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## Best Places to live in NY

JASON SHEFTELL



### A real estate market roundup

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Unlike September 11, the Sandy tragedy could have a much less severe impact on the local real estate market. Even in hardest hit coastal neighborhoods such as the Rockaways, Howard Beach and parts of Staten Island, the housing market is expected to remain stable in some parts and fluctuate wildly in others.

In Manhattan, the borough most susceptible to price fluctuations because of reliance on international buyers and a more transient renter base, some neighborhoods will feel an effect.

Here's a rundown of what to expect in certain key real estate micro-markets around the city, including the retail and commercial sectors.

#### Hardest hit neighborhoods

Pre-Sandy, Rockaway real estate broker Robin Shapiro, who owns Robin Shapiro Realty, reported more buyers than sellers in Neponsit and Belle Harbor. She expects the market to return to normal once houses are repaired. In the short term, though, changes will occur.

"Only cash deals will close in the near term with no mortgages," says Shapiro, who lives three homes from the beach. "Rockaway is a coastal community and has been a tremendous positive in my ability to sell houses here. Going forward, as soon as the storm damage is repaired I expect that prices will be at pre-storm levels."

#### Retail markets

With Christmas around the corner, holiday shopping should go on as normal, especially in uptown areas not impacted by the severity of the storm. Some slowdown in Lower Manhattan retail stretches will occur. The big question regards the retail reliability of One World Trade.

"We have yet to learn the extent the storm delayed the construction on WTC and the renovations at the World Financial Center, the projects that most affect the retail market downtown," says global retail expert Faith Hope Consolo, chairwoman of Prudential Douglas Elliman Retail. "But it just takes time. Everyone gave up on FIDI



ANDREW THEODORAKIS/DAILY NEWS

STEVEN SUNSHINE

after 9/11, and it has come back even as the rebuilding continues 11 years later. My clients haven't expressed concerns going forward about locating downtown."

In hard-hit locations, retail is less of a factor, for now.

"Many of the most damaged areas such as the Rockaways and Jersey Shore are not being targeted by the national chains other than supermarkets," says

Consolo. "You still need basic services, such as food and drug stores. That's what was there before, and will be there through the reconstruction."

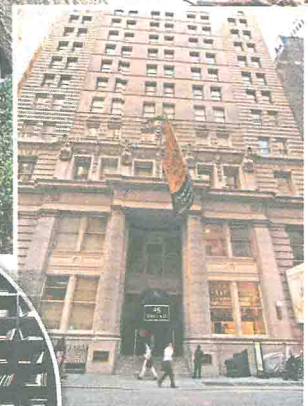
#### Rental scene

Agents familiar with the downtown and uptown rental market see potential landlord concessions returning in the tenant's favor. They also report specific markets where renters had been evacuated as undergoing price decreases.

"It will likely be a while before the South Street Seaport rentals can be occupied again," says Julia Bryzgalina, director of leasing and sales for Platinum Properties, a strong FiDi-headquartered boutique agency. "Even when the buildings reopen, many tenants may choose to move to a different

neighborhood because it will be months before the local businesses are back to what they were before Sandy. We expect pricing to go down significantly in that area. The rest of downtown was not affected as dramatically because most buildings regained their power within a few days of the storm, so pricing there will follow the usual patterns."

Bryzgalina did say the overall market could get a boost from the need for short-term rentals. In Stamford, Conn., just a 45-minute train ride from New York City, BLT has made fully-furnished homes available to short-term renters. For \$116 per night for a one-bedroom and \$150 per night for a two-bedroom with a one-month minimum, homes are ready for immediate occupancy. "There are serious short-term housing



25 Broad (above) offers three free months on all 18-month leases.



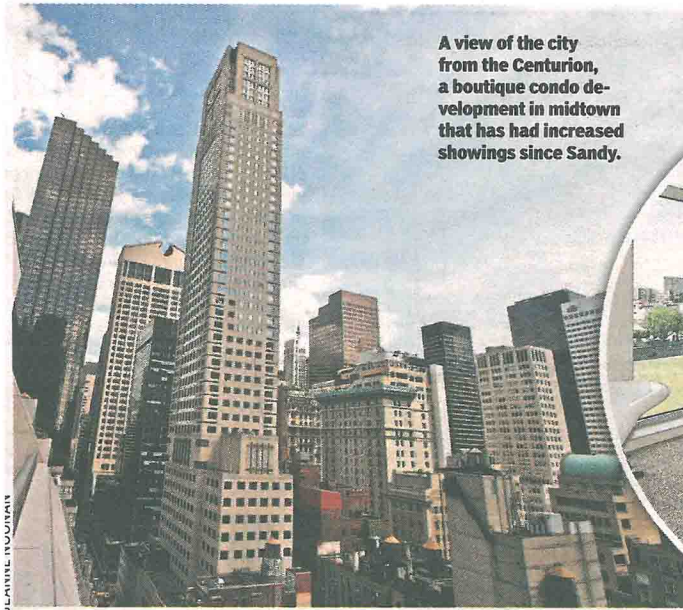
Stores and streets get cleaned up in lower Manhattan in a post-Sandy world. At right, Faith Hope Consolo, retail chairman for Douglas Elliman.



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JUSTIN LANE/EPA





A view of the city from the Centurion, a boutique condo development in midtown that has had increased showings since Sandy.

Bedroom in Harbor Point in Stamford, Conn., where short-term furnished apartments in new buildings are near the train.



## WHAT WE CAN LEARN FROM KATRINA

HOUSING PROBLEMS from previous U.S. disasters can teach us how to rebuild.

Michelle Whetten, vice president and market leader, Gulf Coast, for New York-based Enterprise Community Partners, has been part of the post-Katrina rebuilding process in and around New Orleans and Mississippi. Here is her advice:

- Transparency, coordination and patience are keys to recovery. Uncertainty and lack of access to information can cause stress and prevent families from moving on with their lives.
- Rather than look to short-term housing solutions, consider long-term/permanent housing solutions to reduce the number of moves and disruptions to lives of families.
- Invest in necessary infrastructure — transportation, schools and other services — for families to return to storm-damaged areas.
- City and state leaders should provide clear priorities to the private sector to encourage the kind of investment



HARRY CONNOLLY

Faubourg Lafitte, a post-Katrina housing development in New Orleans

needed to bring back neighborhoods.

- Tap into the experience and skills of the New York region's mature community development industry (i.e., successful affordable housing

developers and nonprofits).

- Be prepared to stick it out for the long run. Rebuilding of a region happens one house/one investment at a time.

needs, and we can meet them," says Harbor Point

Development's chief operating officer Ted Ferrarone, whose company has redeveloped Stamford's South End into an urban waterfront oasis with a Fairway, four rental buildings and strong commercial infrastructure. "We put the power lines underground when we rebuilt this area. We lost power for two short days."

Some downtown New York City buildings are coming through for out-of-place New Yorkers. 25 Broad, for example, is giving three months' free rent on 18-month leases and offering six-month leases, something unheard of before.

### Downtown commercial sector

Large Water St. leaseholders such as Howard Lutnick from Cantor Fitzgerald have spoken out regarding the significant

damage that occurred to their downtown spaces. Lower Manhattan leaders, however, see a fast return to the location once the buildings are up and properly running.

"The strengths and attractions of the lower Manhattan market have not changed," says Elizabeth H. Berger, president, Alliance for Downtown New York. "As the most recent U.S. census data show, more and more of the region's talented, educated labor pool lives within a short, public transportation commute. These are the high-value, knowledge workers who drive the region's economy — the people companies want to hire — which makes lower Manhattan a compelling business address."

### Luxury sales market

Horror stories of people trapped in high-floor all-glass apartments might have already crept into buyer consciousness. Some

agents report an immediate response.

"The suddenly very real danger of not being able to get out of a high-floor unit quickly and safely in case of an emergency has apparently changed the selection criteria of buyers for the time being," says Thomas Guss, president of New York Residence, an international luxury agency with offices in New York, Ireland, and Seoul. "Showings at the Centurion, 33 W. 56th St., have more than doubled since the storm."

In downtown, project directors and brokers are mixed on what's ahead. Some think it could be flood-zone related.

"It is possible that mortgage companies may begin to require flood insurance for Zone A and maybe Zone B properties," says Lori Ordovery, consultant to AFI-USA, the developer of the Financial District's 20 Pine the Collection. "This added expense could affect a buyer's ability to

buy or a mortgage company's willingness to approve the buyer."

### A report from the Greenpoint waterfront

Greg McGunagle, a senior vice president at Quinn & Co., lives in Greenpoint, a few hundred yards from the East River. From Rye, N.Y., he has lived all his life near the water. He doesn't see that changing.

"I think people's memories of the flooding will disappear quickly," says McGunagle. "As a resident, I'm not worried after Sandy, because now I know it would take a 15-foot surge to hit my home. I was lucky enough to avoid losing power."

"Overall, the positives of living along the waterfront far outweigh the negatives. Every time I look out my window at the Manhattan skyline, I know this is true."