

Firuz Barotov: Factors Making New York City Ideal for Real Estate Investment

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/EINPresswire.com/ -- Factors like a housing shortage and high rent make NYC an ideal spot for real estate investment and development, said [Firuz Barotov](#), real estate investor. Creating affordable housing ensures you quickly rent all units to alleviate the employed yet a homeless problem in the five boroughs.

The city of New York City has the largest population of any US city, but despite what seems an immense housing market, the city has an affordable housing shortage. Manhattan rents cost thousands — the median rent costs about \$3,000, but you can find neighborhoods that cost about \$1,600. That's about 82 percent of the median American salary, said Firuz Barotov. The four other boroughs cost only slightly less.

This sounds terrible if you want to rent an apartment, but for investors, it makes an ideal investment. You can create affordable rental housing in any of the boroughs and make money, says Firuz Barotov. Rents have spiked to such a high that about 64,000 working New Yorkers live homeless. They crowd shelters by night but work by day.

About two-thirds of the city's residents live in rental units. Room exists for more rentals though — at an affordable price, [Firuz Barotov says](#). According to Budgetry.com, an individual or family should spend about one-third of their monthly income on rent. That places NYC rents at more than twice the recommended cost.



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While in the rest of the country, available housing gets snapped up within the first month of listing Manhattan homes require a median of four months on the market to rent or sell, said Firuz Barotov. Only one neighborhood underwent a rent decrease last year.

You can find 11.7 percent more homes available for purchase in the five boroughs over last year. With about 1.5 million New Yorkers living below the poverty line, few buyers exist. In The Bronx, only 8.8 percent of the homes are owned by the occupants. In the remainder of the boroughs, that figure rises to 50 percent.

This leaves a wonderful opportunity for investors to develop readily available real estate for rentals, Firuz Barotov says. To make a property payout properly you need the monthly rent to equal ten percent of the purchase price of the property.

You have a number of ways of doing this while keeping the rent affordable. You can divide the property into multiple units, such as making a single home into a duplex or triplex or dividing it into apartments, suggests said Firuz Barotov.

You can also rent it as an Airbnb or a standard bed and breakfast. The former lets you set up an account online and once you set house rules and rent, automate the rental process, explains Firuz Barotov. Airbnb handles the rentals and pays you via electronic funds transfer each week. You only need to clean up the room or home in between guests. Many people choose long-term renting through this mechanism as well.

You can also purchase the home and rent it as a single-family home after updating it. Flipping the home offers another option, Firuz Barotov says. Combine the two options of rental and purchase in a rent-to-own agreement that lets you flip the home while earning rent on it. This option also lets more people own their own home, an option that could help raise homeownership in The Bronx to the median.

Multiple units let you divide the rents and provide affordable rentals to help alleviate the housing problem while you make money on your investment. This provides the quickest method of recouping your investment, plus rentals provide passive income, said Firuz Barotov.

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