

Industry Leaders

East Harlem is on the move in 2018: Increased development, strong rents and high condo prices



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2018 will be a pivotal year for East Harlem.

With the New York City council recently approving the East Harlem rezoning proposal, strong economic growth can be expected over the next decade throughout the East Harlem neighborhood, which runs from 96th to 142nd Sts., east of Fifth Ave.

I expect investor interest in East Harlem properties to dramatically increase and it already has. Development sites are on the increase, rents are strong and condominium prices are going higher. Also, the Second Ave. subway will make East Harlem easier and faster to get to.

The goal of the East Harlem Rezoning Plan and the recently adopted Affordable New York Housing Program, are to develop and preserve affordable housing and promote economic opportunity in the area by making rental development possible again. It also sets aside \$50 million for New York City's Housing Authority's properties and \$101 million for a new park between 125th and 132nd Sts. for the public to enjoy.

The city estimates that over the next ten years the rezoning will result in as many as 3,500 new units of housing, with a significant number affordable and create 122,000 s/f of new retail and restaurant and 275,000 s/f of office and industrial space.

East Harlem has already experienced a large influx of new residents living in new developments over the last few years. The area is gentrifying and attracting for-profit developers and there is no longer a hard line dividing the Upper East Side and Harlem.

Developers are moving fast. Here is a look at some of the most exciting projects coming down the pike that will shape the future of Harlem:

A massive mixed-use 19-story project coming to 201 East 125th St. by the Richman Group features 404 residential units, commercial and community space.

HAP Investments Developers', the international real estate group, is building a mixed-use luxury development designed by Karl Fischer at 2211 Third Ave. and 121st with residential units, parking spaces and a gym. And Super Fi Emporium supermarket has purchased the entire ground level retail space.

Jonathan Rose Companies and L & M Development Partners are building a massive, mixed-use development on 111th and 112th between Park and Madison that is going to be one of the country's largest housing projects, with 655 affordable rentals, and

40,000 s/f of commercial use. The project also features a charter school, YMCA, job training center, a preventative healthcare facility run by Mount Sinai, a preschool, supermarket and four community gardens around a multi-layered courtyard.

Durst Organization recently purchased 1815 Park Ave., a four-story residential building from Waterbridge Capital which had planned to build a retail center with condominiums on the site. Durst is expected to file plans with a mixed use rental building that will have a significant amount of affordable housing, with at least a quarter of the apartments to rent for below market rates.

Avalon Bay Communities is going forward with a 60-story tower planned after the city council approved the

project last year with 300 of the tower's approximately 1,000 apartments to be affordable between 96th and 97th

Richman Group and Equity One are building a massive 1.7 million s/f project (named E125) on East 125th

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St. between First and Second Aves. Plans include a public park, and two new school buildings.

The flurry of development on 125th St. – East Harlem's commercial main thoroughfare is also moving fast: Monadnock Development, The

St. turning it into retail, office space, a hotel, open public space and 1,000 units of market rate and affordable rate housing. Completion is slated for 2021 but stages are expected to be finished before then.

A lot of eyes are on Extell Develop-

ment Co.'s project at 142-196 East 125th St., a now-shuttered Pathmark grocery store at the corner of Lexington Ave. – a site that will likely give way to about 600 apartments – a mix of condos and affordable housing.

Blumenfeld Development Group is developing East 126, 158 East 126th St. into an 11-story building with 250 units designed by the Bjarke Ingels Group. The recently topped out building has a curved checkerboard façade and inside amenities include a fitness center, pool, lounge, golf simulator, on-site parking and 20% of the units will be affordable.

Holley Drakeford is president of Drakeford Realty Group, New York, N.Y.



Peekskill, NY - Lower South Street Development Request for Proposals (RFP)

The City of Peekskill is seeking an experienced real estate development firm to submit a letter of interest along with company qualifications and a development proposal (RFP) for the City owned properties on Lower South Street. The parcels located at 1005, 1009, 1011, 1013 & 1017 Lower South Street are located between Lower South Street and Route 9, immediately south of Louisa Street and Travis Lane. The 11.6-acre assembly has north and south vehicular access from the Louisa Street interchange of Route 9.

A New York State Department of Environmental Conservation Decision Document for Site ID No. C-360145 was issued on November 22, 2017 and includes a Brownfield Remediation Work Plan for the 11.6-acre site. It is important that the responding developer demonstrates their company's experience with the Brownfield cleanup program or alternately identify how they plan to collaborate with a firm experienced in this specialized program.

The City is looking for a mixed-use development proposal that responds to the M-2B zoning criteria and will consider a residential component if it is proven to be the most beneficial development for the City. The RFP can be retrieved from the City's website by using the following link;

https://www.cityofpeekskill.com/sites/peekskillny/files/uploads/lower_south_street_request_for_proposals.pdf

The link will indicate the required submittals and qualifications that the City is looking to secure from proposed developers. Proposals are due to the City on Thursday May 24, 2018 and a letter indicating a "Notice of intent to submit a proposal" must be addressed to; jpinto@cityofpeekskill.com