

# ALBANY BUSINESS REVIEW

ON **REAL ESTATE** BY MICHAEL DEMASI



Justin Schmiemann, left, and John "Jay" Corallo, owners of J&J Investment Properties, on Quail Street in Albany's Pine Hills neighborhood.

## OLD FRIENDS EXPAND REAL ESTATE PORTFOLIO

John "Jay" Corallo and Justin Schmiemann had \$200 in their bank accounts when they graduated from college and moved in with their parents on Long Island.

They saved enough money for a down payment to buy a rental property in Albany's Pine Hills neighborhood.

Corallo knew the area well because he had lived off campus before graduating from the University at Albany in 2009.

Schmiemann graduated the same year from Quinnipiac University.

Today, 10 years after buying that house – Schmiemann said it was a "complete dump" before renovations – the lifelong friends own more than 30 buildings with 63 apartments in Pine Hills.

Their company, J&J Investment Properties, has invested nearly \$9 million in purchases and renovations. The portfolio is valued at about \$15 million based on the annual net operating income and capitalization rate, Schmiemann said.

Here's their strategy: Give tenants a nicer place than what they often find in the

area – updated kitchens and baths, hardwood floors, recessed lighting, keyed locks on bedroom doors – at rents 30% to 50% less than what they would pay for a dorm or newly built apartment complex near UAlbany, The College of Saint Rose and other schools.

"We've worked to make sure we can provide affordable, upscale housing," Schmiemann said. "These are much nicer properties than what the students are accustomed to, and what I think the stigma is."

The 200-plus students living in the apartments pay \$500 to \$600 per month, plus \$75 for an off-street parking space.

All of the units are fully leased through May 2022.

Corallo and Schmiemann, both 34 years old, added to their holdings over the last year because of strong demand for off-campus apartments during the pandemic.

Their most recent purchase totaled just over \$3 million, according to deeds filed in late March in the Albany County clerk's office. They bought 12 houses on Western Avenue and Quail Street from David Sarraf of Fairbank Properties.

Two pandemic factors have fueled the off-campus demand: Fewer students were allowed to live in dorms because of capacity restrictions, and many students were tired of living at home with their parents while taking classes virtually.

"Our call volume doubled or tripled over the past year," Schmiemann said.

That may not be good news to longtime residents who have to contend with rowdy students throwing house parties, litter, absentee landlords and other problems.

But Owusu Anane, who represents the neighborhood on the Albany Common Council, said the owners of J&J Investment Properties have been "wonderful stewards of our community."

"They're the type of people we want as landlords," Anane said. "They're very hands on. Any issues or concerns, they reach out to me. They're solution oriented. I appreciate the partnership I have with them."

Richard LaJoy, director of buildings and regulatory compliance for Albany, said J&J Investment Properties has had few interactions with the codes department. LaJoy called that "a good thing."

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**OWUSU ANANE,**  
Albany Common Council member who represents the neighborhood where Schmiemann and Corallo own property