

Caught looking

What's a priced-out renter to do? Start searching for a place to buy

By **MAX GROSS**

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MANHATTAN CALLING: Matt Tepper is on a quest for a downtown pad.

ALOT might have changed in real estate in the last few months, but there's been one solid constant: Rents are still on crack-like highs.

Matt Tepper and his girlfriend, Joeleen Smith, know this well. The rent on their one-bedroom in NoHo has been raised every year for the last three years; in one instance, the landlord attempted to raise their rent 40 percent.

"I said to the management company, 'I get raises, and I was lucky enough to be promoted, but not that much!'" says Tepper.

Tepper and Smith were basically met with sympathetic shrugs. (They talked to their management company, which settled on a 20 percent rent increase.)

And even though one might think that now is the time to sit tight, rent and wait to see what the market does, Tepper and Smith have made the calculation that, given the city's high rents, they're not going to lose much by buying.

"We thought [the market turndown] would actually help us," says Tepper, an executive with the advertising firm Company C, "that sellers would be a bit more nervous about selling."

He smiles. "That hasn't happened so much."

But Tepper and Smith have nevertheless jumped optimistically into the Manhattan real-estate waters. They renewed their lease back in May and have been looking — at a relaxed pace — with **Core Group Marketing agent Emily Beare** for a one-bedroom between \$550,000 to \$750,000 in Gramercy, the East Village, the West Village, Union Square or SoHo. (They say they're going to start looking more actively in October.)

"I've been surprised at the stuff that's out there," says Tepper. "When I first went out, I was expecting everything to be small and crappy. But I think about one out of eight would work."

The only apartment that the couple wanted to put a bid on, they were beaten to the punch — by Tepper's brother. "Well, he found it first," Tepper says. "But he didn't get his bid, either."

Tepper and Smith are not, however, looking for the apartment they will keep for their whole lives. "No, I don't want to stay in the city forever," Tepper says. They eventually would like to settle out of town.

Are they at all worried about a serious real-estate slowdown now that they're ready to actually buy?

"My parents are certainly worried," Tepper says. "But when I first moved to the city, I tried to buy an apartment with friends, where we'd all have a stake in it. If we had done that seven years ago, we would have cleaned up. With Manhattan, it's a limited amount of space, and it will always go up. It won't necessarily go up sharply, but it won't go down."