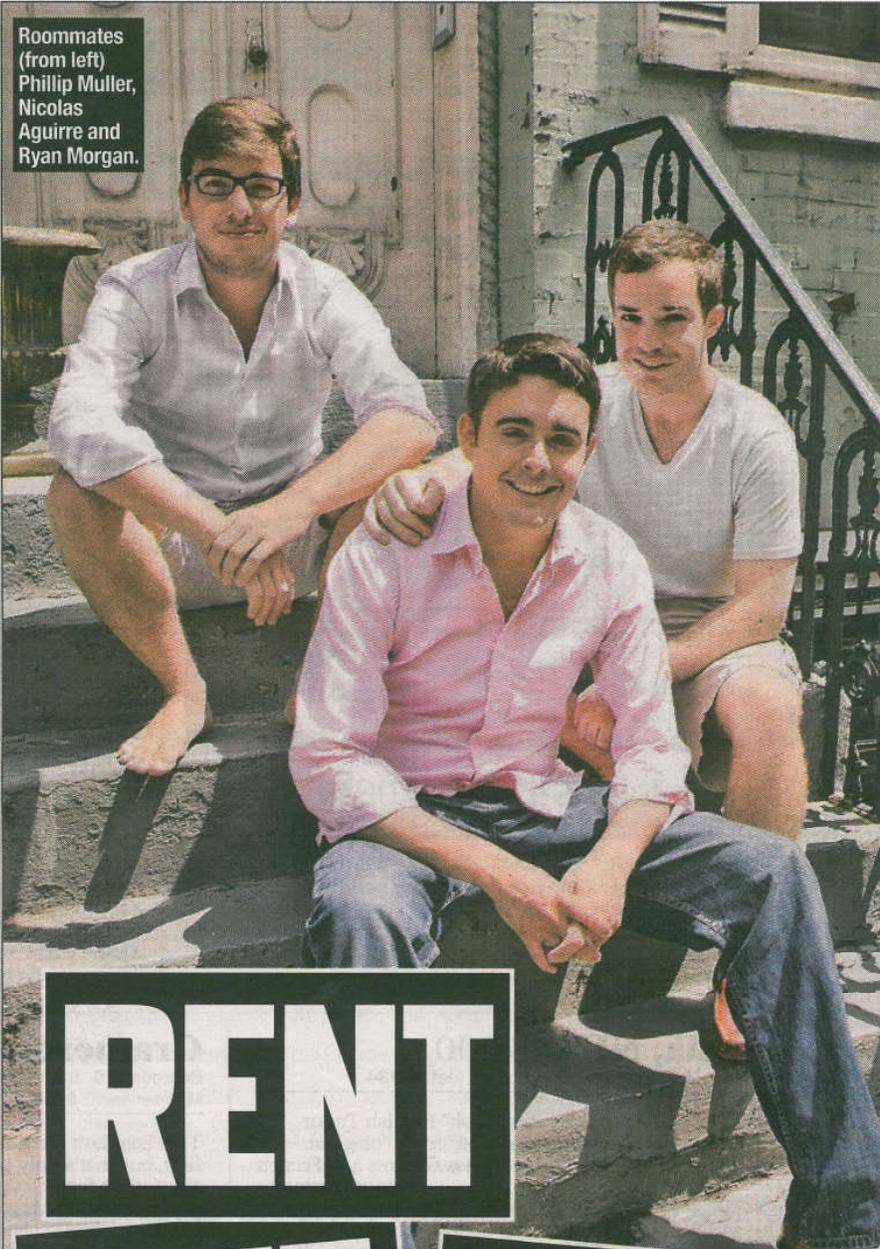


June 16, 2011

Roommates  
(from left)  
Phillip Muller,  
Nicolas  
Aguirre and  
Ryan Morgan.



## Newbie New Yorkers jump through hoops

By KATHERINE DYKSTRA

**I**T'S baaaack! After four years of negotiable rents, concessions galore and more than one false claim of resurgence, the rental market has recovered.

According to Citi Habitats' May 2011 analysis, vacancy rates — a slight 0.69 percent — are the lowest since June 2006. And in May, prices went up on average 0.68 percent over last month, 6 percent over last year, so says the May Manhattan Rental Market Report from MNS.

But numbers don't illustrate the current situation as well as a story like this one:

On the cusp of his graduation from the University of Pennsylvania's Wharton School, a new job in New York firmly in his clutches, Nicolas Aguirre and two college friends set off to secure an apartment from which to embark on their adult lives.

Their goal: a three-bedroom with enough space to host a few friends for dinner. Everything else was negotiable.

For this, they were willing to pay \$4,500 a month, \$1,500 a person.

In late April, they began taking the BoltBus back and forth between Philadelphia and Manhattan to look at apartments. A duplex with three bedrooms on 23rd Street and Madison Avenue fulfilled their dreams and more. The rental had an enormous living room and a terrace Aguirre likens to "a private park," not to mention views of Madison Square Park and beyond, all the way up to the MetLife building.

The landlord wanted \$5,700, well beyond what the guys had initially settled on. But at that point, they'd seen more than a dozen apartments and even lost one for no given reason. ("We have no credit history and two of us are foreign," Aguirre says, by way of explanation.)

They decided they were willing to stretch their budget and just take the apartment.

"If we get this, we thought, it would be the coolest," Aguirre says.

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**RENT**

**OUT OF SHAPE**

# LESSONS IN LEASING

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They threw caution to the wind and filled out the application, offering the full \$5,700. But out of nowhere, another group swooped in, out-bidding them by \$300 a month.

Determined, Aguirre and his friends matched the \$6,000 offer and threw in an extra month's rent up front. But their rivals upped their offer to \$6,600 and said they'd put down four months' rent upfront. At which point, Aguirre and his roommates gave up.

"We said, 'If we get this, we'll have to eat bread and water forever,'" he says.

Welcome to the new (not unlike the old) world of rentals — featuring bidding wars, crowded open houses and increasing prices. If you're one of the many newcomers taking your first dip into these shark-infested waters, here are five things to keep in mind about your apartment search.

## 1 Be flexible about your budget and expectations.

In Chicago, Jessica Widom rented an apartment for \$1,600 — with a roommate. Meaning, she paid \$800 a month. For this, she got "a really nice building with a doorman and pool and nice-size bedroom."

When she and her boyfriend decided to relocate to New York after Widom got a new job, they knew that they'd have to spend more than what she did in Chicago. They set a budget of \$2,600 a month.

At that price point, they were shown less-than-cared-for studios with huge drawbacks.

"I thought some of the studios would be nicer, but they're just so small. We saw a cute apartment in the West Village, but the kitchen had a half-sized refrigerator and one burner; they were asking \$2,600," Widom says. "There are buildings in Chicago [that are] \$2,000 for a two-bedroom with really crazy amenities, beautiful gyms and outdoor pools and hot tubs and game rooms."

It didn't take long for Widom and her boyfriend to realize that in order to



**GIMME A BREAK:** Buildings leasing units for the first time, like the Continental (above), are more likely to offer renters incentives.

get what they wanted — something clean and close to work — they'd have to up their budget. With the help of Evan Rosenfeld of Citi Habitats, they rented a Chelsea studio for \$2,900 a month.

Last year, that studio might have been closer to Widom's original budget, but NYC rental prices are rising rapidly. ("We see about 5 to 10 percent increase in rent since the beginning of the year," says Roberta Axelrod, director of residential sales and rentals for Time Equities.)

"It's definitely more than I initially wanted to spend, but it's worth it," Widom says.

## 2 Know your neighborhood.

For years, Murray Hill has served as roommate central, with recent grads drawn in by affordable rents and apartments spacious enough to allow throwing up a wall to divide one room into two. But since the city began ramping up the enforcement of fire codes that ban temporary walls, the neighborhood suddenly isn't as great for sharing.

"It affects most of the city," says Jay Heydt, senior vice president and associate broker at Citi Habitats. "But Murray Hill was very popular with shares."

For those looking to share, it's better to look in areas offering real two-bedrooms for less cash such as Harlem and the Financial District. According to MNS,



Manhattan's least expensive rentals, in all categories, are in Harlem. Compare the average rent on non-doorman two-bedrooms in Harlem, \$2,125 a month, with those in TriBeCa, \$6,449.

Other uptown pockets also offer deals.

"A lot of these clients are going north into the Upper East Side because there is a good amount of inventory in the 80s along First Avenue and York," Heydt says.

## 3 Don't count on incentives.

Not so long ago, rental concessions were the norm — a couple of free months of rent here, a waived broker's fee there.



**ROLLING WITH THE PUNCHES:** Jessica Widom (left), on the hunt, and Nicolas Aguirre (above), in his new digs, learned quickly that, when looking for a rental apartment in Manhattan, being flexible about expectations and being able to act at a moment's notice are key.

Now, though, landlords are much less desperate.

"During the downturn, 58 percent of our deals included concessions," says Gary Malin, president of Citi Habitats. "Concessions [now] are on less than 10 percent of deals."

There are, of course, exceptions, especially in big new buildings. The Continental, a 53-story, 336-unit tower at 885 Sixth Ave., is offering a free month of rent on a 13-month lease, plus the broker fee. Studios in the building start at about \$3,400.

## 4 Have all of your paperwork ready.

Summer is always a busy rental season, and this summer is busier than usual.

"Hundreds of new grads move to New York; once the stampede starts, it's difficult to find something," Aguirre says. "Every time there was an open house, people would cut the line so they could be the first group to go in."

"The job market [in Manhattan] is strong," says Andrew Barrocas, CEO of MNS, who helps relocate many new employees at Fortune 100 companies. "We're seeing as many new hires as in '06, '07."

With such fierce compe-

tion, renters need to be ready to make — and follow through on — an offer immediately. Have your paperwork in order and your guarantor, if you need one, waiting in the wings.

"There are several things [renters] should have in advance," says Phyllis Pezenik, vice president

and managing director of DJK Residential. "W2s, checking-account and savings-account statements, government ID, a letter of employment, three to six months' rent in their accounts, a letter of reference from their previous landlord and a guarantor. Landlords require 40 times the rent as an income. Most young people out of college aren't going to fit that criteria."

## 5 Yes, there can be a happy ending.

Depressed now? Scared about your apartment search? There is hope. Aguirre, for one, kept all his options open, never limiting his search to new or amenity-laden buildings.

And despite having two apartments ripped out from under him, his story ends well. MNS broker Marat Shvartsman was able to negotiate the top two floors of a townhouse in Chelsea from \$5,300 all the way down to \$4,600, only \$100 a month more than Aguirre and his friends wanted to spend in the first place.

"Thank God that first place fell through," Aguirre says. "The place we ended up with is significantly better than the one we lost."



**PAPER NUTS:** The amount of paperwork it takes to qualify for most apartments could take days to put together.

Jonathan Baskin

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