

November 3, 2010

## Residents flee new(ish) buildings

► Concession-seeking renters, hit with renewal increases, pack their bags after the first year is up

Britney Hatcher, an agent at City Connections Realty, recently received a number of calls from angry tenants in new rental buildings on Manhattan's far West Side.

A year ago, she explained, these tenants took advantage of concessions offered by developers of new buildings — often one, two, or even three months of free rent. But now that these buildings are fully leased, and the rental market has improved, they're being hit with renewal no-

**“This is setting loose a lot of unrealistic apartment hunters who are mad at the world. They want a doorman building for \$2,500, and don't want to hear that all you can get for that is a walk-up with a broker fee.”**

**BRITNEY HATCHER ON HOW CONCESSIONS HAVE SPOILED RENTERS**

tices asking for up to \$600 more per month than they are currently paying.

These hefty increases are forcing many tenants to move — and they're quickly discovering that they can't find comparable apartments in their price range, Hatcher said.

So far, developers say there are enough new tenants to make up for the lost renters. However, industry insiders expect higher vacancies and the return of concessions in the months to come, especially as the slow winter months arrive.

“Depending on how negotiable the landlords are, they may be hit with some vacancies,” Hedaya said. “It's going to be interesting to see what the renewal rate will be in the next few months.” **CANDACE TAYLOR**

ILLUSTRATION BY YISHAI MINKIN



► Some tenants are moving due to hefty lease renewals.

### The downside

Concessions have begun disappearing as the rental market has improved.

- The contrast is starkest in buildings that finished construction in the past two years: During the initial lease-up, landlords offered new renters several months of free rent, but they're not nearly as generous now that the buildings are full.
- Brand-new buildings hitting the market now are still likely to offer a month free, but concessions are skimpier than they were during the worst of the downturn.

TheRealDeal.com is a daily blog and monthly magazine covering real estate in the New York metro area.

**THE REAL DEAL**  
New York Real Estate Weekly