



Ryan Reynolds stands in front of "Post no bills" by Spanish Artist Bala Art.



# INVESTING IN NYC REAL ESTATE

Insights For International Investors, with Ryan Serhant

interview // **Cristina Roselló**  
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**“High risk, high return”** – that’s the motto which most successful investors are known for. Think of stocks, high-tech start-ups, oil and other commodities. If your financial horizon is rather something that you project as secure for your retirement, then investing in real estate is something for you. You just need to look at successful individuals from a wide range of sectors, and you will realize that a large portion of their wealth is allocated in the property.

When looking deeper into this asset class, you can see many dreams built in New York. Property around the world is increasing in value, and this city stands out as one of the best places considering its global nature. Whether you have knowledge about this topic or not, this interview with Ryan Serhant brings a general overview about investing in New York real estate.

Ryan Serhant, known as one of the top real estate brokers in the US, is at the helm of the Serhant Team, a group of real estate brokers based in New York City, who believe that their success comes after their client’s success. He is also known for his appearance in popular Bravo TV show Million Dollar Listing New York.

**Do you consider that investing in real estate is safer than investing in other assets?**

Real estate historically has always increased in value, so as long as you can hold and you are properly insured no matter what happens, you will be ok. It is indeed a good place to put money. Thirty years ago, TriBeCa was only for manufacturing - nobody lived in penthouses in this area. And two hundred years ago this was all farms. So if you can hold, it will always be ok. If you invest in other assets where you have the opportunity for things to bottom out (stocks can crash) completely, you have no control. Here, what is the worst that can happen? A fire? Ok, so if you are insured then no problem. Hence, as long as you can hold and as long as you plan wisely for monthly payments, it is always a safe investment, that's why I think people like buying real estate.

**Is New York City internationally considered a good place to invest in real estate? Why?**

New York is the safest investment in the world for real estate. You have the security of title, and you can buy an apartment in the name of a child who isn't even born yet - if you want to. You have relatively low closing costs compared to London and Hong Kong. And the educational system is so strong that you will always have someone to sell to, who wants to own in New York just for the schools.

**What type of investors buy in New York City? Where do they mostly come from?**

We sell to investors from all over the world. Many people think that there are more Asian investors in New York than any other nationality, but that's because there are a lot more Asians in the world. We sell to everyone who is looking for a solid and safe investment.

**Do banks facilitate the buying process for foreign investors? What are the requirements to have access to a mortgage?**

Some banks do. It's not easy for a foreigner to get a loan in the United States without SOME credit history here, but it is possible. You will typically have to put down at least 50% and show the same documentation that a US resident would have to show to qualify for a loan - proof of income, tax returns, credit reports, etc.

**What does an investor need to look at before signing any deal?**

Investors just need to look at cash flow. That's it. The appreciation of the asset over time is why you're buying, and in New York, that's a guarantee. Too many investors focus on comparable sales and have short-term mindsets. If that's how you invest, then stay away from real estate! However, it is important to consider the area where you want to buy. What location do you think is going to have the greatest appreciation? Or which location do you think is going to have the greatest preservation? Properties around Central Park may have the greatest preservation of wealth because there will always be people who want to have apartments and townhouses in Central Park. But are those properties going to double in value in the next two years? In the East Village, right now, if you buy a property today, next year you will double your money. In parts of Brooklyn next year, you will triple your money. But is that the best place to preserve wealth? In ten years, are people going to go to that part of Brooklyn and pay you what you want them to pay? I don't know yet. But I do know that Central Park isn't going anywhere, and there will always be people who want to be in the area. So in the end, it comes down to what you want: appreciation, preservation, and location.

***I can't predict the future, but if we look at real estate prices in New York over that last 100 years, they have always been higher every 10 years.***



**What types of community or home ownership fees exist in NYC?**

The condominium and the cooperative apartment have a Home Owners Association payment. The amount varies by building.

**What determines the buying price in NYC? And the rental price?**

Supply and Demand! When there's very little supply, like we saw in 2011 to 2013, buyers are forced to pay more for the property because there is no competition. When there is a lot of supply, then buyers can take their time and have their choice, so that brings pricing down to be competitive.

**What is your forecast for real estate prices in New York 10 years from now?**

I can't predict the future, but if we look at real estate prices in New York over that last 100 years, they have always been higher every ten years.

**What would be a hot spot to invest in right now in New York City?**

The easiest investment you could make in the city right now would be in the East Village. It's like the highest rate of appreciation and the buildings and apartments we are selling there; I can't hold onto them even if I wanted to.

**What can you tell about investing outside of Manhattan? What would be an area with good prospects to invest in at the moment?**

In New York, I like Greenpoint and BedStuy in Brooklyn and Montauk in the Hamptons. These are prime locations but off the beaten path, and the price appreciation is nearly guaranteed.

**What type of properties have the greatest potential in terms of return on investment?**

If you're buying residential property, then the answer is condominiums. You can sell a condo to anyone in the world. But owning land, or a building, is the quickest way to realize a large return.

**What is the main difference between a Condo and a Co-op? Which one is considered a wiser investment?**

Condominiums are a real property with a tax lot. A coop is a home within a corporation - you are not buying real property, you are buying shares in a corporation, and that corporation has a say over who can be a shareholder. Condos are the wiser investment.

**What type of rental income can an investor expect?**

In New York, you should look to just cover costs with your rental income. If you are looking for a 5 or 7 or 10% return, you will not find that in a Manhattan residential investment.

**For a foreign investor who does not have the time to be 100% involved during the process "buy, renovate, rent": what would you suggest to them? Does a service that facilitates the process from A to Z exist?**

Use a great broker like myself! My team and I handle the entire purchase process, any renovations, the subsequent rental and the sale, for all of our international investors.

**In a few words, how would you encourage foreign buyers to invest in New York City?**

Contact me personally, and I will help guide you!

**What do you think about the following statement? "You can be, do and have anything you want".**

I would add at the end, "if you work hard enough."