



# BRICK UNDERGROUND

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## **Forget the hype: What are the real options for a regular buyer in the Bronx right now?**



For a while now, the South Bronx has been simmering with hype—and an [accompanying influx of gentrification and development](#). And while that’s an obvious boon for developers and big-time investors, for your average buyer, it’s a different story. Does a wave of eager investment mean that even the Bronx will be out of reach for buyers who have been priced out of the market in Brooklyn and Queens?

Not necessarily. Though the much-discussed South Bronx is short on inventory and packed with deep-pocketed buyers, look a little further and there are plenty of options for buyers on the hunt for reasonably priced real estate that’s still within the five boroughs. Below, the lowdown on the current state of the market uptown:

## **Tough competition in the trendy South Bronx**

As the nexus of most of the borough's trend-pieces (and one ill-fated attempt to rebrand the neighborhood as the "[Piano District](#)"), it's perhaps unsurprising that the bulk of new development and buyer activity appears to be centered in the south Bronx around Mott Haven, Melrose, and Port Morris.

The problem? While there's a flurry of interested buyers and investors convinced that they're getting in on the ground floor of the so-described next Williamsburg, having only been recently rezoned and with only a handful of high-priced condo projects underway, there aren't that many properties you can actually buy. As Bohemia Realty's Beth Gittleman puts it, owners tend to be longtime residents who aren't looking to move (or sell), or investors looking to swoop in on the market.

"Most people who are moving into the Bronx from outside areas want places that are an easy commute to Manhattan, so that area around Mott Haven is very popular," says Citi Habitats agent and Bronx resident Taylor St. Valliere. (From Mott Haven, it takes about 40 minutes to get into Midtown Manhattan.) "But at this point, there's not a lot you can actually buy—you have to go a little bit north to find that type of inventory."

After a recent rezoning, the formerly industrial waterfront areas are seeing a rush of development, but most of those are a few years away from being finished. "There are about six to eight projects going up in the South Bronx right now," says [CORE](#) agent Sebastian Oppenheim. "Some are just breaking ground, some are partial structures. But right now, that's a market that's really tied up for first-time buyers."

While many other Bronx neighborhoods are chock full of prewar co-op inventory, the industrial South Bronx is short on those options, explains Gittleman, and even unrenovated and unrestored townhouses are facing all-cash offers from investors. "There are a lot of these smaller two-family homes that people want to get in on, and they're complete wrecks, but there are still 40 people at the open house," says Gittleman. "And the traditional homebuyer has no chance against an investor with a boatload of cash."

The lack of inventory (and the fervent interest) in the South Bronx are pushing prices higher, and Citi Habitats agent [Chyann Sapp](#) notes that prices in the area are now roughly comparable to East Harlem. "In Melrose, I recently saw a one-bedroom listed at \$400,000," she says. However, as the area's market goes through unprecedented changes, buyers and brokers are also finding themselves having trouble determining appropriate pricing. "There are no comps ... and buyers have a hard time determining value," adds Gittleman.

## **But a wealth of other options farther north**

That said, there are still plenty of deals to be found if you expand your search—and head a little further up on the 1 or the 6.

"The Bronx is the only place in New York where you can still buy a nice one-bedroom for under \$200,000, even less than \$150,000, and these types of properties are scattered throughout the borough," says St. Valliere. "You have Kingsbridge Heights, University Heights, Kingsbridge terrace, and further up, neighborhoods around Fordham."

In particular, the area around [Grand Concourse is known for its prewar co-op buildings](#), as we've written previously, and though Riverdale is more known for its suburban-style mansions, it's also packed with smaller apartments that will fit the budget of a first-time buyer. "You can find studios and one-bedrooms anywhere from \$89,000 to around \$100,000, and two-bedrooms that range from \$115,000 and up," says Sapp of Riverdale. (It really is flush with options—[a quick search of StreetEasy reveals over 100 one-bedrooms](#) currently on the market in Riverdale, most of which are well under \$200,000.) "And we're not talking about a small apartment. There are a lot of prewars that haven't been divided up like they have in Manhattan," Sapp says, "so you have a lot of space."

(One potential downside, however: Gittleman notes that Riverdale in particular is tough to navigate without a car, especially west of the Henry Hudson Parkway, so weigh your options accordingly. Express buses are an option, of course, as is taking a local bus to the Metro-North stop and the subway.)

Just north of Fordham (and near the Bronx Botanical Garden), says Sapp, "the apartments are huge, and there's a lot of greenspace." But as with Riverdale, you'll likely need a car given the limited public transportation options.

If you're buying with an eye to future property values, Triplemint's Ajile Faust recommends researching any potential new development that's slated for the block or neighborhood. "Some of the savvy buyers are looking at the development pipeline," she tells us. "If there's a new construction rental that's going up, for instance, they want to be on that block."

However, Faust also notes, "I'm a native New Yorker, so as far as I'm concerned, people have always been buying in the Bronx, though the buyers may look different. People like the tree-lined streets and the quiet."

Meaning, then, that buyers shouldn't go in with the attitude that they're "discovering" a new neighborhood or re-making it in their own image, but rather, becoming a part of a strong community that's already been in place for decades. "The Bronx has what I call 'authentic' neighborhoods that still feel old-school," says St. Valliere. "People still know each other, they grew up there, they say hi."

### **A prime opportunity for multi-family investment**

If you have the means to buy something a little bigger than a one-bedroom, nearly every broker we spoke with emphasized the popularity (and low price points) of multi-family homes uptown. "The multi-family is the real hot ticket," says Faust. "A renovated two-family in Wakefield will run you about \$475,000 to \$650,000. At 135th Street in Harlem off

the B, a two-family will cost you \$2.5 million. Ride that four more stops up [to 167th] on McLellan Street, and a three-family with a driveway will cost you \$400,000 to \$500,000."

And the availability of multi-family homes is hardly a well-kept secret: Investment sales for the first half of 2016 in the Bronx totaled \$1.36 billion, [according to this report from Ariel Property Advisors](#), much of which is investors looking a multi-families. "There's a lot of opportunity for first-time buyers to leverage this," says Oppenheim. "I recently closed a deal with a 28-year-old first-time buyer, who purchased a three-family in the Bronx. He's basically living rent free, and making a little money on the side, and in a few years, can move out, re-finance, and purchase another one."

Of course, if you're buying a multi-family that you plan to rent out as an investment, you'll want to do your due diligence about any current tenants, as well as necessary renovations, since Gittleman notes that many of the multi-families currently available are what could be termed fixer-uppers. (Unrenovated multi-families currently go from around \$180 to \$200 per square foot, whereas a fully finished property will be more in the range of \$250 to \$350 per square foot, says Oppenheim.)

Bottom line: If you've been on the fence about wanting to invest, now is a smart time to make moves, before even more investors flood into the Bronx—which they most assuredly will. (But do your due diligence, of course.)

"My investor clients who used to call and say, 'What do you have in Inwood and Washington Heights, ' now they're calling and looking for multi-families in Morrissania," says Faust.