

## CAPITAL REGION

# Rents leveling off in some areas

**'I think there's still demand'**

BY JOHN CROPLEY *Gazette Reporter*



PETER R. BARBER/GAZETTE PHOTOGRAPHER Condominiums at Iroquois Village on Alice Wagner Way in Niskayuna are pictured on Wednesday.

Monthly rents at multiunit Capital Region housing complexes continue to rise but the rate of increase has slowed markedly in some counties, a new market survey finds.

The perennial leader in the area housing market, Saratoga County, continues to have high rents, but the average rent increased only 1.52 percent from June 2016 to June 2017, according to Sunrise Management & Consulting.

In the 2017 edition of the report it has been issuing since 2001, the company looked at more than 1,900 apartment communities totaling more than 300,000 market-rate units in New England and New York, excluding New York City. This included 172 properties totaling 32,099 units in Albany, Rensselaer, Saratoga and Schenectady counties.

Sunrise President Jesse Holland said the report found considerable variation among the four counties, with Schenectady County rents jumping 6.86 percent over the past year as Saratoga County rents blipped

up only 1.52 percent. The increase was 4.72 percent in Albany County and 1.94 percent in Rensselaer County.

The numbers illustrate the old rule that all real estate markets are local, Holland said. The Capital Region sometimes is viewed as a single market but it really isn't, he said — it's too large and too varied to be unified. Each of the four counties examined in the report has its own specific set of circumstances, and each has a city with a popular, growing downtown that is diverting some attention from suburbs.

The slowdown in rent increases may mean there is an adequate number of units for that particular market, and it may mean that developers and investors are taking a more conservative approach because of this, Holland said.

He said that a leveling off of rents does not mean Saratoga County is losing any momentum economically.

"I think there's still demand — the rents are still going up, they're just not going up as fast as they were."

He added: "We've had a tremendous building boom in the Capital Region; however, as the numbers suggest, in some areas the demand has been satisfied. In others, there is still untapped demand."

A factor in all this is young adults, many of whom lack the money or the inclination to become homeowners as early in life as their parents did.

"As the millennial generation moves towards marriage and babies, they may be directed more that way," Holland said. "Many are renters by choice. The choice to buy or rent is much more based on lifestyle than on finances."

He explained that renters don't have to deal with home maintenance, and can easily relocate for career or life changes. However, they also don't build any equity in their homes, or have the freedom to do what they want in them or to them.

"There's pros and cons to both," Holland said. "At the end of the day, the finances tend to balance out between them."

Albany-based Sunrise owns or manages about 1,500 rental units in the Capital Region.

Sunrise's research found that the monthly rent per square foot averages \$1.05 for apartments in Rensselaer County, \$1.09 in Schenectady County, \$1.11 in Albany County and \$1.34 in Saratoga County, for a regionwide average of \$1.10 per square foot.

The report indicated that the average monthly rent regionwide has risen from \$1,248 to \$1,496 from November 2012 to June 2017.

For that period, the increase was: u \$1,216 to \$1,529 in Albany County (17 percent). u \$1,084 to \$1,265 in Rensselaer County (9 percent). u \$1,116 to \$1,439 in Saratoga County (23 percent). u \$936 to \$1,156 in Schenectady County (18 percent).

(The Albany County apartments surveyed were substantially larger on average than in the other counties; on a per-square-foot basis, Saratoga County apartments are substantially more expensive.)

Other data included in the report: u The average year of construction of the 32,099 Capital Region apartments surveyed was 1988. u Average size is 1,299 square feet. u The 172 rental communities surveyed ranged from 22 to 952 units, with an average of 187.