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SWITCH SIDES

RENTS TUMBLE ON THE RITZY UPPER EAST SIDE

By Max Gross

How much does it cost to live in one of the city's poshest 'hoods?

Not as much as it used to. If you're seeking a rental near many of the city's wealthiest denizens, you'll find an assortment of deals on the Upper East Side.

"Last year, if you were looking for a studio [on the Upper East Side], you couldn't find anything for below \$1,500," says Dan Marrello, a managing director for Citi Habitats.

But things are different now.

"It's really unheard of that we're seeing studios at \$1,000 to \$1,400 -- but we are," says Adjina Dekidjiev, rental director for Manhattan Apartments. "I've got 39 [listings for] studios under \$1,400 on the Upper East Side."

Of course, mansion-lined blocks aside, the Upper East Side has always been a little cheaper for renting than much of the rest of the city.

"The Upper East Side is a very established neighborhood, with every amenity you could want or need," says Gary Malin, president of Citi Habitats. "What you're missing is the transportation factor."

That's especially true of rentals along First and Second Avenues, several long avenue-blocks away from the Lexington Avenue 4/5/6 trains. And, as other Manhattan neighborhoods have adjusted downward, so has the Upper East Side.

According to Citi Habitats' just-released May market report, the average studio on the Upper East Side rented for \$1,619 -- almost \$150 cheaper than the citywide

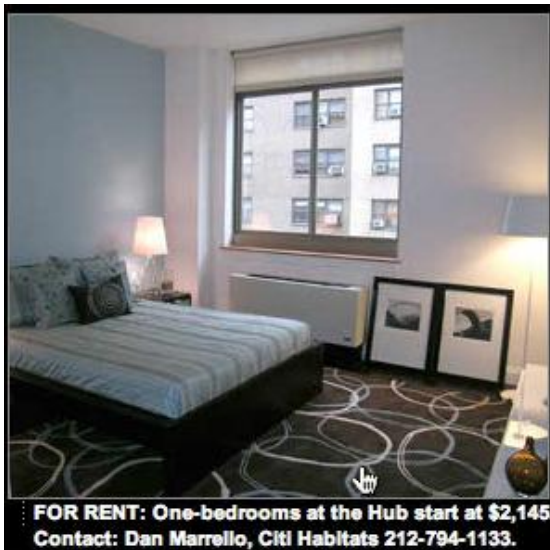


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average of \$1,765 and more than \$300 cheaper than last year's Upper East Side average. One-bedrooms rented for \$2,190 -- more than \$250 per month cheaper than the city average of \$2,426. And a two-bedroom went for \$3,029, compared to the city average of \$3,444. (Three-bedrooms, however, were \$719 pricier than the rest of the city, averaging \$5,376.) Moreover, the vacancy rate is at 2.27 percent -- the highest in the city.



Upper East Side deals should come with the normal warning labels: The cheapest apartments are usually far east and are located in walk-up buildings that don't have particularly great amenities. Or, they're north of the 96th Street subway stop, just before the Upper East Side officially becomes East Harlem.

While most of these deals aren't on Lexington Avenue, they're not all on York Avenue, either. "I've got a studio on 89th Street between Second and Third for \$1,050," says Marrello.

And big buildings aren't immune to the pressures of the market. "We have a building on York Avenue, and in that complex studios are in the \$1,300 to \$1,325 range," says Wayne Hattingh, a manager with SW Management, which handles several large rental buildings in the neighborhood.

Marrello is representing a building called the Hub on 101st Street, between First and Second avenues, that is paying brokers' fees and offering two months free rent. The building is new, has top-grade appliances, a doorman and landscaped roof deck. One-bedrooms are starting at \$2,145 per month -- something extremely modest by luxury doorman standards.

And the Hub is hardly the only rental complex to offer such incentives -- there are eight Upper East Side buildings owned by major landlord Glenwood that are offering a month of free rent.

"Landlords are always trying to keep rent rolls high," says Marrello, "Now they're starting to advertise lower prices."

Now just might be the time for the posh seekers to pounce.