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You are here: [Demand for Affordable Housing Remains Strong](#)

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Demand for Affordable Housing Remains Strong

"While dozens of senior condominium projects lay languishing and unable to sell, Jonah Mandelbaum, principal of Warwick Properties LLC is having the opposite problem: He can't get units of affordable senior housing built fast enough to meet the demand.

The Baby Boomer market is getting ready to explode. And, many who have available credit would love to sell and downsize if they could. However, for many of the 55-and-over set, it isn't a question of downsizing; it's a question of surviving financially nowadays.

"It's great to built 55-and-over private residences if you can sell them," said Mandelbaum, who has built and owns over 1,000 senior rental apartments throughout the Hudson Valley. "When I started out, I was building a lot of upscale single-family residences ... but I kept getting calls asking if there was any 'affordable' housing coming on the market. I saw what was on the horizon – and that is when I turned my attention to the senior housing market.

"For many over 55, they are not making six-figure incomes needed to afford luxury condominiums or to move into a continuum of care facilities. They need a place to live that's safe and affordable. Many can't afford to pay market rate rents, especially if they are on fixed incomes. You need to build to fill the need; it may not necessarily fill your pockets, but we are certainly busy and expect to remain busy."

Mandelbaum, who has been building senior rentals in the region for the past 15 years, says his partnership with Ellenville Regional Hospital has been a win-win for both Warwick Properties and for the health care provider. Ellenville Apartments has 100 units that are fully rented with a waiting list "that's longer than I like to see," said the builder.

Warwick Properties and the hospital broke ground on Phase 3 of the senior housing complex on Oct. 28, which will be bringing 44 more apartments with rents ranging from \$270 to \$540 a month to the market. The apartments have Energy-Star rated appliances and equipment, keeping costs down for renters. Mandelbaum expects the third and final phase of the project to be completed by June 2011.

Funding for Ellenville's senior housing, about \$7 million, came from the New York State Housing Trust Fund, the New York State Division of Housing and through federal tax credits. Ironically, Mandelbaum says trying to work with the government to tap American Reinvestment and Recovery Act funding involved so much paperwork, "It was not economically feasible to try to get funding. ... I think we would still be waiting if we had relied on ARRA for help with senior housing."

Mandelbaum's been busy, breaking ground on more senior housing in the village of Warwick, where 82 units will be built at a cost of \$15 million.

More than providing senior rentals at affordable rates, Mandelbaum said managing the properties has created jobs. "Each apartment complex has a live-in superintendent and live-in manager. The Ellenville project is going to create 140 construction jobs on a rotating basis. Because it is situated within walking distance to the hospital and to shopping, it is helping bring ancillary income to the village. The pharmacy owner told me he hired another full-time person and a part-time position for a student to make deliveries after school, so the senior housing is having a positive effect on the entire community." M. Scott Allen of **GAR Associates, Inc.** completed a market study on this project.

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