

# 2021 Q3 REPORT SOUTHERN BRONX



THE POLARIS TEAM

Welcome to the 3rd Quarter, 2021 edition of the South Bronx Residential Report, created and presented by Andrew Freerks. Autumn is the best time to be in New York City and we hope you and your family are enjoying the temperate weather and fall colors.



## DID YOU KNOW?

Dozens of the Nation's most renowned artists, scientists, actors and writers have at one time lived in the Bronx? Neil deGrasse Tyson (scientist), Stan Lee (the creator of Marvel Comics), Stanley Kubrik (famous movie director), Al Pacino (famous actor), Theodore Roosevelt (American President) and of course Jeniffer Lopez aka Jaylo (Famous singer/ actress) have all called the Bronx their home.

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# BOUNDARIES



For the geographic boundaries of this report, we are examining The Concourse, Highbridge, Hunts Point, Longwood, Melrose, Morrisania, Mott Haven, and Port Morris neighborhoods. Any property south of the Cross Bronx Expressway, East of the Harlem River, and West of the Bronx River, were considered for the analysis in this report. Please also ask for our Mott Haven report which was done separately.

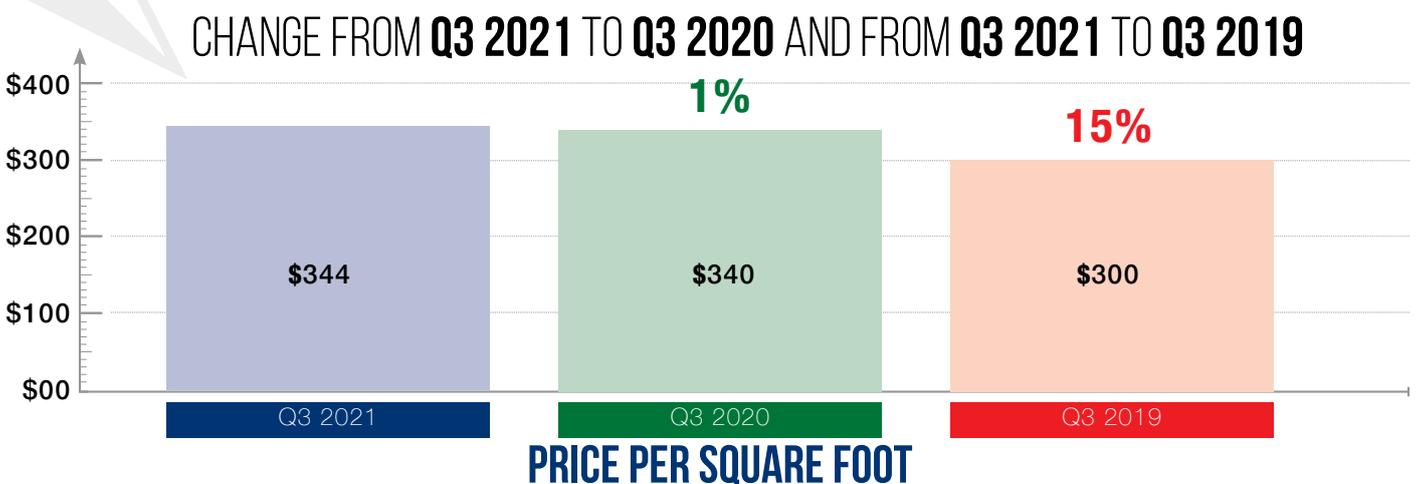
# Sales DATA



## INVENTORY

Sales inventory in the Southern Bronx continues to be robust, especially since the ending of the Covid lockdown. Quarter 3 (Q3) 2021 saw 29 total sales including 7 single family sales, 15 multi family townhouse sales and 7 condo sales (including several sales by The Polaris Team both on the buy and sell side).

Although most listings are selling, there are a few homes that continue to languish on the market. This is mainly due to overpricing or poor marketing of the listing. Some seller's (mostly developers) are being overly aggressive in their pricing strategy or incorrectly marketing their properties, which is causing listings to sit on the market longer, and possibly not sell at all. For example, 424 East 139th Street has been on the market for over 365 days, with only 1 minor price drop (\$20,000). That owner has rejected numerous offers close to asking price, and is oblivious to the current market value of his home. For him, getting a high sales price is worth waiting for, even if the house sits vacant for over a year. In other cases, the developer has renovated the home, but has chopped up the layouts to maximize the room count. In doing this, they have created weird spaces, and tiny bedrooms (most without closets), in the hope they will get a higher price. In the end the listing will usually sit on the market until they agree to sell to a buyer at a much lower price than asking.



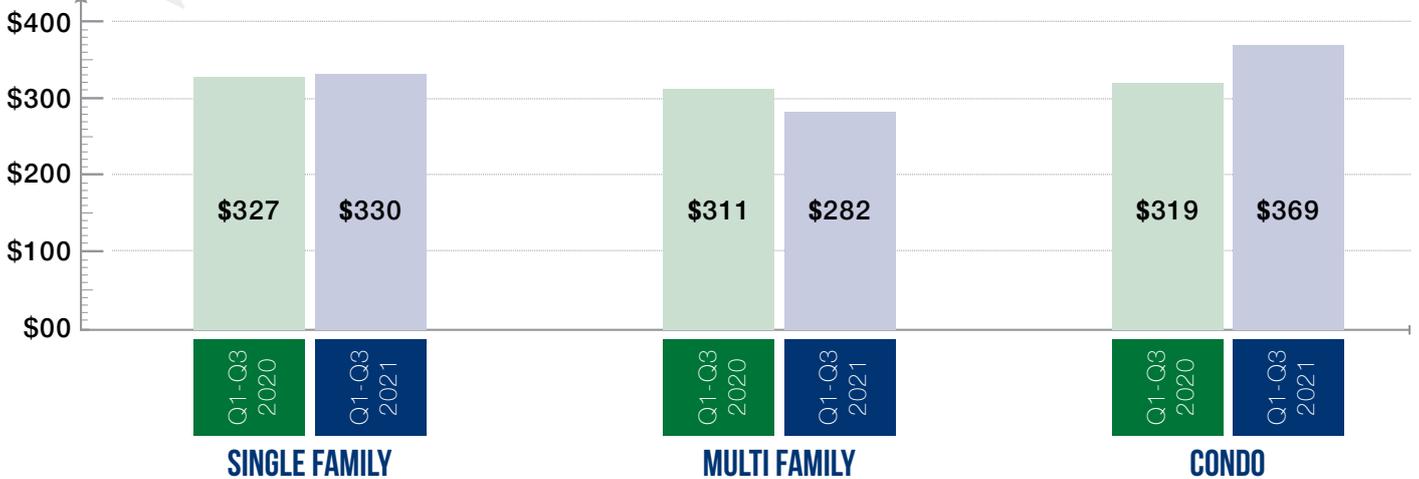
According to the New York Times, the rest of the city is seeing the [busiest sales market in 30+ years](#), so it is very interesting to see some listings struggling to sell. The buyer demand is still high here, but until those sellers become more realistic with their pricing, those listings will continue to accrue days on market without a viable purchaser.

# SINGLE FAMILY SALES DATA



There were 7 single family sales in this quarter here in the South Bronx. Those sales had an average price per square foot (PPSF) of \$344. This is a strong increase (15%+) from what we saw in the sales of Q3 2019. Over half of the sales this quarter topped \$390/ SF, which is a good indicator that prices are increasing. The single family buyers we have seen recently are buyers that originally were looking for a multi family home in Mott Haven, but due to their inaction and the upward moving market, they missed the boat and now can only afford a single family home. Most of the single family homes in the South Bronx are less desirable than multi family homes, as they do not have the rental income generated by the extra rental unit, which helps offset a large portion of one's mortgage. As the pricing continues to rebound in Manhattan and other boroughs, we expect to continue to see buyers coming to the South Bronx looking for value.

AVERAGE PRICE PER SQUARE FOOT OF SALES FROM **Q1-Q3 2021** VERSUS **Q1-Q3 2020**



# MULTI FAMILY SALES DATA



The Southern Bronx multi family market continues to stay active and attract decent prices. Although there were less sales in this quarter than the last three quarters, the sale prices were have ticked upwards, averaging \$344/ square foot. Multi family pricing has seen an 31% increase since 2019 (although it hit a dip during Covid), and it is only a matter of time before sales routinely break the \$300/ square foot threshold. In fact, we currently have a deal in contract that will be \$385+/- square foot, so we expect to see sale prices increase in the 4th quarter of 2021. Although prices are expected to continue to increase, there are several listings currently on the market that are overpriced.

There are currently 48 active listings in the South Bronx, several of which are overpriced, so time will tell at what price (or if) those listings sell. Most of the listings currently on the market are unrenovated two family homes, which will be delivered with tenants. The lack of upkeep, and inability to remove non-paying tenants or tenants paying below market rent, is causing buyers to second guess paying the high asking price.

For example, let's look at the average days on market for the two homes that sold in the Mott Haven submarket, versus the 9 that did not. The average days on market for the two multi family homes sold in Mott Haven last quarter was 47 days. The average days on market for the nine remaining multi family homes are 244 days. You can see the huge difference between a well priced home and an overpriced or poorly marketed home. A good case study is the sale of 427 East 144th Street, which was purchased in late September. That property was originally priced at \$925,000 and sat on the market for 90 days before the seller finally came to reality and accepted an offer at market value (\$785,000). If he did not listen to the comps and the market, that property would still not have sold. Just because the market is active doesn't mean sellers' can name their price.

# CONDOMINIUM SALES DATA

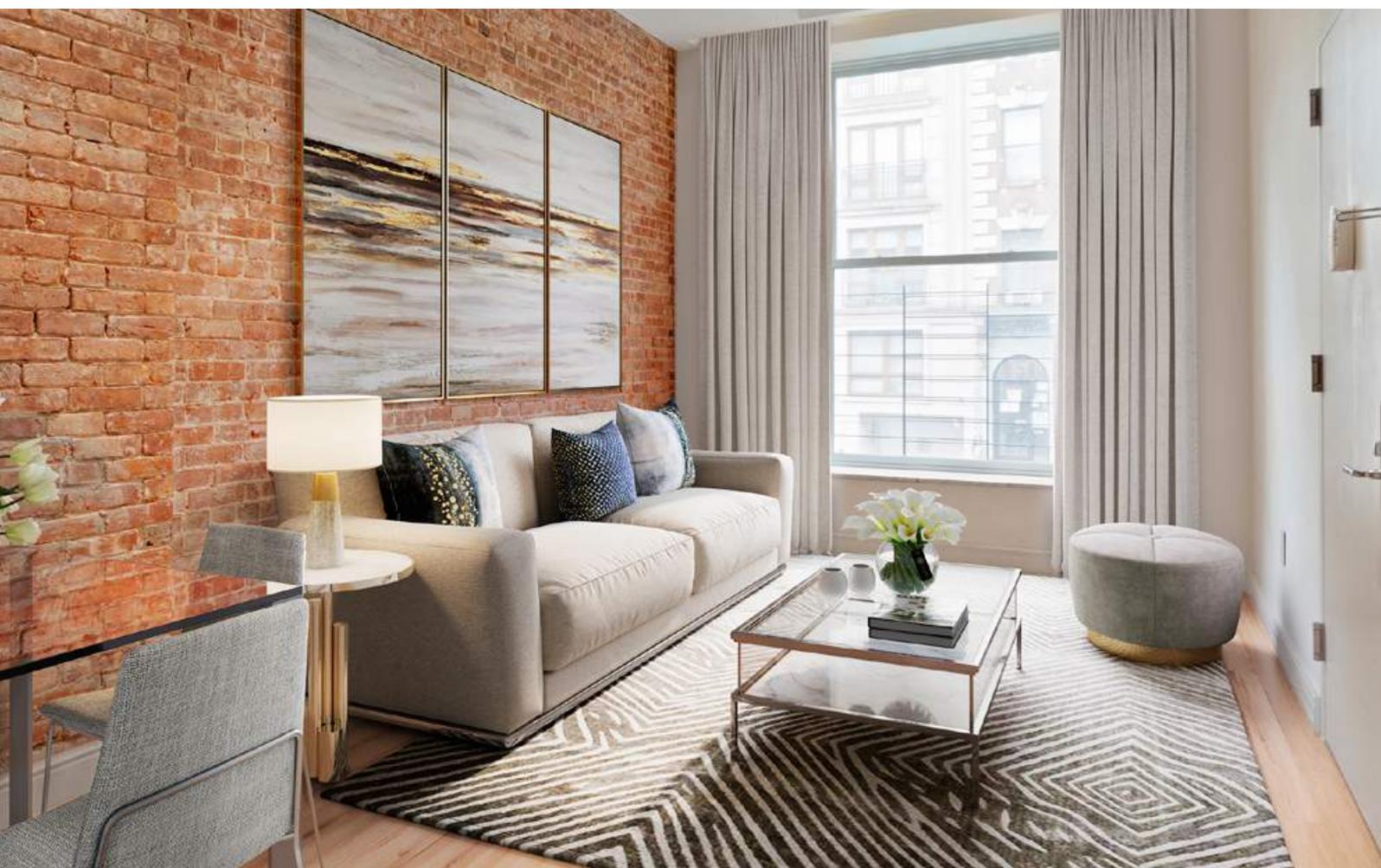


Quarter 3, 2021 was a pretty active quarter for condo sales in the South Bronx. Seven sales were completed; all of which were completed North of 149th Street. All of those sales (except for one) sold for above \$300/ SF, and the average was \$312/ SF. Condo sales over the first three quarters of the year, have seen a large increase when compared the condo sales over the first three quarters in 2019. The pricing has increased \$50/ SF, or roughly \$51,000 on an average sized condo (1,035). The average days on market (DOM) has also increased substantially, increasing from 34 to 63 days, which is an 80% increase. This is mainly being driven by slower moving lenders. Since the end of the lock down, lenders have revised their practices and are now taking an extra 3-6 weeks to complete the underwriting process. This should start to get better as the housing market cools, but I expect banks to remain backed up until at least the first quarter of 2022.

# Rental DATA



## INVENTORY & PRICES



Rental listings don't usually list square footage; thus, the leasing prices were averaged out. The usable data was from a mix of building types but was predominantly from new development buildings that were constructed within the last three years. Overall, the number of rentals have increased but the average pricing has stayed roughly the same over the last year, mainly due to oversupply but the one shining light is rentals located in townhouses, which continue to have a high desirability, even though they cannot demand the high prices their luxury counterparts do.

# STUDIOS



During Q3 2021, the average South Bronx studio was valued at \$1,816, which is a sharp increase in value (8.1% or roughly \$137 monthly) from the same time period in 2020. The average price for a studio is significantly up year over year, as is the number of studios rented. There were 23 studios leased in Q3 2021 (versus 12 in Q3 2019), and we expect this number to increase as newer luxury buildings prioritize smaller apartment sizes to maximize their unit count. The average studio was on the market for 20 days before it was rented. New luxury units at buildings like The Arches, or The Bridgeline are attracting tenants who are wowed by the amenities and are willing to take a smaller apartment, to live in a brand new space, but still the majority of renters coming to the neighborhood are moving to the area for larger spaces and value, so 1 and 2 bedroom rentals will continue to outpace studio rentals for the foreseeable future.

# 1 BEDROOMS



Since the beginning of the pandemic, 1 bedroom rentals saw a 3.8% decrease in value, along with a higher number of days on market. This decrease in value equates to \$936 less in annual rent for the landlord. Currently the average 1 bedroom is renting for \$1,971 and is sitting on the market for 22 days. Similar to studios, the number of rented units is way up compared to Q3 2020. There were 68 1-bedrooms rented in the South Bronx in Q3 2021, which is double the amount rented in Q3 2020. This increase is being driven by the opening of new large rental buildings and seems to be a trend we will see for many years to come.

Those developers are making large concessions (2-3 months of free rent, free amenities, free parking ect...). In return, the concessions are attracting new residents to the neighborhood allowing local businesses to further prosper (including allowing several new businesses to open up, especially along the Bruckner Ave/ Alexander Ave corridor). We are seeing renters coming in from the North Bronx, Brooklyn and Queens seeking cheaper rent, and good value.

## 2 BEDROOMS



Q3 2021 was another busy quarter for 2 bedroom rentals. 50 units were filled in this quarter, and they had an average rental price of \$2,414, after concessions. The monthly value was roughly \$93 less than the same quarter in 2020, which is a 3.7% increase. Listings are also sitting on the market longer nowadays, as there are more options to choose from in the South Bronx (especially in the Southeastern portion of Mott Haven), which has seen 600+ new units released to the market over the last 24 months. The average days on market (DOM) was 25 days.

## +3 BEDROOMS



There were 13 3+ bedroom rentals completed in the South Bronx during Q3 2021, which is a small increase from Q3 2020. As mentioned in previous market reports, most developers and owners alike are preferring to build/ rent smaller apartments, which is keeping the 3+ bedroom rentals at a minimum. All 13 of the 3+ bedroom rentals, except for one, were in smaller, non-luxury buildings. The listings rented for an average of \$2,512, which is 6.9% more than what 3+ bedroom rentals were renting for in Q3 2020. The average unit sat on the market for 18+ days mostly due to the conditions of the apartment and in one case extremely small bedrooms. Nicely sized and nicely renovated 3+ bedroom units rent very quickly and above \$2,800. We rented a 3+ bedroom on St. Mary's Park for \$3,200 in 2 days due to the marketing, finishes and size.

# Large SCALE Projects



## LA CENTRAL



Nearing completion, La Central, which is a 990+ unit development, is located over several blocks adjacent to the HUB (Third Ave and 149th St). The project will be mixed income with studios priced from \$385/ month to 4 bedrooms priced from \$2,689/ month. New Yorkers earning 30, 40, 50, 60, and 130 percent of the area median income can apply for the apartments, and the ground floor spaces will be filled with retail and restaurants. Inside the development, there will be a community garden, roof terrace, brand new YMCA, ground floor retail including a cafe specializing in Bronx eateries. Topping out at 25 floors, the tallest building will have sweeping views of the city and the whole project will be LEED Certified, meaning the construction and operating systems are environmentally friendly.

[You can learn more about the project here.](#)

## 101 BRUCKNER



101 Bruckner has topped out and the interiors have been all but finished. The 7 story building which sits very close to the Willis Avenue Bridge off ramp (across from Pulaski Park), will house 55 units, 17 of which are income targeted. That housing lottery is currently underway. 101 Bruckner is filled with amenities including a shared laundry room, music room, bike storage, parking, movie room, dance studio, gym, lounge and private rooftop terrace with sweeping views of the Midtown skyline and Harlem River.

# BANKSIDE



Several buildings have topped out in the South Bronx's largest development to date. The Bankside, which is located adjacent to the Third Avenue bridge, has several towers nearing completion, and several others on the rise. All the towers are pretty close to topping out which gives a very interesting cavernous feeling from the Third Avenue bridge. A little bit of Midtown right here in Mott Haven. The development is already changing the Mott Haven waterfront, and will bring 1350 rental units to the market. The project will have a 30% affordable rental component, filled with tons of amenities (including an infinity pool looking towards the city), as well as a new neighborhood park, right along the waterfront. Eventually the park will connect with other riverside parks, creating a connected greenspace all the way up to Yankee Stadium on 161st Street. Brookfield Properties is behind the development and rumors have it that one of the major commercial tenants will be either a Whole Foods or a Trader Joes, but time will tell if those rumors are true.

Leasing is anticipated to begin in Q1 2022.

# 1164 RIVER AVE



The foundations for the 17 story building at 1164 River Avenue are currently being laid. Madd Equities is developing the project, which is close to Yankee Stadium and the elevated 4 train. The project will span 250,000+ square feet and offer 250 residential units, along with 88,000 square feet of commercial space. It will be the tallest building in the immediate area and offer sweeping views of the Bronx. Construction is expected to be completed in 2022.

# 425 GRAND CONCOURSE

## ARCH LAYOUT

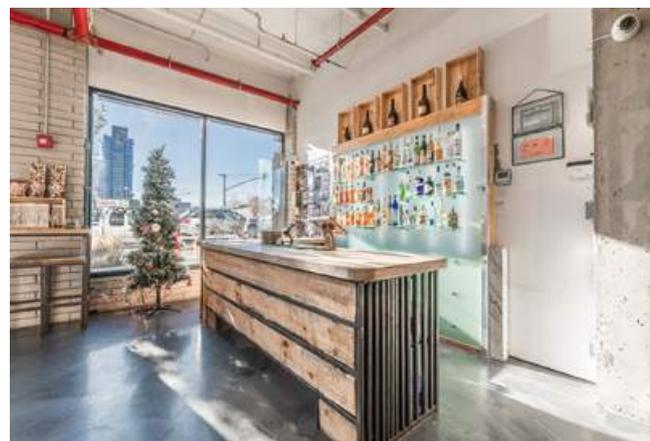


425 Grand Concourse has also topped out and is currently moving towards completion. The development is expected to be done in Q2 2022 and will house 241 affordable housing units and a very large ground floor supermarket, along with some community space and a new charter school. The developer also helped renovate the Evelina Antonetty Playground which has a nice playground set up, greenspace and public workout equipment.

# Business HI-LIGHT



## BOTTLE BRONX



Located at 221 East 138th Street at the base of The Joinery, Bottle Bronx has quickly become one of the South Bronx's best wine shops. The hip decor meshes well with the industrial architecture of the building and the shop is filled with custom art created by the owner, Sammy. Sammy and his wife Lehna opened up the shop in 2019 after selling their Harlem business and have become an intricate part of the neighborhood, often connecting fellow business owners and beautifying the sidewalk in front of their shop with plantings, seating and colorful chalk drawings.

[Check out their website here.](#)

# OUR EXCLUSIVES



110 W 127th **\$1,400,000**  
*1,613 Penthouse Duplex*



128 Alexander Avenue **\$4,000/ Month**  
*1,742 SF Prime Alexander Retails Space*



651 Jefferson Place **\$600,000**  
*7,000+ SF Commercial Development Site*



303 East 37th St, Apt 5B **\$2,550/ Month**  
*Murray Hill Corner Unit Alcove Studio*



415 E 140th street **\$1,285,000**  
*Mott Haven Historical Landmark Greystone*

# RECENTLY CLOSED



**1393 Plimpton Avenue \$720,000**  
*Mixed Use Development Site*



**204 Washington Park \$4,150,000**  
*Historic Multi Family Townhouse*



**654 St. Mary's \$775,000**  
*Park facing 2 family*



**173 Brook \$885,000**  
*Newly renovated 2 family*



**434 Wales \$900,000**  
*9 Bedroom 3 family*



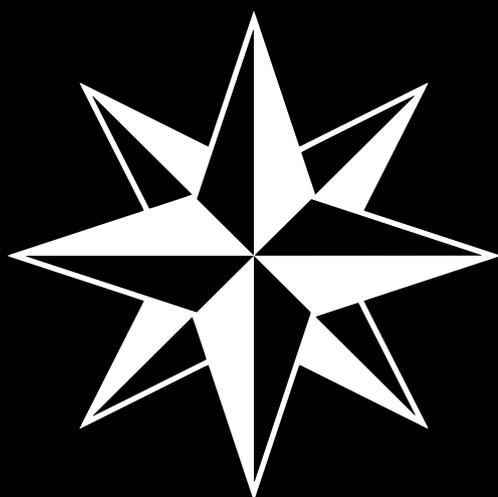
**597 Walton \$620,000**  
*Single Family on Historic Block*



**225 East 138th St, Apt 205 \$670,000**  
*800+ ft<sup>2</sup> 2 bedroom condo with balcony*



**225 East 138th St, Apt 609 \$550,000**  
*High floor 1 bedroom with Manhattan views*



## THE POLARIS TEAM

[info@thepolaristeam.com](mailto:info@thepolaristeam.com)

917-246-7750

## ABOUT THE POLARIS TEAM



**Jason Christie**  
Founder of The Polaris Team

Jason has 15 years of international sales experience in the highly competitive commodities and publishing world. He has also built two multi-million dollar businesses from the ground up. He has unparalleled training, experience, and sharply honed sales skills which become evident when he is selling his clients' properties. His real estate business, which began in Harlem, is equally divided between sales and leasing with a focus on new development. He values the relationships he makes with his clients, many of whom become friends, above all else. He is fluent in French and conversational in Mandarin Chinese which has also proved helpful in the service of his clients. In his personal life, he is a tennis addict and enjoys hiking.



**Andrew Freerks**  
Co-founder of The Polaris Team

Andrew started his real estate career working as a real estate development consultant for the New York City Planning Department where he worked with developers and the city, managing various aspects of new development planning and construction. He holds a double B.A. in Architecture and Urban Studies and a Master's in Urban and Regional planning. Andrew is proven to be a critical asset to developers, investors, flippers, and first-time buyers alike. As a retired Army Sergeant who served in Northern Iraq, he also brings military discipline to his workflow which benefits his clients and teammates. When not at work, Andrew is an avid futbol player, biker, and consummate traveler. To date, he has covered 59 countries on 6 continents and has lived in the Middle East and Asia (Hong Kong).