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Top 10 neighborhoods for real estate investment

It's time for the middle of the market to make serious gains. Here are areas to buy that could pay off with a little patience.



An aerial view of the Long Island City waterfront.

It's inched back. Now, the real estate market might be ready to roar. Last spring, the New York City luxury market made a statement with three major sales in a week: highest condo ever sold at more than \$90 million, One57; highest co-op at \$54 million, 740 Park; and a \$70 million sale at the Ritz-Carlton on Central Park South. It's time for the middle of the market to see significant gains, too.

Even if it means grabbing a group of friends for the down payment, making an investment at the \$500,000 range could pay off in a few years. With rentals increasing in price on a quarterly basis, buyers can still pay less per month to own.

"Home prices are absolutely ridiculous in most Manhattan neighborhoods," says Modern Spaces president Eric Benaim, whose growing boutique agency has offices in Long Island

City and Williamsburg, two neighborhoods with strong inventory in the \$400,000 to \$850,000 range.

"We like the areas five to 10 minutes from Manhattan," says Benaim. "We feel they offer great bang for the buck. But act fast. Inventory is going down there as well."

It's never too late to start a real estate empire, especially as big developers see construction loans come in and neighborhoods all over the city improve due to infrastructure changes and retail enhancements. Here are 10 neighborhoods to look at, and some projects in those areas that could pay off with a little patience.

1. Williamsburg, Brooklyn

This is still the hottest neighborhood on Earth. Walk the streets day and night to see hordes of young people from all over the globe. During the day, it's quiet and casual. At night, the streets are packed. Couples make out in doorways.

Lately, like any other great neighborhood, young families and empty-nesters have come to Williamsburg looking for some life. The riverfront park by waterfront condos the Edge and North Side Piers feel like a resort. Allswell, a new restaurant from some Spotted Pig alums, serves farm-fresh food, tasty cocktails and pies and tarts for sweet teeth.

This neighborhood is way underpriced. Aptsandlofts.com has one-bedroom apartments at 29 Montrose in East Williamsburg for as low as \$365,000. Near Lorimer and Metropolitan, \$500,000 can buy a two-bedroom in a number of boutique condos. Anything in this area could increase in value by 40% by 2015.

To buy: Aptsandlofts.com, led by Dave Maundrell, has new developments, rentals and top area listings.



One Murray Park in Long Island City, where sales are brisk.

2. Long Island City, Queens

While renters flock to this neighborhood on the water for value, smart home buyers look here for living experience and investment. Vernon Blvd. seems to get new restaurants and boutiques every week. Home prices remain stable while inventory disappears. That means prices can only go up in the years to come. Lots of room for loft conversions.

Industry, a condominium, from longtime neighborhood developers the Suna brothers (they own Silvercup Studios) is almost sold out. They have a penthouse studio loft marketed by Modern Spaces with Manhattan skyline views and balcony on the market for \$560,000. At One Murray Park near Court Square, CORE's Doron Zwickel is selling a range of apartments, including

studios for \$385,000 and one-bedrooms for \$410,000. For buyers looking to rent out units, one-bedrooms in Long Island City can fetch around \$2,500.

To buy: Modernspacesnyc.com is a boutique agency that has helped Long Island City grow. They have listings at all price points.



The view from 225 Rector Place, a value-oriented condo in Battery Park City.

3. Battery Park City, Manhattan

For New Yorkers on the move who like the outdoors, Battery Park offers an eco-friendly response to city grime. Recent deals for studios across several buildings show value potential in owning and investing.

At 225 Rector Place, from Related Companies with design by New York-based Clodagh, amenities include an indoor swimming pool with skylight, roof lounge, sun deck, kid's room and fitness center. The Hudson River is steps away. Studios start at \$520,000 with one-bedrooms priced at \$645,000. The Conrad New York is a new local destination.

To buy: Related Companies has a strong rental building called Tribeca Green and condo at 225 Rector Place. Go to related.com for more.

4. Lower East Side, Manhattan

Just a 10-minute bike ride to Wall St., this area should draw more young people looking to stay in Manhattan. The area still has grit, and Orthodox Jewish, Latino and Asian populations. Young families who see the area as a place to raise children are the latest population boom.

According to LoHo Realty, the leading local agency, a two-bedroom, one-bath with a balcony in a co-op building with a private playground is on the market for \$439,000. A one-bedroom with a balcony can be had for \$345,000. Go to lohorealty.com for more.

A condo conversion of an old school, the Madison Jackson, is also off and running. All units have two stories and double-height ceilings. Top floors get strong light. For an artist who wants a lower East Side lifestyle, these no-frill homes work. Go to Madison-Jackson.com. Prices start at \$434,000. We hear investors want to buy multiple units.

To buy: If you like local real estate agencies, you will love LoHo Realty (lohorealty.com). For info on Madison Jackson, go to Madison-Lackson.com.



Barclays Center will invigorate several neighborhoods.

5. Downtown Brooklyn

Say what you want about the new Barclays arena, but big-money projects that change cities almost never hurt property value. The Staples Center in Los Angeles was severely criticized for years. Now the area around it is the biggest boom town in Southern California.

The same will hold true of the Barclays Center, spearheaded by Forest City Ratner. Not only is it a good decision to look around there, it's a smart decision to look a half-mile away.

Downtown Brooklyn could benefit the most from the new arrival. It needs a retail boost to coincide with the residential projects. Oro still has alcove studios with a sleeping alcove for \$475,000.

Toren might have a few smaller homes still left. We like the area in Prospect Heights around Grand Army Plaza. You can grab a one-bedroom in a townhouse or prewar building ranging in price from \$310,000 to \$350,000. This area should continue to take off.

Go with the established players here. Halstead.com and Elliman.com have strong downtown presences.



Loft from Starwood pumps up Central Harlem.

6. Central Harlem, Manhattan

Frederick Douglass Blvd. above 116th St. has become one of the liveliest stretches in the city, meaning Harlem is still a strong place for the real estate dollar.

At 88 Morningside, two homes are left in an almost-sold-out development across the street from the Frederick Law Olmstead-designed Morningside Park. A one-bedroom with a dining area is priced at \$499,000. The Aloft, part of a hotel chain from Starwood, is a lodging destination for international tourists.

To buy: Corcoran Group's (Corcoran.com) Vie Wilson knows the uptown landscape. For info on the new development, see 88morningside.com.



Arverne by the Sea in the Rockaways is some of the best beach living on the East Coast.

7. Rockaway, Queens

Beach living in New York City doesn't come with a Hamptons price tag. Arverne by the Sea in Rockaway Beach is beachfront living with a 20-year tax abatement. It's priced to sell, with home buying opportunities going for around \$559,000, or \$1,595 per month mortgage for a two-family home with Atlantic Ocean views.

This neighborhood-changing project has several home models to choose from. Owner units are 1,711-square-foot, three-bedroom two-bath condos with a rooftop terrace and garage. Rent on the tenant units can be as high as \$2,000. The master plan includes a new shopping center with a Stop & Shop and restaurants. If you want history, a nearby bungalow can be had for around \$400,000.

To buy: The whole world is talking about tacos and catching waves. Arverne by the Sea (arvernebythesea.com) has brand-new two-family condos.



Stapleton has historic homes on Harrison St.

8. Stapleton, Staten Island

A new project from New York City's Economic Development Corp. and Ironstate Development Co. out of Hoboken brings a multibuilding waterfront rental and retail complex with a renovated train station and waterfront park to what is called Homeport.

It also means an increase in the value of retail and residential real estate. With the \$33 million city project a few years from completion, property values are still down.

Three-family houses can be had for less than \$400,000. Historic homes on Harrison are available for slightly more than \$500,000. The Pointe, a new condominium on the border of St. George and Stapleton, has one-bedrooms with harbor views for slightly more than \$300,000. That is giant value. Marketing Directors is selling the project.

To buy: This is a big project. Nycedc.com has the details. For info on The Pointe, go to ownthepointe.com.



Pelham Bay Park brings in bikers, swimmers and nature lovers.

9. Pelham Parkway, the Bronx

Century 21 Metro Star associate broker Gregory Tsougranis just had a bidding war on a 1,700-square-foot brick detached house with a backyard listed for \$549,000. Thirty buyers walked through. Three days after being on the market, he had an accepted offer. That's how fast things are selling in this residential neighborhood near Jacobi Medical Center and Pelham Bay Park. Tsougranis also likes Pelham Gardens, where he says houses are one-third the price of the same homes in Brooklyn or Queens.

To buy: All kinds of value in the Bronx. Gregory Tsougranis gives tours. Find him at century21metrostar.com.

10. Hudson Heights, Manhattan

Broadway singers, Buddhist monks and European couples who like a gentrified life call Hudson Heights home. It's easy to get to and just far enough away from midtown (25 minutes on the A express train) to feel the peace and quiet.

(At left, Tudor apartments in Hudson Heights; photo credit: Bryan Smith for New York Daily News)

Stein-Perry Real Estate has the beat on value-based listings. Small one-bedrooms start at \$149,000, with two-bedroom one-bath homes priced at \$329,000. Some have Hudson River

and George Washington Bridge views. If you go the one-bed route, that \$500,000 can buy you three.

To buy: You might not catch a windfall, but you'll be happy with the return. Contact Gus Perry thru steinperry.com.