



**BRICKUNDERGROUND**  
THE INSIDER'S GUIDE TO NYC REAL ESTATE

## SHOULD I SPLURGE ON A TWO-BEDROOM APARTMENT?

by Leah Hochbaum Rosner | 4/09/15 - 3:15 PM

[http://www.brickunderground.com/blog/2015/03/buy\\_curious\\_upper\\_manhattan](http://www.brickunderground.com/blog/2015/03/buy_curious_upper_manhattan)



Should you play it safe with a one-bedroom or spread yourself thinner with a two-bedroom? [Jesse Klein of Platinum Properties](#) helps us figure it all out in this week's [Buy Curious](#).

### THE WISH LIST:

**I'm planning to buy an apartment for myself in a large Upper Manhattan building that has several co-ops on the market. I'm not sure whether to buy a two-bedroom, which might be the smarter long-term investment, or a one-bedroom, which would be less of a reach**

**financially. What should I do?**

### **THE REALITY:**

According to [the Corcoran Group's 1st Quarter 2015 market report](#), the median price for a one-bedroom co-op in Upper Manhattan was \$340,000 versus \$488,000 for a two-bedroom (up from \$330,000 and \$394,000, respectively, in the 1st quarter of 2014). That's a big difference. Choosing to purchase the more affordable option may be the better choice as it's not worth it to buy a bigger apartment if it's going to leave you strapped, says Klein. This is especially the case with a co-op since most boards like to see that an applicant will have enough money left over after the purchase for 1-3 years' worth of maintenance. So even if you qualify for a bank loan for a two-bedroom, a strict co-op board might still turn you away.

On the other hand, investing in New York real estate has historically been a safe long-term bet, he says. And the more square footage owned (or in the case of a co-op, the more shares purchased), the more you'll benefit from a capital appreciation standpoint. Plus, since there's a lot of development uptown—a Whole Foods, TD Bank and Olive Garden at 125th St. near Lenox Avenue are expected to open in 2016—the area will become more desirable very soon, ultimately increasing the value of your investment.

Fees in each co-op vary based on many factors, including the financials of the building, staff salaries and property taxes, but it's safe to say you'll be shelling out more each month with a two-bedroom. Mortgage costs will also vary based on how much you put towards your downpayment. However, the difference in the monthly mortgage costs between a one-bedroom and two-bedroom may not be all that different over a 30-year term.

Think about your life plans, too. If, for example, you plan to start a family soon, and want the extra space, go for the two-bedroom (assuming you can qualify for a mortgage and pass the co-op board). If you're single and don't spend much time at home, a one-bedroom could suffice. But in terms of capital appreciation and resale value, Klein says, the two-bedroom is a better bet.