

HOUSING MARKET ANALYSIS
LOW INCOME HOUSING TAX CREDIT PROGRAM

The City of New York
Department of Housing Preservation and Development

August 2008

1. INTRODUCTION

Data Sources

The primary data source for analyzing the City's housing needs is the New York City Housing and Vacancy Survey ("HVS"), which is conducted periodically by the U.S. Census Bureau. The "Selected Findings" of the most recent HVS are attached.

The Data

The HVSs are sample surveys and are therefore subject to sampling and non sampling errors. For this reason, it is generally appropriate to qualify such findings by noting that they are "estimates" of the true values of the variables, which are unknown.

The data covers Housing Inventory, Rental Vacancies, Household Incomes, Rents and Gross Rent/Income Ratio, and Housing, Neighborhood Conditions and other findings.

Purpose of this Study

Recent Federal legislation requires that all projects applying for Low Income Housing Tax Credits ("LIHTC") demonstrate the need for the proposed housing by commissioning an independent market study. The housing market in New York City is unique, having endured a decades-long crisis of supply and affordability that shows no signs of abating. While the shortage of affordable housing affects all but the highest income levels in New York, the need for Low Income housing is particularly acute, and is found throughout all five boroughs of the City (the Bronx, Brooklyn, Manhattan, Queens, and Staten Island).

This severe shortage of Low Income housing is well known and well documented. Under requirements of the State law establishing the City's rent regulation system, the City engages the U.S. Bureau of the Census to conduct a Housing and Vacancy Survey every three years. From this source, and others, there is a wealth of detailed data to describe the extent of the need. ***What is clearly shown in every study produced is that there is more than sufficient need for Low Income housing in all boroughs of the City to absorb every such unit that can be produced for many years to come.***

In this very unique market, the benefit to be obtained from individual market studies seems minimal, and not sufficient to justify the extra cost that would be added to each housing unit produced with Low Income Housing Tax Credits. The New York City Department of Housing Preservation and Development ("HPD"), as a local housing credit agency making tax credit allocations to qualified projects in the five boroughs of New York City, has therefore undertaken to produce a market study for the city. This study is available to any tax credit applicant who elects to use it.

Low Income Housing Defined

For this study, “Low Income” housing is defined in a manner consistent with the eligibility requirements for LIHTC housing, i.e. as housing for households with incomes at or below 60% of Area Median Gross Income (“AMGI”), as adjusted for household size. The term “Very Low Income,” as used in this study, refers to households at or below 50% of AMGI. Rents for Low Income housing, under LIHTC rules, may not exceed 30% of the income limitation applicable to the unit, based on imputed household size.

The demand for Low Income housing is a reflection of a variety of factors such as: rental housing vacancy rates, rent levels, condition of existing Low Income housing stock (dilapidation and maintenance defects) and production of new and rehabilitated units.

2. MARKET AREA

The Urban Form

New York is unique among American cities. It is old, highly urbanized, densely populated, and served by efficient public transportation. It is home to both the high and low extremes of the income spectrum as well as the most luxurious and dismal examples of an urban housing inventory. In contrast to the rest of the country, New York is primarily a city of renters. However, of the 2 million renter households in New York City, Low Income renters with incomes under 60% of AMGI have the most severe unmet housing needs.

Primary Market

In New York, the primary market area (from which at least 70% of renters are likely to be drawn) is the borough¹ in which a project is located. Borough boundaries may encompass areas up to 3 miles away from a given project and include populations as high as 2,000,000. As most parts of the city were settled and built well before the advent of the automobile, New Yorkers rely on an extensive subway and bus system as their chief means of transportation. This efficient public transportation and the density of population make the borough a reasonable primary market for any available Low Income housing.

Secondary Market

The entire City of New York (outside the borough of the project), with its population of more than 8,000,000, functions as a secondary market area for Low Income housing projects. Cross-borough commuting between work and home is common to New Yorkers; supported by the excellent public transportation system, no site is out of reach.

¹ Each borough in New York is also a county.

3. EXISTING HOUSING SUPPLY

The HVS data show that the overwhelming majority of Low Income households live with one or more significant housing problem including housing deterioration, excessive rent burden, or overcrowding. All household sizes are burdened, but the percentage of households with problems increases with household size. Detailed information on all these findings, and others, is included in the attached “Selected Findings” of the most recent HVS.

Vacancy Rates

Vacancy rates in New York City now and historically have been low. For many years, the vacancy rates have been significantly lower than the five percent threshold that by state law constitutes a housing emergency. Moreover, vacancy rates are significantly lower for apartments affordable to Low Income households.

Rent Levels

The majority New York renter households pay approximately 30 percent of their income on rent. A significant number of those households pay more than 50 percent of their income on rent.

Habitability

Low Income renters face significant habitability issues in their housing accommodations. Tens of thousands of Low Income households live in housing with two or more types of structural defects (e.g. problems with external walls, roofs, windows, stairways, and floors) as well as maintenance deficiencies (e.g. inadequate heating, heating breakdowns, cracks or holes in walls, ceilings or floors, non-intact plaster or paint rodents, inoperative toilets, water leakage from outside the unit.)

New Production and Rehabilitation

With a vacancy rate less than five percent, rental units at any price are in short supply. Demand for Low Income housing is particularly high. Yet, for various economic reasons, production has not kept pace with demand. Outside of midtown Manhattan, even market rate housing cannot be built without some form of financial subsidy (either direct capital grants or loans or indirectly through property tax abatements and exemptions).

Producing Low Income housing is therefore especially dependent on public subsidy. The City’s ability to increase the supply of affordable housing depends on several factors including its own Capital Budget, tax-exempt bond volume caps, availability of federal housing funds (including LIHTC), and New York State’s housing assistance programs. Precise counts of all government-assisted production are difficult (due to the variety and overlap of programs). HPD typically produces more than 2,000 Low Income units per year through

substantial rehabilitation and new construction. While this represents a substantial effort, the City's low vacancy rate and the sheer number of Low Income families leave the bulk of Low Income housing need unmet.

4. CONCLUSIONS

New York's housing situation reflects its unusual history as the nation's largest city. With its tremendous population and density, New York has had documented housing shortages for many decades, and relatively expensive housing despite governmental regulation of rents.

The City has a significant shortage of Low Income housing and the Low Income housing stock that exists has many significant deficiencies. There is a dramatic rental "affordability gap" between the amount most households can reasonably afford to spend for housing and the actual cost of the available housing. While the bulk of the housing in New York continues to be in relatively good condition, a substantial number of properties (often concentrated in particular areas) are either physically deteriorated or suffering from serious maintenance problems, or both.

The City has a very large need for new housing units, as evidenced by its low vacancy rate. However, the need is most acute among Low Income households. Available units are in short supply; affordable units that do exist often provide less than decent and safe housing conditions.

The data reviewed demonstrates that there is a dramatic need for Low Income housing and that the number of households eligible for LIHTC housing guarantees quick absorption of tax credit units in New York City. Current levels of LIHTC and HPD annual production, together with the availability of Federal Section 8 funds, are not enough to reduce demand significantly. Waiting lists for programs funded by federal and local subsidies show that annual increases in production, although helping thousands of families, do not eliminate unmet Low Income housing needs.

Selected Findings of the 2005 New York City Housing and Vacancy Survey

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- I.** All findings of this report are based on data from the 2005 and previous New York City Housing and Vacancy Surveys (HVSs), which are sample surveys. They are, thus, subject to sampling and non-sampling errors. For this reason, it is generally appropriate to qualify such findings by noting that they are “estimates” of the true values of the variables, which are unknown. For example, we should refer to the rental vacancy rate as the “estimated rental vacancy rate.” However, it is not practical to do so in this report, since repeated use of the word “estimated” for so many figures would make this report unreasonably cumbersome.
- II. Summary of Initial Findings**

The following is a summary of the initial findings of the 2005 HVS.

A. Housing Inventory

1. The 2005 HVS reports that the number of housing units in New York City increased by 52,000 units, or by 1.6 percent, from 3,209,000 in 2002 to 3,261,000 in 2005. This is an annual increase of more than 17,000 units during the three years, the largest increase between two survey years since 1991. The housing inventory decreased slightly between 1991 and 1993, then increased by 18,000 units between 1993 and 1996. The inventory increased by 44,000 units between 1996 and 1999. As explained in the Technical Notes, it is difficult to estimate the change in the inventory between 1999 and 2002, since the Census Bureau has not provided a reweighted number of housing units in 1999 that is comparable with the number in 2002 (Table 1).
2. The number of occupied rental units increased by 4,000, or by 0.2 percent, from 2,024,000 in 2002 to 2,028,000 in 2005, while the number of owner-occupied units increased by 29,000, or by 2.9 percent, from 982,000 to 1,010,000 in 2005 (Table 1).
3. Vacant units, both rental and owner, increased between 2002 and 2005: vacant units available for rent increased by about 4,000 or 5.7 percent, from 61,000 to 65,000; vacant units available for sale

increased substantially by 41.0 percent or 6,000 units from 15,000 to 21,000 (Table 1).

4. The number of vacant units not available for sale or rent increased by 7.8 percent, or by 10,000, from 127,000 in 2002 to 137,000 in 2005 (Table 1).
5. Rent-controlled units numbered 43,000 or 2.1 percent of the 2,028,000 occupied rental units in 2005. The number of rent-controlled units declined by 16,000, or by 27 percent, from 59,000 units in 2002 (Table 2).
6. There were 1,044,000 rent-stabilized units (occupied and vacant), comprising 50 percent of the rental stock in 2005. This number is little changed from 2002. The number of rent-stabilized units in buildings built in or before 1947 declined by 28,000, while the number of stabilized units in buildings built after 1947 increased by 29,000 in the three years (Table 2).
7. The homeownership rate for the City as a whole was 33.3 percent in 2005—that is, one in three households in the City was an owner household. The rate was 32.7 percent in 2002. The rate in 2005 remained at an all time high for the forty year period since 1965 when the first HVS was conducted (Table 3).
8. The homeownership rate in Staten Island was 67.7 percent, the highest among the five boroughs, followed by 46.4 percent in Queens. The ownership rates for the Bronx, Brooklyn, and Manhattan were lower than the city-wide rate: 22.1 percent, 29.2 percent, and 23.6 percent respectively (Table 3).

B. Rental Vacancies

1. The vacancy rate for units available for rent in the City during the period between February and June of 2005 was 3.09 percent. It was 2.94 percent during a similar period in 2002. **The 2005 rental vacancy rate is significantly lower than 5.0 percent and, thus, meets the legal definition of a housing emergency in the City** (Table 4).

Since the first HVS in 1965, the Census Bureau has applied the same definition and equation, without exception, in estimating the rental vacancy rate in New York City, using data from the HVS as specified in the following:

Number of Vacant, Non-Dilapidated Units Available for Rent

Number of Vacant, Non-Dilapidated Units Available for Rent	+	Number of Renter-Occupied Units, Dilapidated and Non-Dilapidated
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Starting with the first HVS in 1965, the Census Bureau has treated dilapidated vacant units as unavailable for rent and has excluded them in counting the number of vacant units available for rent and, thus, in estimating the rental vacancy rate. On the other hand, in counting the number of occupied rental units, the Census Bureau has counted all occupied rental units, whether or not they are dilapidated.

The rental vacancy rate of 3.09 percent in 2005 was estimated using data from the 2005 HVS in each item in the above equation, as follows:

$$(64,737) / (64,737 + 2,027,626) \times 100 = 3.09\%$$

The result of the 2005 HVS shows that the standard error of the rental vacancy rate of 3.09 percent is 0.19 percent. This means that if a census of every housing unit in the City had been taken, using exactly the same procedures as in the HVS, the chances are 95 times out of 100 that the net rental vacancy rate from the census would vary from the rental vacancy rate of 3.09 percent by no more than 2 standard errors (0.19×1.96), or by 0.37 percent. That is, given the 2005 rental vacancy rate of 3.09 percent, the chances are 95 out of 100 that the actual vacancy rate was between 2.72 percent and 3.46 percent ($3.09\% \pm 1.96 \times 0.19$).

2. Between 2002 and 2005, the vacancy rate in Queens increased significantly from 1.78 percent to 2.82 percent, while the rate in Brooklyn remained virtually the same: 2.73 percent in 2002 and 2.78 percent in 2005. On the other hand, in the three years the vacancy rate in the Bronx declined from 3.29 percent to 2.63 percent, the lowest of the five boroughs. The rate in Manhattan was 3.79 percent, the highest of the boroughs in 2005. It was 3.86 percent in 2002. The number of vacant units for rent in Staten Island was too small to report (Table 4).
3. The vacancy rate for rent-stabilized units was 2.68 percent in 2005, little changed from 2002, when it was 2.49 percent (Table 5).

4. The vacancy rate for private non-regulated units that were never rent controlled or rent stabilized, units that were decontrolled (including those in buildings with five or fewer units), and unregulated units in cooperative or condominium buildings was 4.11 percent, no meaningful change from 2002, when it was 4.07 percent (Table 5).
5. In general, as in 2002, vacancy rates for low-rent units were extremely low, while rates for high-rent units were very high. The vacancy rate in 2005 for units with monthly asking rents of less than \$500 was 1.38 percent. Vacancy rates for units with asking rent levels between \$500 and \$799 were just above 2.00 percent: 2.30 percent for units with an asking-rent level of \$500-\$699 and 2.02 percent for units with a rent level of \$700-\$799. Vacancy rates for asking-rent levels between \$800 and \$1,249 were between 3.00 percent and 4.00 percent: 3.21 percent for the \$800-\$899 level, 3.95 percent for the \$900-\$999 level, and 3.48 percent for the \$1,000-\$1,249 level. The rate for the \$1,250-\$1,749 level was 4.02 percent (Table 6).
6. The rates for units with rent levels above \$1,750 were over 5.00 percent: 5.06 percent for the \$1,750-\$2,499 level and 9.14 percent for the \$2,500-and-over level (Table 6).
7. The number of vacant units not available for sale or rent was 137,000 in 2005, a 7.8-percent or 10,000-unit increase from 2002, when it was 127,000. Of these, the number undergoing (31,400 units) or awaiting renovation (16,400 units) was 48,000, or 35.1 percent, an 8,000-unit or 19.8 percent increase since 2002, when it was 40,000. It should be noted that the 48,000 units undergoing or awaiting renovation should become available for occupancy before long. On the other hand, the number of unavailable units in the category of occasional, seasonal or recreational use declined considerably, by 12.9 percent, from 43,000 to 37,000 during the three-year period. Of units in this category, 55 percent were in cooperative or condominium buildings; about 86 percent of these units in cooperative or condominium buildings were located in Manhattan (Table 7).

C. Household Incomes

(Note that incomes are reported for 2004, while housing data are for 2005.)

1. The median income for all households (renters and owners combined) was \$40,000 in 2004. The real income (inflation-

adjusted by changing 2001 dollars to 2004 dollars) for all households decreased by 6.3 percent between 2001 and 2004. In the previous three-years between 1998 and 2001, real household income increased by 9.8 percent (Table 8).

2. The median income of renter households was \$32,000 in 2004. Renter households' real income decreased by 5.6 percent between 2001 and 2004, while real renter income in the previous three year period increased by 10.4 percent (Table 8).
3. The median income of homeowners was \$65,000 in 2004. Homeowners' real income changed little in the three years. On the other hand, between 1998 and 2001, homeowners' real income had increased by 5.1 percent (Table 8).
4. The median income of households in rent-controlled units was \$22,200 in 2004, little changed from 2001, when it was \$22,300 (Table 9).
5. The median income of households in rent-stabilized units was \$32,000 in 2004, an 8.6-percent decline from 2004, after inflation adjustment, when it was \$35,000. For households in pre-1947 rent-stabilized units, real income declined by 5.6 percent, while it declined by 11.7 percent for households in post-1947 rent-stabilized units (Table 9).
6. The median income of households in private non-regulated units was \$42,000 in 2004, little changed from 2001 after inflation adjustment. (Private non-regulated units were either never rent controlled or rent stabilized, were decontrolled, including those in buildings with five or fewer units, or unregulated rental units in cooperative or condominium buildings) (Table 9)).
7. The proportion of all households with incomes below the federal poverty level was 17.3 percent in 2004, little changed from 2001 when it was 17.5 percent. The proportion of renter households with incomes below the federal poverty level remained virtually the same: 22.5 percent in 2001 and 22.6 percent in 2004. The poverty rate of owner households was 6.8 percent in 2004. It was 7.2 percent in 2001 (Table 10).

D. Rents and Gross Rent/Income Ratio

1. The median monthly gross rent, which includes utility payments, increased by 16.8 percent, from \$788 in 2002 to \$920 in 2005. However, the inflation-adjusted increase in median gross rent

(changing April 2002 rent into April 2005 dollars) was 5.4 percent. In the previous three years between 1999 and 2002, the real gross rent increased by 3.3 percent (Table 11).

2. The median monthly contract rent, which excludes tenant payments for fuel and utilities, increased by 20.4 percent, from \$706 in 2002 to \$850 in 2005. This was an 8.7-percent increase, after adjusting for inflation. The real contract rent did not change in the previous three years (Table 11).
3. The median monthly contract rent of rent-controlled units was \$551 in 2005, little changed from 2002, when it was \$554 after inflation-adjustment (Table 12).
4. The median monthly contract rent of rent-stabilized units was \$844 in 2005, an 8.2-percent increase from 2002, after inflation adjustment, when it was \$780. For pre-1947 rent-stabilized units, the real monthly rent increased by 4.4 percent, while, for post-1947 rent-stabilized units, it increased by 6.8 percent in the three years (Table 12).
5. The median monthly contract rent of private non-regulated units was \$1,000 in 2005, a 6.2-percent increase, after inflation adjustment, from 2002, when it was \$942 (private non-regulated units consist of units that were never rent controlled or rent stabilized, units that were decontrolled, including those in buildings with five or fewer units, and unregulated rental units in cooperative or condominium buildings) (Table 12).
6. In April 2005 dollars, the number of units with monthly gross rents of less than \$500 remained virtually the same. However, the numbers of units with monthly gross rents between \$500 and \$799 and between \$800 and \$999 decreased by 16.2 percent and by 6.2 percent respectively (Table 13).
7. On the other hand, the number of units with monthly gross rents between \$1,000 and \$1,499 and monthly gross rents of \$1,500 or more increased by 17.0 percent and 20.6 percent respectively (Table 13).
8. The median gross rent/income ratio (a composite measure of the proportion of household income tenants spend for gross rent) increased from 28.6 percent in 2002 to 31.2 percent in 2005. (Rent data are for the survey year of 2005, while income data are for 2004. In this report, the rent/income ratio is estimated using gross

rent, which is the contract rent plus any charges for fuel or utilities paid separately from rent by the tenants.) (Table 14)

9. Of all renter households in the City, 28.8 percent paid more than 50 percent of their income for gross rent. The proportion was 25.5 percent in 2002 (Table 14).
10. The median gross rent/income ratio of households in rent-controlled units was 33.5 percent in 2005, virtually no change from 2002, when it was 33.4 percent. However, the 2005 rent/income ratio of households in rent-controlled units was the highest of all major rent-regulation statuses, as it was in 2002 (Table 15).
11. The median gross rent/income ratio of households in rent-stabilized units was 31.9 percent in 2005, a 3.7-percentage-point increase from 2002, when it was 28.2 percent. For households in pre-1947 rent-stabilized units, the ratio was 32.2 percent, a 3.4-percentage-point increase from 2002, when it was 28.8 percent. On the other hand, for households in post-1947 rent-stabilized units, the 2005 ratio was 30.5 percent, a 3.3-percentage-point increase from 2002, when it was 27.2 percent (Table 15).
12. The median gross rent/income ratio of households in private non-regulated units was 31.9 percent in 2005, a 3.5-percentage-point increase from 2002, when it was 28.4 percent (Table 15).

E. Housing and Neighborhood Conditions

In 2005 housing and neighborhood conditions were extremely good. Particularly, neighborhood conditions were the best since the HVS started covering them.

1. Building condition was extremely good.

Almost all housing units in the City were in structurally good buildings. Of all occupied units (renter and owner units together), a mere 0.5 percent were in dilapidated buildings in 2005, as in 2002. The dilapidation rate remained at an all time low for the forty-year period since 1965. The dilapidation rate for renter-occupied units was 0.7 percent in 2005, while it was 0.6 percent in 2002 (Table 16). Building conditions in the City improved tremendously since 1965. The rental dilapidation rate was 4.0 percent in 1965, 3.4 percent in 1984 and 1.3 percent in 1996.

2. Housing maintenance condition remained very good.

The proportion of renter-occupied units with five or more of the seven maintenance deficiencies measured by the HVS since 1991 was extremely low, only 4.9 percent in 2005 (Table 16). Maintenance conditions have improved substantially. The rate was 7.7 percent in 1991 and it was 4.0 percent in 2002.

3. Neighborhood quality improved significantly and was the best in the 27-year period since the HVS started covering it.
 - a. The proportion of renter households near buildings with broken or boarded-up windows on the same street was a mere 6.3 percent in 2005, a 2.4-percentage point improvement from 2002, and the best in the 27-year period since 1978, when the HVS started to measure neighborhood condition (Table 16). Neighborhood quality has improved remarkably since 1978 when the proportion of renter households near boarded-up buildings was 25.4 percent. It was 17.3 percent in 1987 and 11.4 percent in 1996.
 - b. The proportion of renter households that rated the quality of their neighborhood residential structures as “good” or “excellent” was 71.3 percent in 2005, a 2.2-percentage point improvement from 2002 and the best in the 27-year period, since the HVS began to measure household opinion

of neighborhood quality in 1978 (Table 16). Renter households' ratings of the quality of their neighborhood have improved remarkably since 1978 when the rating of "good" or "excellent" was 56.2 percent, and 1987, when it was 63.1 percent.

Table 1
Housing Inventory
New York City 2002 and 2005

	<u>2002</u>	<u>2005</u>	<u>Percent Change</u> <u>2002-2005</u>
Total housing units	3,208,587	3,260,856	+1.6%
Total rental units	2,084,769	2,092,363	+0.4
Occupied	2,023,504	2,027,626	+0.2
Vacant, available for rent	61,265	64,737	+5.7 ^(a)
Total owner units	997,003	1,031,780	+3.5
Occupied	981,814	1,010,370	+2.9
Vacant, available for sale	15,189	21,410	+41.0
Vacant units, not available for sale or rent	126,816	136,712	+7.8

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Note:

(a) Since the number of units difference is small, interpret with caution.

Table 2
Rental Housing Inventory by Rent Regulation Status
New York City 2002 and 2005

	<u>2002</u>	<u>2005</u>	<u>Change 2002 - 2005</u>	
			<u>Number</u>	<u>Percent</u>
Total rental units (occupied and vacant available)	2,084,769	2,092,363	+7,594	+0.4%
Rent controlled	59,324	43,317	-16,007	-27.0
Rent stabilized^(d)	1,042,397	1,043,677	(c)	(c)
Pre-1947 stabilized	775,460	747,332	-28,128	-3.6
Post-1947 stabilized	266,937	296,345	+29,408	+11.0
Private non-regulated^(a)	672,368	697,363	+24,995	+3.7
All other renter units^(b)	310,680	308,007	(c)	(c)

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Notes:

- (a) "Private non-regulated" consists of units which were never rent controlled or rent stabilized, units which were decontrolled, including those in buildings with five or fewer units, and unregulated rentals in cooperative or condominium buildings.
- (b) Includes Public Housing, Mitchell-Lama, *In Rem*, HUD regulated, Article 4, Loft Board.
- (c) Too few units to report.
- (d) Includes all rent stabilized units, including those whose rents were regulated by the U.S. Department of Housing and Urban Development (HUD) since they received HUD assistance. For further information, see the Technical Notes at the end of the report.

Table 3
Number of Owner-Occupied Units and Ownership Rate by Borough
New York City 2002 and 2005

<u>Borough</u>	<u>Number of Owner-Occupied Units</u>		<u>Ownership Rate</u>	
	<u>2002</u>	<u>2005</u>	<u>2002</u>	<u>2005</u>
All	981,814	1,010,370	32.7%	33.3%
Bronx^(a)	103,993	104,400	22.5	22.1
Brooklyn	252,021	255,955	28.7	29.2
Manhattan^(a)	162,580	174,179	22.6	23.6
Queens	360,529	365,040	46.0	46.4
Staten Island	102,692	110,795	64.6	67.7

Sources: U.S. Bureau of the Census, 2002 and 2005 and New York City Housing and Vacancy Surveys.

Notes:

(a) Marble Hill in the Bronx

Table 4
Vacant Units Available for Rent by Borough
New York City 2002 and 2005

	<u>Vacant Units Available for Rent</u>		<u>Net Vacancy Rate^(a)</u>	
	<u>2002</u>	<u>2005</u>	<u>2002</u>	<u>2005</u>
Total	61,265	64,737	2.94%	3.09%
Bronx ^(b)	12,200	9,952	3.29	2.63
Brooklyn	17,612	17,759	2.73	2.78
Manhattan ^(b)	22,389	22,198	3.86	3.79
Queens	7,658	12,239	1.78	2.82
Staten Island	(c)	(c)	(c)	(c)

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Notes:

- (a) The vacancy rate is calculated by dividing vacant available for rent units that are not dilapidated by the sum of vacant available for rent units that are not dilapidated and renter-occupied units. The standard error of the vacancy rate for all renter units was +/-0.17 in 2002 and +/- 0.19 in 2005.
- (b) Marble Hill included in The Bronx.
- (c) The New York City Housing and Vacancy Survey is a sample survey. The number of vacant units available for rent in this category is too small to report.

Table 5
Rent Stabilized and Non-Regulated Vacant Units and Vacancy Rates
New York City 2002 and 2005

	<u>Vacant Units</u>	
	<u>2002</u>	<u>2005</u>
All Vacant for Rent Units	61,265	64,737
Rent Stabilized Units ^(d)	25,908	28,022
Pre-1947 Stabilized	21,542	21,261
Post-1947 Stabilized	4,365 ^(b)	6,761
All Other Renter Units ^(c)	7,980	8,063
Private Non-Regulated Units	27,377	28,652
	<u>Net Vacancy Rate^(a)</u>	
	<u>2002</u>	<u>2005</u>
All Rental Units	2.94%	3.09%
Rent Stabilized Units ^(d)	2.49	2.68
Pre-1947 Stabilized	2.78	2.84
Post-1947 Stabilized	1.64	2.28
All Other Renter Units ^(c)	2.57	2.62
Private Non-Regulated Units	4.07	4.11

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Notes:

- (a) The vacancy rate is calculated by dividing vacant available for rent units that are not dilapidated by the sum of vacant available for rent units that are not dilapidated and renter-occupied units.
- (b) Since the number of units is small, interpret with caution.
- (c) Includes Public Housing, Mitchell-Lama, *In Rem*, HUD regulated, Article 4, Loft Board.
- (d) Includes all rent stabilized units, including those whose rents were regulated by the U.S. Department of Housing and Urban Development (HUD) since they received HUD assistance. For further information, see the Technical Notes at the end of the report.

Table 6
Number of Vacant Units Available for Rent and Net Vacancy Rate
by Monthly Rent Level in 2005 Dollars
New York City 2002 and 2005

Monthly Rent^(b) Level	Vacant Units Available for Rent		Net Vacancy Rate^(a) (Percent)	
	<u>2002</u>	<u>2005</u>	<u>2002</u>	<u>2005</u>
Total	61,265	64,737	2.94%	3.09%
Less than \$500	5,071	4,388 ^(c)	1.49	1.38
\$500 to \$699	6,192	7,918	1.47	2.30
\$700 to \$799	5,995	4,371 ^(c)	2.27	2.02
\$800 to \$899	7,739	7,750	3.02	3.21
\$900 to \$999	7,639	7,929	3.89	3.95
\$1,000 to \$1,249	7,761	11,193	3.39	3.48
\$1,250 to \$1,749	7,266	9,589	4.10	4.02
\$1,750+ to \$2,499	6,592	5,361	7.49	5.06
\$2,500 or more	7,009	6,239	10.27	9.14

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Notes:

- (a) The vacancy rate is calculated by dividing vacant available for rent units that are not dilapidated by the sum of vacant available for rent units that are not dilapidated and renter-occupied units.
- (b) Asking rents for vacant units and contract rents for occupied units. Asking rent is the amount of rent asked for vacant units by owners. Contract rent is the amount tenants agree to pay owners for the units they occupy, as contracted between the tenant and the owner in the lease; it includes fuel and utilities, if they are provided by the owner without additional, separate charges to the tenant. The ratio of the April 2005 over the April 2002 Consumer Price Index values (CPI-U) for New York-Northeast New Jersey-Long Island (212.5/191.8) was used to convert nominal 2002 rents into rents measured in 2005 dollars.
- (c) Since the number of units is small, interpret with caution.

Table 7
Number of Vacant Units Unavailable for Rent or Sale
by Reason for Unavailability 2002 and 2005

<u>Reason Unavailable</u>	<u>2002</u>		<u>2005</u>		<u>Percent Change 2002-2005</u>
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	
Total	126,816	100%	136,712	100%	+7.8%
Dilapidated	5,481	4.4	(b)	(b)	(b)
Rented, Not Yet Occupied	6,016	4.8	8,853	6.5	(b)
Sold, Not Yet Occupied	7,889	6.3	7,348	5.4	(b)
Undergoing Renovation	21,951	17.4	31,432	23.1	+43.2
Awaiting Renovation	17,958	14.3	16,376	12.0	(b)
Held for Occasional, Seasonal or Recreational Use	42,902	34.1	37,357	27.5	-12.9
Used/Converted to Non-Residential Use	(b)	(b)	(b)	(b)	(b)
In Legal Dispute	10,631	8.4	10,155	7.5	(b)
Awaiting Conversion/ Being Converted to Coop/Condo	(b)	(b)	(b)	(b)	(b)
Held Pending Sale of Building	(b)	(b)	(b)	(b)	(b)
Owner's Personal Problems (age, illness, etc.)	7,240	5.7	9,595	7.1	(b)
Held for Planned Demolition	(b)	(b)	(b)	(b)	(b)
Held for Other Reasons	(b)	2.6 ^(a)	7,017	5.2	+114.0 ^(a)
Reason not reported	(b)		(b)		

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Notes: (a) Since the number of units is small, interpret with caution.

(b) Too few units to report.

Table 8
Median Household Incomes
New York City 1998, 2001 and 2004

	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>Percent Change</u> <u>1998-2001</u>	<u>Percent Change</u> <u>2001-2004</u>
<u>In current dollars</u>					
All households	\$33,000	\$39,000	\$40,000	+18.2%	+2.6%
All renters	\$26,000	\$31,000	\$32,000	+19.2	+3.2
All owners	\$53,000	\$60,000	\$65,000	+13.2	+8.3
CPI [®]	173.6	187.1	204.8		
<u>In 2004 dollars^(b)</u>					
All households	\$38,900	\$42,700	\$40,000	+9.8%	- 6.3%
All renters	\$30,700	\$33,900	\$32,000	+10.4	- 5.6
All owners	\$62,500	\$65,700	\$65,000	+5.1	- 1.1

Sources: U.S. Bureau of the Census, 1999, 2002 and 2005 New York City Housing and Vacancy Surveys.

Note:

- (a) The Consumer Price Index for All Urban Consumers for New York-Northeast New Jersey-Long Island, yearly average, Bureau of Labor Statistics, U.S. Department of Labor.
- (b) Inflation-adjusted figures are rounded to nearest hundred. Percent change calculation based on rounded numbers.

Table 9
Median Renter Household Incomes by Rent Regulation Status
New York City 2001 and 2004
(Constant 2004 dollars^a)

	<u>2001</u>	<u>2004</u>	<u>Percent Change</u> <u>2001-2004^(d)</u>
All Renters ^(b)	\$33,900	\$32,000	- 5.6%
Rent Controlled	\$22,300	\$22,200	- 0.4
Rent Stabilized ^(c)	\$35,000	\$32,000	- 8.6
Pre-1947 Stabilized	\$33,900	\$32,000	- 5.6
Post-1947-Stabilized	\$39,400	\$34,800	- 11.7
Private non-regulated ^(b)	\$43,800	\$42,000	- 4.1

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Note:

- (a) According to the Consumer Price Index for All Urban Consumers for New York-Northeast New Jersey-Long Island, yearly average, Bureau of Labor Statistics, U.S. Department of Labor.
- (b) "Private non-regulated" consists of units which were never rent controlled or rent stabilized, units which were decontrolled, including those in buildings with five or fewer units, and unregulated rentals in cooperative or condominium buildings.
- (c) Includes all rent stabilized units, including those whose rents were regulated by the U.S. Department of Housing and Urban Development (HUD) since they received HUD assistance. For further information, see the Technical Notes at the end of the report.
- (d) Income figures rounded to nearest hundred; percent change based on rounded numbers.

Table 10
Households with Incomes Below Poverty Level
New York City 2001 and 2004

<u>Tenure</u>	Below 100% of Poverty Level	
	<u>2001</u>	<u>2004</u>
All Households	17.5%	17.3%
Renter Households	22.5	22.6
Owner Households	7.2	6.8

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Table 11
Median Rents, All Renter-Occupied Units
New York City 1999, 2002 and 2005

<u>In current dollars</u>	<u>1999</u>	<u>2002</u>	<u>2005</u>	<u>Percent Change</u> <u>1999-2002</u>	<u>Percent Change</u> <u>2002-2005</u>
Median gross rent ^(a)	\$700	\$788	\$920	+12.6%	+16.8%
Median contract rent ^(b)	\$648	\$706	\$850	+9.0	+20.4
CPI ^(c)	176.0	191.8	212.5		
 <u>In April 2005 dollars</u>					
Median gross rent	\$845	\$873	\$920	+3.3	+5.4
Median contract rent	\$782	\$782	\$850	0.0	+8.7

Sources: U.S. Bureau of the Census, 1999, 2002 and 2005 New York City Housing and Vacancy Surveys.

Notes:

- (a) Gross rent is the contract rent plus any additional charges for fuel and utilities paid separately the tenant.
- (b) Contract rent is the amount tenants agree to pay owners for the units they occupy, as contracted between the tenant and the owner in the lease; it includes fuel and utilities if they are provided by the owner without additional, separate charges to the tenant.
- (c) Consumer Price Index for all Urban Consumers for New York-Northeast New Jersey-Long Island, April of each year, Bureau of Labor Statistics, U.S. Department of Labor.

Table 12
Median Contract Rent by Rent Regulation Status
New York City 2002 and 2005
(Constant 2005 dollars^a)

	<u>2002</u>	<u>2005</u>	<u>Percentage Change</u> <u>2002 - 2005</u>
All Renters	\$782	\$850	+8.7%
Rent Controlled	\$554	\$551	-0.5
Rent Stabilized^(c)	\$780	\$844	+8.2
Pre-1947 Stabilized	\$776	\$810	+4.4
Post-1947-Stabilized	\$842	\$899	+6.8
Private non-regulated^(b)	\$942	\$1,000	+6.2

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Notes:

- (a) According to the Consumer Price Index for All Urban Consumers for New York-Northeast New Jersey-Long Island, April of each year, Bureau of Labor Statistics, U.S. Department of Labor.
- (b) "Private non-regulated" consists of units that were never rent-controlled or rent-stabilized, units that were decontrolled (including those in buildings with five or fewer units), and unregulated rentals in cooperative or condominium buildings.
- (c) Includes all rent stabilized units, including those whose rents were regulated by the U.S. Department of Housing and Urban Development (HUD) since they received HUD assistance. For further information, see the Technical Notes at the end of the report.

Table 13
Monthly Gross Rent in Renter Occupied Housing
New York City 2002 and 2005
(Constant April 2005 Dollars^a)

Monthly Gross rent April 2005 Dollars	2002		2005		Percent Change 2002-2005
	Number	Percent	Number	Percent	
Total	2,023,504	100.0%	2,027,626	100.0%	+0.2%
Less than \$500	275,709	13.9	274,457	13.8	(b)
Less than \$400	195,298	9.9	193,530	9.7	(b)
\$400-\$499	80,412	4.1	80,927	4.1	(b)
\$500-\$799	541,253	27.4	453,378	22.8	-16.2
\$500-\$599	122,868	6.2	103,889	5.2	-15.4
\$600-\$699	191,649	9.7	157,832	7.9	-17.6
\$700-\$799	226,736	11.5	191,657	9.6	-15.5
\$800-\$999	454,631	23.0	426,639	21.4	-6.2
\$800-\$899	237,863	12.0	213,876	10.7	-10.1
\$900-\$999	216,768	11.0	212,763	10.7	-1.8
\$1,000 - \$1,499	467,778	23.6	547,499	27.5	+17.0
\$1,000-\$1,249	328,812	16.6	356,835	17.9	+8.5
\$1,250-\$1,499	138,966	7.0	190,663	9.6	+37.2
\$1,500+	239,149	12.1	288,338	14.5	+20.6
\$1,500-\$1,749	74,771	3.8	102,591	5.2	+37.2
\$1,750 - \$1,999	47,600	2.4	53,115	2.7	+11.6
\$2,000+	116,777	5.9	132,632	6.7	+13.6
Not Reported/No rent	44,984		37,315		

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Notes:

- (a) Constant 2005 dollars are derived by multiplying 2002 rents by the ratio of the April 2005 CPI over the April 2002 CPI (212.5/191.8). Consumer Price Index for All Urban Consumers (CPI-U) for New York-Northeast New Jersey-Long Island, Bureau of Labor Statistics, U.S. Department of Labor.
- (b) Too few units difference to report.

Table 14
Median Gross Rent/Income Ratios
New York City 2002 and 2005

	<u>2002</u>	<u>2005</u>
Gross Rent/Income Ratio (proportion of income that households pay for gross rent)	28.6%	31.2%
Proportion of households paying more than 50 percent of their household income for gross rent	25.5%	28.8%

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and
Vacancy Surveys.

Table 15
Median Gross Rent/Income Ratios by Rent Regulation Status
New York City 2002 and 2005

<u>Regulatory Status</u>	<u>2002</u>	<u>2005</u>
All	28.6%	31.2%
Rent Controlled	33.4	33.5
Rent Stabilized^(a)	28.2	31.9
Pre-1947 Stabilized	28.8	32.2
Post-1947-Stabilized	27.2	30.5
Private non-regulated^(b)	28.4	31.9

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Notes:

- (a) Includes all rent stabilized units, including those whose rents were regulated by the U.S. Department of Housing and Urban Development (HUD) since they received HUD assistance. For further information, see the Technical Notes at the end of the report.
- (b) "Private non-regulated" consists of units that were never rent controlled or rent stabilized, units that were decontrolled (including those in buildings with five or fewer units), and unregulated rentals in cooperative or condominium buildings.

Table 16
Housing and Neighborhood Conditions
New York City 2002 and 2005

<u>Residential Building Conditions</u>	<u>2002</u>	<u>2005</u>
All Occupied Units (renter and owner units) in dilapidated buildings	13,580 0.5%	15,418 0.5%
Renter-occupied units in dilapidated buildings		
Number	11,458	13,806
Percent	0.6%	0.7%
Renter-occupied units in Buildings with no building defects	1,654,714 90.0%	1,671,542 90.9%
<u>Housing Unit Maintenance Conditions</u>		
Renter-occupied units with 5 or more of 7 maintenance deficiencies ^(a)	67,184 4.0%	75,529 4.9%
Renter-occupied units with no maintenance deficiencies ^(a)	768,611 46.3%	674,522 43.9%
Renter-occupied units with heating breakdowns (4 or more times)	114,255 6.5%	111,726 6.8%
Renter-occupied units with no heating breakdowns	1,500,888 84.9%	1,353,878 82.3%
<u>Neighborhood Conditions</u>		
Renter household opinion of good/excellent neighborhood quality	1,229,124 69.1%	1,191,700 71.3%
Renter household opinion of poor neighborhood quality	93,486 5.3%	76,703 4.6%
Renter households with any buildings with broken or boarded-up windows on same street	175,453 8.7%	125,760 6.3%

Sources: U.S. Bureau of the Census, 2002 and 2005 New York City Housing and Vacancy Surveys.

Note: (a) Maintenance deficiencies include: 1) additional heating required in winter; 2) heating breakdown; 3) cracks or holes in interior walls, ceilings, or floors; 4) presence of rodents;

5) presence of broken plaster or peeling paint; 6) toilet breakdown; 7) water leakage into unit.

TECHNICAL NOTES

Since the HVS is a sample survey, standard errors of estimated values should be provided as measures of statistical reliability. For the most part this has not been done in this or previous reports, since it would more than double the already very large number of statistics presented and make the report more difficult for readers to use and understand. However, because of its statutory importance, the standard error and confidence interval of the 2005 net rental vacancy rate are presented, as in previous reports. In regard to other data, we have limited the use of numbers and percentages that are very small. Figures, such as the number of housing units or households, that are less than 4,000 are not reported; and numbers between 4,000 and 4,999 are qualified by warning the reader to interpret with caution. Dollar figures, such as rents and incomes, based on a small number of cases follow the same guidelines. Similarly, percentages in which the numerator is less than 3,000 are not reported, and percentages in which the numerator is between 3,000 and 3,999 are qualified by warning the reader to interpret them with caution. Moreover, no conclusive or definitive statements based on such small numbers or differences between numbers or percents, even those somewhat larger than 4,000, are made anywhere in this report.

The samples for the 2002 and 1999 HVSs were drawn from two different sample frames. The Census Bureau drew the 2002 HVS sample from the 2000 decennial census and updated it, while the Census Bureau selected the 1999 HVS sample from the 1990 census, with updating for newly constructed units and converted units that received Certificates of Occupancy. The weighting for the 2002 HVS sample used estimates based on the Census 2000. On the other hand, the weighting for the 1999 HVS used estimates based on the 1990 census. Therefore, it is difficult to compare data from the 2002 HVS with data from the 1999 and previous HVSs. For this reason, the Census Bureau started work on the reweighting project after it completed the 2002 HVS. However, since the Census Bureau had to complete the 2005 HVS on schedule, so that HPD would be able to prepare and submit the report on the 2005 HVS to the City Council by the legally mandated due date, the Census Bureau discontinued the reweighting work in late 2004. The Census Bureau will resume the reweighting work after the 2005 HVS is completed.

In the meantime, the Census Bureau recommends that users of the HVS data not compare absolute numbers of persons (population), households, and housing units from the 2002 HVS with those from the 1999 and previous HVSs. Instead, comparisons should be made based on percents, medians, and means in a scientifically disciplined manner. Therefore, analysis of historical trends in this report will be discussed based on percents, medians, and/or means only. All data from the 2002 HVS covered in this report are final 2002 HVS data that the Census Bureau released in June 2003, except as otherwise noted.

The rent-regulatory status classification code system, which the Census Bureau has been using for the 2002 and previous HVSs, is organized to categorize rental units by the following mutually exclusive categories: rent-controlled units, rent-stabilized units (pre-1947 stabilized and post-1947 stabilized units), Mitchell-Lama units, Public Housing units, *in rem* units, unregulated units, and other-regulated units (Article 4 units, Loft Board units, and HUD-regulated units). This classification system categorizes some rent-stabilized units as units whose

rents were regulated by the U.S. Department of Housing and Urban Development (HUD), if they also receive HUD assistance and their rents are regulated by HUD. Therefore, the number of rent-stabilized units, as well as other types of rental units, increases if the number of HUD-regulated units decreases, while the number of stabilized units decreases if the number of HUD-regulated units increases. According to the Census Bureau, the number of units it classified based on the list of addresses of HUD-assisted properties has fluctuated in recent survey years and, as a result, the number of rent-stabilized units has fluctuated. Thus, it is very difficult to estimate a reliable number of rent-stabilized units in each survey year and to estimate the change in the number of rent-stabilized units between survey years. Under these circumstances, the Census Bureau has developed and used the following additional rent-regulatory status classification system to estimate the number and characteristics of stabilized units by applying the following rent-regulatory status classification system: categorize all rent-stabilized units as rent-stabilized units, whether or not they are HUD regulated. This classification system provides a number and the characteristics of rent-stabilized units that can be compared in a more reliable manner between HVS years. Application of this classification system would allow the HUD list not to affect HVS data on the number and characteristics of rent-stabilized units. The data covered in this report on rental units by rent-regulation status were generated using the new rent-regulatory status classification system. Thus, the data in this report are different from the data generated using the old classification system used in the 2002 and previous HVSs. The two classification systems, old and new, are provided in the 2005 HVS public use micro-data files, and the Census Bureau has the new 2002 HVS public use micro-data files that cover both old and new classification systems.

In counting housing units, the HVS excludes units in Special Places. These are types of group living quarters such as prisons, nursing homes, rectories, dormitories and units in other types of special places such as transient hotels.

Absolute numbers in this report are rounded to thousands; percents are calculated on un-rounded numbers, unless otherwise specified.