs and prostitution are now being or have been renovated into one or two-family homes.

What does this mean? Washington Heights has been cleaning itself up and getting all the bad elements out, but most importantly, retaining its critical cultural backbone. The strong Latin culture is clearly evident in the neighborhood with its wide array of delicious authentic foods, vibrant music and family values. Residents new and old embrace the culture and all it has to offer as it is what makes the neighborhood so special.

The future is bright and the sky is the limit for Washington Heights as demand stays strong for property across the spectrum. From residential tenants looking for affordability in Manhattan to retail tenants racing to accommodate the new demand to institutional investors looking to acquire under managed and trophy assets. The long term outlook for WAHI is as bright as it's ever been.

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