



## **The Bronx has become a major focus for commercial investors during the past five years**

October 01, 2007 - New York City

During the past five years, the Bronx has become a major focus for commercial investors. Manhattan residents have flocked to the various neighborhoods of the Bronx to escape Manhattan's skyrocketing real estate prices. With the world famous Bronx Zoo, two vast, beautiful parks in Pelham Bay and Van Cortlandt and the sprawling Orchard Beach for summer fun, the Bronx provides a piece of suburbia in the middle of a bustling city. For many, including the middle class Hispanic community and immigrants seeking wealth and prosperity, the Bronx has truly become the land of opportunity, offering affordable housing, the availability of spacious living, and a quick train ride to Manhattan.

As a result, for the past several years, this area has attracted a great deal of investment activity as property value and rent rolls have dramatically appreciated. Many investors and developers began turning to the once neglected borough, recognizing the potential of this untapped market. A focus was placed on urban redevelopment and community restorations in an effort to enhance the borough's image. One neighborhood in particular has experienced such development is Riverdale, where dozens of mid and high-rise condominium buildings have been constructed over the past few years. This affluent residential neighborhood in the northwest Bronx has become an attractive area to various ethnic groups and a promising market for many investors.

In recent months, the underlying credit crunch has resulted, as it has throughout the country, in a plateau in Bronx real estate, even causing declines in certain areas. This has prevented a number of investors from borrowing at the low rates that they have benefited from in the past and has created resistance among many lenders. Yet, with the state of the current market, the inflated prices of Manhattan real estate will continue to drive residents to the Bronx and the demands of this population will need to be accommodated. With the ongoing enhancements occurring over the next few years, including improvements to the borough's infrastructure, the building of the new Yankee Stadium, the development of city-owned buildings, and the increase of retail locations, the Bronx has only begun to be an investor's haven. Rent rolls still have plenty of room to grow and property values are expected to rise well beyond anything we have seen in the history of the Bronx real estate market.

Aaron Jungreis is the president of GFI Investment Sales, New York, N.Y.

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