

Forest Hills and Central Queens Newsletter

Prepared by Bruce Eaton



Forest Hills and Central Queens Newsletter



The act of buying or selling a home is one of the largest financial decisions a person can make. This is why it is so important to choose the right company for the task. At Skyward Steel we pride ourselves on delivering top-notch service, getting you the best possible price for your home, and making the process as seamless as possible.

Our goal is to exceed all of your expectations.

Screen Shot 2018-11-20 at 9.12.50 AM

A long time ago at West Hills Elementary School in Knoxville, TN, we had a teacher, his name I can't remember now, who talked to us about the various properties he owned. He gladly owed a ton of money but it was all working for him and he was on track retire early and live well. I never forgot about the opportunity that real estate can be.

Since then, I have had an interest in architecture and community/culture and have always checked out the real estate locally and where ever my wife and I travel. We have been to hundreds of open houses and she knows the price of every home in the neighborhood. So, it seems like the next logical step for me to get involved in real estate, and I recently got my NY State real estate salesperson license and have started work at Skyward Steel Real Estate.



And thanks for taking the time to read this newsletter. Please let me know if you have any input at all. In putting this newsletter together, I tried to think about what exactly would people want to hear about, and I would like for it to be of value and of interest to the readers. This issue starts with some articles on the recent Amazon move in LIC and also includes some data specific to my home base, Forest Hills.

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It certainly has been an eventful time for real estate in Queens recently! Queens was the only borough where prices were still increasing as people avoid more expensive neighborhoods in NYC. For real estate in general, there were headwinds including new mortgage deduction limits on Federal taxes, rising interest rates and years of rising prices. Then along came Amazon. . . 3 of the best articles about the impact of Amazon's HQ2 moves.

FYI, most of these sites allow 1 or so free reads before their firewall requires a subscription.

Amazon LIC move sparks condo frenzy—would you buy an apartment unseen and over a text? It seems so crazy, but maybe speed is the most important thing right now.

<https://www.wsj.com/articles/amazons-move-to-long-island-city-sparks-condo-frenzy-1542116117>

Beyond the frenzy--Amazon's HQ2 expansion to LIC will increase prices in the immediate area, but could increase prices along subway lines in central Queens; from the article with the link below: *"Neighborhoods like Jackson Heights, Elmhurst, Corona and Downtown Flushing along metro line 7, will definitely see increased residential and rental demand. The same trend will also apply for Richmond Hill, Forest Hills and Rego Park situated along R, F and E metro lines, which all provide access to Long Island City."*

<https://www.bizjournals.com/newyork/news/2018/11/13/amazon-aside-long-island-city-real-estate-pricey.html>

But, Amazon's moves forces current landlords into a decision – Sell now or hold on and see if prices rise further? It really is a win-win in a market that was over-built and was having to offer a free month or two of rent in order to fill their apartments.

<http://product.costar.com/home/news/shared/1761919855>

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Here are some of the best articles that address the larger issues affecting real estate outside of Amazon's move. FYI, most of these sites allow 1 or so free reads before their firewall requires a subscription.

Many New York investors feel commercial rents are overpriced already. Which plays into the frequent narrative in NY communities that rents are too high and driving out small, local businesses. Many are also anticipating a drop in commercial rents in the next 12 months.

<https://www.businesswire.com/news/home/20181113006017/en/Majority-New-York-Investors-Feel-Commercial-Real>

Google may double employee headcount in NYC, already a significant NYC presence with a large real estate holding.

<https://www.nytimes.com/2018/11/07/technology/google-expansion-new-york.html>

Housing market creating headwinds for the parts of the economy – Specifically Zillow and Lowe's home improvement stores, whose growth trends have gone south. Only 2 data points but 2 very large ones.

https://www.zawya.com/mena/en/business/story/US_housing_poses_headwind_for_economy-ZAWYA20181111052445/

Consumers may not be dramatically affected by housing cool-off; Bloomberg article labels some consumers as “unperturbed”. Why? Because in some of the most expensive markets, the prices already outstrip disposable incomes in those areas. Some interesting charts for sure. . .

<https://www.bloomberg.com/news/articles/2018-11-13/why-a-housing-cool-off-may-leave-consumers-unperturbed-this-time>

Millennials struggling to buy their first homes, so any slow down could drive a friendlier housing market for new homebuyers

<https://www.npr.org/2018/11/03/662191658/new-homebuyers-face-a-friendlier-housing-market-thanks-to-cooldown>

Just for fun. . Those fractional NYC addresses in multiple neighborhood and where they came from

<https://nypost.com/2018/11/07/the-origins-of-new-york-citys-mysterious-fractional-addresses/>

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Now some information about Forest Hills and Forest Hills Gardens,
my home for almost 20 years.



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Overview of Forest Hills - The Gardens

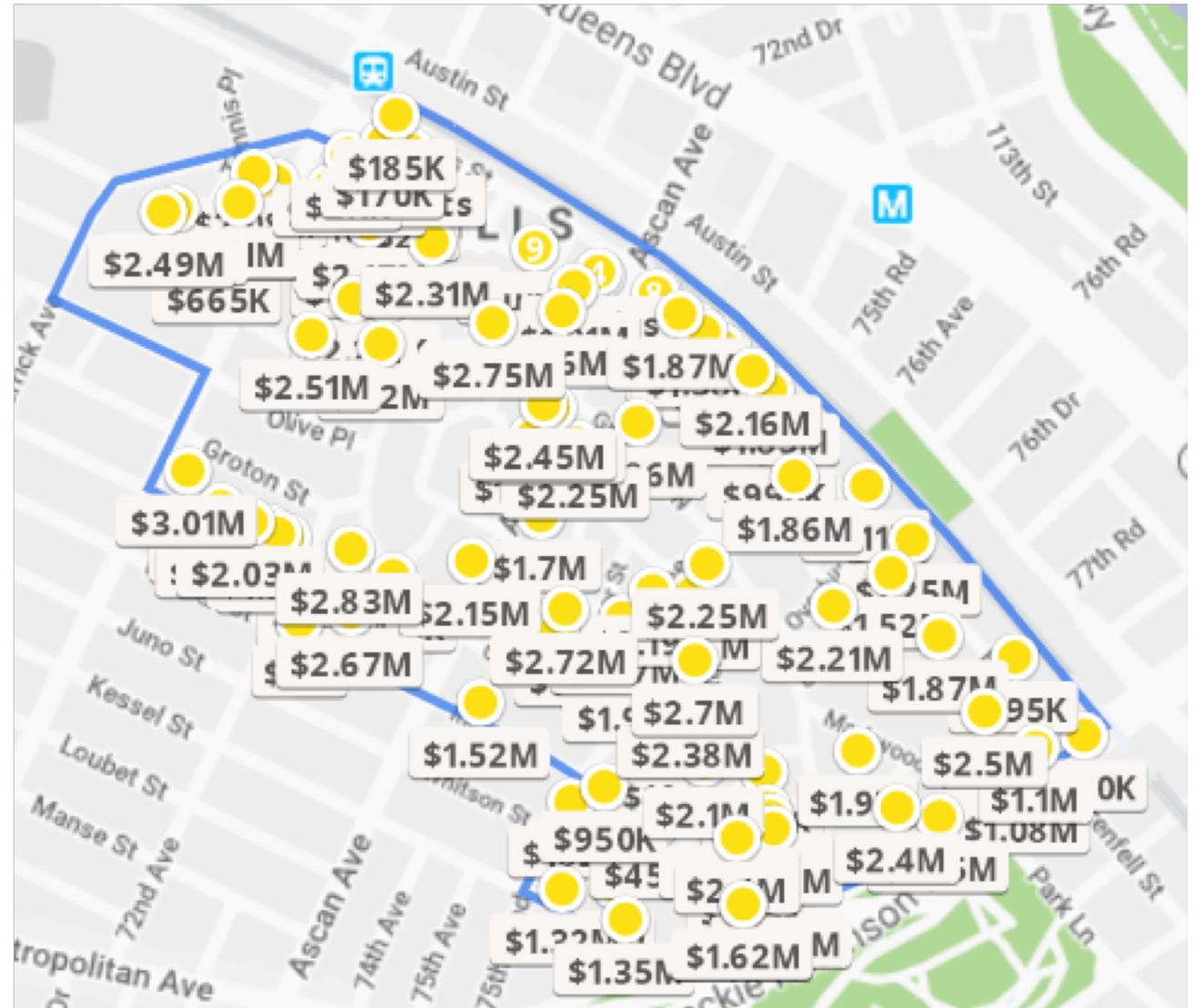
The blue line outlines The Gardens' boundaries within Forest Hills.

What the chart shows is that the predominant recent selling price of freestanding homes within The Gardens (townhouses line Burns Street) is over \$2 million.

- In 2015, The Gardens was listed at the 10th highest NYC neighborhood for home value. See link:

<https://www.dnainfo.com/new-york/20151230/forest-hills/forest-hills-gardens-was-most-expensive-neighborhood-queens-this-year/>

Anecdotally, home values in The Gardens are understood never to have dropped, even in 2008/2009.



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>A Sampling of recent sales and listings in Forest Hills Gardens

Home Prices- Current Listings

Currently for sale (source: Streeteasy)

- 16 freestanding homes listed for sale for an average price of \$2,361k
- 12 Coops for sale with an average price of \$731k.

Private home shown below (not for sale)



Home Prices- Recent Sales

Home sales statistics for the last 12 months within the Gardens, collected from broker websites.

- 13 freestanding homes sold for an average of \$2,296k
- 8 Coops sold (mostly 1 bedrooms) for an average of \$406k

Home Prices – Smaller Homes

Entry price points may not be the best value ~price per square is highest in the smaller homes. Some recent sales:

- 310 Burns Street, 1,548 sq feet for \$1,245k or \$804 PSF
- 21 Ingram Street, 1,608 sq feet for \$1,380k or \$858 PSF
- 20 Ingram Street, 1,748 sq feet for \$1,525k or \$872 PSF
- 39 Ingram Street, 1,655 sq feet for \$1,485k or \$897 PSF

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A sampling of freestanding and townhomes recently sold in Forest Hills for around \$1 million.

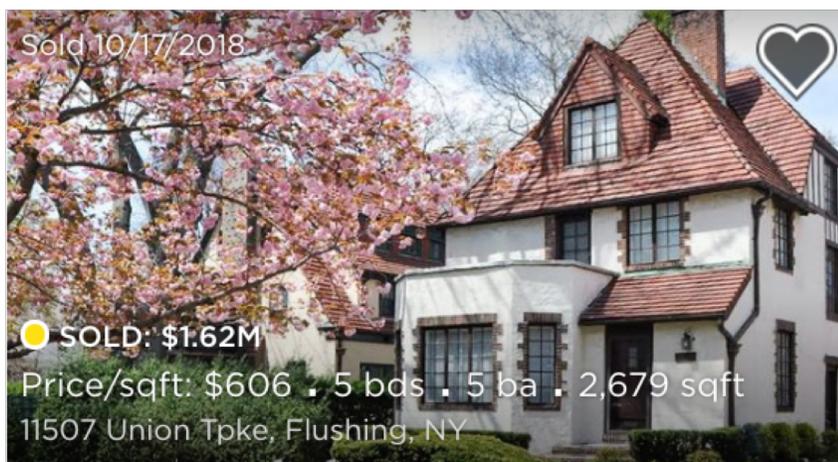
Please ignore the "Flushing" address that certain systems pick up, these are all Forest Hills addresses.



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Some recent Forest Hills sales for \$1.5 million to \$3 million

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>Overview

Observations on home sales, specific to Forest Hills Gardens:

- The most frequent sales are of freestanding homes around \$2 million; typically 2,800 square feet or less.
- Houses priced at \$1.5 million or below typically sell for more than \$850 per square foot.
- There appears to be a cap on what people are willing to pay or difficulty in getting similar price per square foot in larger homes:
 - There are 6 homes currently for sale for \$3 million+; having been on sale for an average of 786 days, with average square footage of 4,920
- There seems to be only slight price reductions for outdated kitchens, bathrooms, etc, but renovated homes do tend to sell much more quickly than unrenovated ones. As many residents have tended to stay in their houses for decades (a few homes are still owned by the families that were the first buyers), turnover has historically been slow and the conditions within homes varies widely.
- Some of the features specific to The Gardens that affect prices:
 - Lot size/yard space as only a handful of lots are larger than 100x100 and most are actually smaller
 - Having a garage, as many homes do not
 - Easy walking distance to LIRR, Subway and shopping/restaurants on Austin Street
 - Side street vs. thoroughfares that are heavily trafficked with pass-through drivers
 - Being on the LIRR side of Burns Street or not
 - Two family townhomes, which are limited in number and restricted to certain sections. There are no 3 families
 - Attached vs. semi-attached for townhomes

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More Observations

- Coops can be a good alternative to the high values of freestanding homes and townhouses, with only a handful more than \$1 million but the monthly maintenance costs vary widely.
- Finding the right home and negotiating a reasonable price can take months with frequent estate sells that are looking to max out sale price.

Final Thoughts

Attractive Features of The Gardens:

- Architectural restrictions (Covenants renewed through 2030)
- Commitment of the FHGC to maintain the quality of life in The Gardens by the FHGC
- Easy and quick commute to Manhattan via E, F, M, R, LIRR or Express Buses in addition to driving
- Control of the streets by FHGC, parking limited to residents, guests and service providers
- Convenient shopping and dining on Austin Street and Metropolitan Avenue
- Vision of prominent architects and landscape designers in the original plan that lives on in the current charming physical state

All of these combine to make The Gardens one of the most desirable neighborhoods in all of Queens. The desirability shows in the higher values compared to the rest of Forest Hills, but Forest Hills outside of The Gardens is also a very attractive market for some of the same reasons.

Purchasing in The Gardens and Forest Hills in general continues to be a sound investment as well as being a world-class residential neighborhood. You need to know your priorities when looking for home as values are elevated. There are trade offs such as price vs. space when deciding where to live.

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Thank you!



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An aerial view of Forest Hills from the northwest.