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Heading uptown for low rents

Washington Heights still Manhattan's best bargain, but fewer units on the market



Perry Payne of Prudential Douglas Elliman lives and works in Washington Heights.

By Abby Luby

Washington Heights — an old-fashioned, no-frills neighborhood dominated by small buildings and mom-and-pop stores — is one of the last city neighborhoods for rental bargains, according to brokers.

Suffering a double whammy from the impact of the residential market slowdown and a lingering (some say outdated) reputation for crime, the neighborhood located at the northern tip of Manhattan still attracts priced-out refugees from Greenwich Village, Chelsea and the Upper West Side.

According to the latest market report from Citi Habitats, rents in Washington Heights are the cheapest in Manhattan.

The report said in the second quarter of 2008, the average rent for a studio apartment was \$1,062. For a one-bedroom, it was \$1,254; for a two-bedroom, it was \$1,543; and for a three-bedroom, it was \$2,025.

"The rents are low because this is a simple neighborhood," said Perry Payne, a broker for Prudential Douglas Elliman who has lived and worked in Washington Heights for the last eight years. "We don't have doormen or parking garages. These are just six-story elevator

buildings or five-story walkups."

Washington Heights runs north from Harlem at 155th Street — and, thanks to parks such as Fort Tryon Park and Bennett Park, is surprisingly verdant. In Fort Tryon Park, the Cloisters, a complex that houses the Metropolitan Museum of Art's medieval art collection, overlooks the Hudson River. The large blue Port Authority hub looms over 185th Street, and is used mainly by New Jersey commuters who hop on the nearby A train. The neighborhood's main drag is 181st Street, bustling with small markets, dress shops, restaurants and a health food store.

Rents in Washington Heights aren't just cheap compared to the rest of Manhattan; they're a bargain compared to other outer borough neighborhoods as well. The median price for a rental in Washington Heights is \$22 per square foot a year. According to StreetEasy, in Williamsburg, the median price for a rental is \$36 per square foot. In Long Island City, the median is \$39 per square foot.

While rents are low in Washington Heights, they vary, with Broadway as a dividing line, said broker Candice Smith of DJK Residential. "If you look east of Broadway, you can still find a one-bedroom for \$900; west of Broadway, the neighborhood and streets are much more attractive, so you could pay about \$1,100 and up for a one-bedroom, \$1,500 and up for a two-bedroom and \$2,100 to \$2,400 for a three-bedroom."

Brokers said low rents have a lot to do with the overall perception of the area. Washington Heights may also still be suffering from the residual stigma of being known as a high-crime area, but brokers like Sandy Edry of Citi Habitats said that description is not accurate anymore.

"What people know of Washington Heights isn't the reality on the ground anymore," Edry said. "Since the late '80s and early '90s, when it was 'crack central,' there have been a lot of changes. People haven't quite grasped that fact. [So] for many, Washington Heights is an undiscovered secret."

The neighborhood recently got a burst of positive attention from the Tony award-winning Broadway show "In the Heights," which explores the impact of gentrification on the largely Dominican neighborhood. The show was funded, in part, by developer Peter Fine.

However, despite the limelight, the rental market in Washington Heights is seeing some slowdown.

"Traditionally, this is a busy time for us," said Gus Perry of Stein-Perry Real Estate. "Most people want to be in by Sept. 1 — students, teachers, that's our customer base up here, because we are affordable. But we are seeing fewer apartments on the market, which tells us that people are moving less because of the economy."

Perry said prices have mostly remained the same since last year. Studios and one-bedrooms are in the shortest supply, he added.

As a result of the slow market, landlords are trying to entice renters by sweetening the deal. "They are offering incentives to our clients, like one month free rent or one month towards the broker's fee," said Adjina Dekidjiev, rental operations manager with Manhattan Apartments.

But those fees are already lower than in other parts of Manhattan. Shane Austin Kramer, director of leasing for Bond New York, said the family-owned buildings aren't members of REBNY and don't conform to the usual 15 percent broker's fee.

"The mom-and-pop companies don't traditionally co-broke," he said, noting that they would take a lower fee than the "standard 15 percent." They will generally get away "with a 12 percent, or one month's rent," he said.

When brokers are involved, fees are generally similar to the rest of Manhattan, particularly in an area running on the west side of Broadway near the Cloisters, known as Hudson Heights.

New rental construction seems to be going up in areas around Washington Heights, like Harlem or Inwood, but not in Washington Heights itself. Most new rentals are gut renovations of pre-existing structures. Currently, there is new construction at 1 West 187th Street on the west side of Broadway — between Broadway and Washington Avenue — but it's unclear whether this will be rental or sales.

Other building owners have been renovating units with high-end finishes and stainless steel appliances. Some co-ops are also loosening their restrictions on renting apartments, noted Edry, who said, "Some owners can now rent their apartments from day one."

Challenging brokers right now is construction on the A train, which is discouraging potential buyers from coming up to check out the neighborhood on their days off. Payne said as a result, more firms are considering moving their open houses to weekdays.

"They have been working on it [the subway] every weekend for much of this year," she said. "That makes it harder for people to see how quickly it takes to get up here or to jump on the A and zoom down to 42nd Street. Now passengers get kicked off at 168th Street and have to take the shuttle. By the time they get here they feel like they've been riding camels."