

Any Deals Out There? 7 Tips for Budget-Conscious House Hunters

by Amy Zimmer

MANHATTAN — It's a bleak time to be a buyer. There's limited supply, high demand and record-setting prices. All too often bidding wars are being won by those ready to plunk down all cash, leaving behind waves of frustrated house hunters who don't have deep pockets.

It begs the question — is it still possible to get a deal in this real estate market?

The answer is yes, brokers said, although it will likely require buyers making concessions, like moving to neighborhoods they hadn't considered or figuring out ways to convert a one-bedroom into a two.

Here are some tips on how to score a deal.

1. Consider co-ops instead of condos

Although many buyers prefer the sleek new construction, abundant amenities and flexible subletting policies of condos, Cindy Scholz, of Urban Compass, often advises her clients to consider looking at co-ops if "short-term solvency" is a priority.

"You're getting much more value in a co-op," she said. "You're seeing prices slashed by 30 percent and your closing costs are much less in a co-op."

Plus, the competition might be less fierce since the influx of foreign, all-cash buyers tends to be focused on condos that can be rented out and used as investments rather than as a primary residence.

2. Look for affordable housing units with income restrictions

HDFC — Housing Development & Finance Corporation — co-ops, which carry income restrictions for buyers (and sometimes for re-sales), are usually priced to allow homeowners, who wouldn't otherwise be able, to enter the market, explained Lee Williams of Rutenberg Realty.

For instance, a two-bedroom apartment on Williamsburg's South Third Street, listed for \$317,000, is limited to someone earning less than \$55,632 a year. A two-bedroom on West 106th Street in Manhattan Valley, listed for \$385,000, is restricted to a buyer earning less than \$112,164 a year.

3. Find apartments that have never been listed

When new listings pop up on real estate listing sites like Streeteasy, hundreds of house hunters and agents immediately get the alerts — and the competition heats up within minutes.

Instead, step above the fray and have your broker find a home that's never been listed, agents advised.

If a buyer, for instance, wants an Upper West Side doorman pre-war one-bedroom somewhere around Amsterdam and West 72nd Street, Michael Signet, of Bond New York, will research buildings and floor plans and send letters to residents in suitable apartment lines asking if they're open to selling.

"We try to create sellers," he said.

House hunters who have time should talk to building supers or doormen, Williams advised.

"They know who wants to move, who just had children or got a divorce," he said. "Babies and marriages and people coupling and splitting always results in change."

4. Look for "stale" properties or ones that have been removed from the market

Owners of properties that didn't sell but have been removed from the market — perhaps because they priced their home unrealistically too high — might "have come to a place where they are ready to sell based upon the current market realities," Williams said.

Since many buyers focus on the newest listings, house hunters should also look at "stale" properties that have been on the market for more than a month, RealDirect's Doug Perlson advised.

5. Look for properties that can be re-configured

An apartment might be a bedroom short, but many properties could be converted into something more suitable with some "creative configuration," said Perlson, who has been blogging about how to reconfigure layouts through a new site he's created called Homebildr.

"If you can get a real three-bedroom with open views for \$1.495 million," he said of a flexible two-bedroom home for sale at 174 E. 74th St., "that winds up being a good deal."

6. Timing matters: Wait until early August

There might be fewer homes for sale in the summer, but owners with places on the market then usually need to sell.

"Get your offer in before everyone comes back from the Hamptons or upstate," Williams advised. "Once your competition is back and in shopping mode the chances of scoring a deal dwindle."

7. Location, location, location: Harlem, Upper East Side, Lower East Side, Long Island City, Inwood, Jackson Heights, Ridgewood and Prospect-Lefferts Gardens top brokers' bargain lists

Many brokers have advised clients to look at the Upper East Side where prices have dipped because of the Second Avenue subway construction — expected to be completed by December 2016 — and the coming marine transfer station in the East 90s.

A buyer who bought an apartment off of Second Avenue in the East 90s paid \$150,000 less than a similar sized home a few blocks west, Williams said.

"I explained to her the downsides of the transfer station. She was fine with it," he said, adding, "My feeling, given the strength of the community there, they will keep a lid on whatever nuisance it could be."

Buyers are seeing good returns investment-wise in Harlem's Hamilton Heights and Long Island City, Scholz said, noting that both neighborhoods have good transit access.

But Perlson advised buyers to compare prices of multi-family homes to new development in Long Island City, for instance.

"New construction in Long Island City can be \$1,000 or more per square foot, but you can buy a two-family home for a lot less when you compare the cost per foot."

Andrew Barrocas, of MNS, advises clients to look at neighborhoods where new infrastructure is coming, like the Lower East Side, with the Seward Park Urban Renewal Area expected to bring a wave of retail and development and Prospect Lefferts-Gardens, on the east side of Prospect Park, where a wave of new development is expected.

Ridgewood, the Queens neighborhood along the Brooklyn border near Bushwick that has seen an influx of artists, is also poised to take off, Barrocas said.

"You can still find some real value in Ridgewood," Barrocas said. "We're planning quite a few projects there."