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## RENT OR BUY? WITH RENTS ON THE RISE, NEW YORKERS DO THE MATH

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Rent or Buy? With Rents on the Rise, New Yorkers Do the Math

JUMP-START Casey Galegher, right, and Van Krishnamoorthy lived in a rental with their son, Finn, but wanted more space and amenities for their money. Finn had less down-to-earth concerns.

By MICHELLE HIGGINS

BLANCHING at their rent bills, more New Yorkers are being forced to confront that age-old question, should I rent, or does buying make more sense?

In many cases, the hard numbers point toward the latter. The average Manhattan apartment rented for a record \$3,459 in July, according to Citi Habitats, which called the price the highest since it began tracking rents in 2002. And with the vacancy rate hovering around 1 percent, landlords aren't willing to cut deals.

By contrast apartments for sale have held relatively steady in price from the start of the year and are down from the market peak in 2008. Combine that with low interest rates, and the cost of buying an apartment is about the same, if not cheaper on a monthly basis in many neighborhoods, than the cost of renting. But making the leap to homeownership is complicated by tough lending standards, the often hefty down payments and other obstacles that would-be buyers must clear in order to break into the New York market. And even if you clear all the hurdles, there are often trade-offs.

Take Casey Galegher and Van Krishnamoorthy, who recently spent \$699,000 on a two-bedroom condo in Harlem, after a year living in a one-bedroom rental on the Upper West Side with their 5-year-old son, Finn. "It may take 10 years for the restaurants to feel like the Upper West Side," said Dr. Krishnamoorthy, a radiologist. But meanwhile they are getting more space and amenities for their money, paying about \$4,900 a month for their brand-new 1,400-square-foot condo. On the Upper West Side, "we couldn't get an elevator building in our price range," said Dr. Krishnamoorthy, noting that a two-bedroom in a doorman building across the street from their former rental was listed at \$7,000 a month.

Joan Riegel, a 69-year-old educator, started looking to buy earlier this year, when the rent on her 1,000-square-foot Upper West Side rental climbed past \$5,000 a month — an increase of 25 percent. This month she moved into a \$675,000 co-op in the Gramercy Park area, trimming her monthly housing cost nearly in half, to about \$2,600 a month including maintenance. While her new apartment is smaller, she said, "I'm going to have so much more money."

In general, whether renting is better than buying largely depends on individual circumstances, including what you can afford, what's on the market and how long you plan to stay in your home. (The Times has an online calculator to help you pinpoint exactly how long you need to stay for your investment to begin paying off.) Here is a look at how four potential buyers came to resolve their own rent-versus-buy conundrums, including the calculations they made, the hurdles they overcame and the lessons they learned along the way.

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