Comeback!
Harlem apartments are selling faster than ever

When Heather Hacker began seriously looking to buy in Harlem 1 1/2 years ago, there was no shortage of co-ops or condos.

“When I started looking, I was shocked at how much was out there,” says Hacker. However, she adds, “It did give me a lot of pause: What would happen if I have to sell my place?”

But that was Harlem 2010. Harlem 2011 is a different story.

“I’ve definitely seen that change,” says Hacker, who’s in the process of buying a two-bedroom, 1 1/2-bathroom condo in the 22-unit Parkside Flats, at 362 St. Nicholas Ave., for $395,000.

“Buyers are seeing tremendous value [in Harlem], and very little citywide inventory,” says Steve Kliegerman, president of Terra Development Marketing. “There’s very good inventory in Harlem.”

For now, at least. Prices have dropped for co-ops and condos (in some cases to less than $500 per square foot for new construction), and as a result, the huge glut of inventory that had so worried Harlem observers has started moving.

A number of prominent buildings that started sales only last year are now sold out, or are close to being so. The Livmor, Parc Standard and the Douglass, all on Frederick Douglass Boulevard, are now fully sold. The 15-story Soha118 (also on FDB; it came on the market in late 2007) has a mere six units left out of 93. (Remaining units go from $920,000 to more than $3 million.) And the 89-unit 2280 FDB (which came on the market in late 2008) is a healthy 73 percent sold, with remaining units going from $499,000 to $1.889 million.

For the past few years, when Pamela Ritke, of Charles Rutenberg Realty, had a client who wanted an apartment on the Upper West Side, she’d make a pitch for them to also consider Harlem. It was only two extra stops on the subway, she would argue, and the prices were so much better.

“Now I’m trying to get them two stops [even] higher,” Ritke laughs.
Yes, it’s now getting tricky finding product in north Harlem, too. The Alameda, at 221 W. 148th St., just sold its last unit; the 32-unit Savoy West at 555 Lenox, at West 138th Street, has only six units left according to Streeteasy (one is selling for $470 per square foot). And PS90, the 75-unit condo that was an elementary school, at 220 W. 148th St., sold (or has accepted offers on) all but two units (priced at $425,000 and $755,000).

Even buildings introduced this summer are faring well: The 73-unit co-op 88 Morningside is 71 percent sold. And successful buildings like the Gateway and Windows On 123 are onto their second phases. (Gateway has only nine out of 86 units left.)

“This quarter there was a pop,” says Jonathan Miller of appraisal firm Miller Samuel. “[Sales] levels have been higher than pre-Lehman [bankruptcy] levels.”

Indeed, 150 units were sold in Central and East Harlem in the third quarter of this year, and this was the fifth quarter in a row in which the number of units sold was above 100. These are close to the best sales numbers Harlem has ever seen. (The only quarter on record when more co-ops and condos were sold was at the height of the market, in the third quarter of 2007, when 160 units sold.)

It’s certainly better than it was two years ago, when in the first quarter of 2009, only 41 units sold.

Not all the bad housing stock has gone away, of course. “Some of the places I saw, I’ll tell you, were not great,” says Jeff Lieberman, who is moving to a two-bedroom, split-level condo at Harlem Sol, at 131st Street, in a few weeks with his partner, Marquez Andrews. (Andrews is the special-events sales manager for the nearby Red Rooster restaurant.) They eyed co-ops in Chelsea and Greenwich Village before looking at new development in Downtown Brooklyn and, finally, in Harlem.

While high sales volume is no doubt music to developers’ ears, prices have been cut to the bone -- which certainly sounds good to buyers. The average price per square foot of a Harlem co-op or condo was $582 last quarter. In 2007, it was $836 per square foot. Price is what lured Cynthia Devasia to Harlem, where she bought a two-bedroom at the 24-unit Park Lane condo, at 118 W. 112th St., just over a year ago, when prices started dropping (remaining units range from $350,000 to $649,000).

“For the same square footage, the asking prices [in Midtown] were almost twice as much,” Devasia says. “It didn’t really make sense from an economic point of view to pay twice as much for the same square footage.”

“We can’t afford something in downtown or Midtown,” says Yushuan Lin, who, with her husband, Kumar Gurung, is moving to Parkside Flats. They were living in Queens and looked at old and beat-up co-ops in downtown Manhattan before settling on Harlem. “Here, everything’s brand-new.”

And it’s not just Harlem’s residential real estate that has been booming. “The other thing doing really well is retail,” says Vie Wilson of the Corcoran Group, who is selling Soha118. “There have been a number of restaurants [that have opened] since summer ... [Frederick Douglass Boulevard] has 12 restaurants. It never had that.”

“I was always intrigued about adding to the footprint of dining in New York City,” says Marcus Samuelsson, whose year-old Red Rooster, on Lenox Avenue and 125th Street, has been one of the neighborhood’s best attractions. It’s regularly flooded with New Yorkers, out-of-towners (including President Obama) and Harlemites.

Adds Samuelsson, “It’s an incredible neighborhood, with lots of iconic restaurants like Rao’s and Sylvia’s, but there was not a lot of contemporary restaurants.”

It’s as if Red Rooster woke up the area’s slumbering bar and food scene. Over the summer, Harlem Tavern opened shop on FDB and 116th Street (passersby no doubt noticed the gigantic inflatable beer bottle in the courtyard for Oktoberfest), as did the French bistro Cedric, on 119th Street and St. Nicholas Avenue, and gourmet pizza place Bad Horse Pizza at FDB and 120th Street.

“There are a lot of great restaurants around,” says Peter Ermides, who bought a 720-square-foot unit with a 436-square-foot private garden at Harlem Sol for $425,000; he should be moving in by the end of the year. “There are grocery stores, a Pioneer [supermarket], there’s a dry cleaners around the corner. Great bakeries.”

As for the buildings that didn’t make it, some are being revamped and reintroduced to the market, like the Dafina, which had the misfortune of coming on the market just as Lehman Brothers collapsed. It’s now finished and has been renamed 2130 Adam Clayton Powell; the 46-unit co-op averages $562 per square foot (so far, several contracts are out).

Likewise, 5th on the Park, at 1485 Fifth Ave., which came on the market in 2007 and suffered some messy lawsuits when the recession hit, sold briskly all summer; the 158-unit building is now 50 percent sold. Remaining units average $725 per square foot.

Pretty good prices. Pretty good units. While they last.