



# Property Reports

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## Affordable Housing Sector Shops Around for Retail Partners

During the past few years, new affordable and workforce housing developments have begun to include retail components. The combination alleviates some of the stigma surrounding such housing projects and helps spur urban renewal while providing affordable housing owners and developers with additional revenue streams that mitigate the high costs and lower returns of these lower-income developments.

### Affordable Housing

Developers and owners can deal with this problem by “condominium-izing” the retail space to be held by another entity or partnership affiliated with the developer. In some cases, public housing agencies have agreed to fund the retail components as amenities to encourage affordable developments. Affordable housing companies also need to educate themselves about the retail sector so they can

effectively attract retailers to affordable projects. “In some cases, the developer expected that the retail component would provide additional income, but they found that the space was harder to rent than they thought,” Bornstein pointed out, noting that the most successful affordable mixed-use projects have been located in areas with mixed-income properties and high population densities, as retailers in those locations can draw a more substantial percentage of their revenues from customers other than the buildings’ tenants.

“The challenge is primarily to



The 100-unit White Plains Courtyard includes both workforce housing units and a retail component. It is one of several such properties that The Arker Cos. is developing in New York City.

identify a location that is ... zoned for retail and has a high level of foot traffic,” advised Sol Arker, principal of local developer The Arker Cos. “The location has to appeal to a quality retail tenant, whose credit is important to (a developer) both from a (re-

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## Affordable Housing Discovers Benefits of Sharing Space

*(continued from page 18)* mixed-use developments that are partially reserved for workforce housing. The Ogden Avenue and Little Ogden projects, located in The Bronx, will together feature almost 14,000 square feet of ground-level commercial space. The 100-unit White Plains Courtyard, also in The Bronx, will include a

16,200-square-foot Staples office supply store on the ground floor. “You’re not going to get a Madison Avenue-type tenant, but you will get people like Staples, Family Dollar and a host of other quality inner-city retailers,” Arker said.

Both Bornstein and Arker see no

end to the joining of affordable housing and retail forces. “It’s a necessity to keep doing these types of developments, due to the land pricing,” Arker said. Bornstein agreed: “Given the willingness of communities to accept a higher density of housing, I would expect for the mixed-use housing model to remain attractive.”

—Adam Perrotta