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## Risks, rewards found in former 'it' locales

### Real estate pros seeing swift declines in recently hot neighborhoods

**New Yorkers, ever-obsessive about real estate, want to know, which neighborhoods will be hit hardest in this downturn?**

Many brokers agree that places recently pegged as the "it" neighborhoods, where prices skyrocketed fastest in recent years — Harlem, the Lower East Side, Washington Heights and Williamsburg — are now in the swiftest decline.

"The properties that continue to have price drops tend to be those that were overpriced from the beginning," said Barak Realty agent Greg Bibens.

These neighborhoods have "crazy deals" now, he said. In Hamilton Heights on Riverside Drive: a one-bedroom costs \$225,000.

But predicting how low housing prices will fall and for how long is trickier than it seems, according to NYU's Furman Center for Real Estate.

"That's the \$100,000 question," said Ingrid Gould Ellen, co-director of the center. "We unfortunately don't have an answer. ... Each cycle is a little different."

The last two booms and busts can't foretell the end of the housing slide the city is now in, the center's report released yesterday states. What happened to a neighborhood in the 1970s recession says little for how it did in the early 1990s bubble. The study did find that neighborhoods that rose in the 1980s saw prices soar again in the 2000s.

*"If you were in New York in the 1970s, there was tremendous pessimism about the future market."*

**Ingrid Gould Ellen, NYU  
Furman Center for Real  
Estate**

AMY ZIMMER

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