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MAYOR BLOOMBERG RELEASES INITIAL FINDINGS OF 2008 NEW YORK CITY HOUSING AND VACANCY SURVEY

Triennial Study Shows That New York City's Total Housing Supply and Neighborhood Satisfaction Reach Record Levels

Rental Vacancy Rate Has Remained Less than the Five Percent Threshold Necessary to Keep Rent Regulation Protections Intact for New York City Residents

Mayor Michael R. Bloomberg, Deputy Mayor for Economic Development Robert C. Lieber and Department of Housing Preservation and Development (HPD) Acting Commissioner Marc Jahr today released the initial results of the 2008 New York City Housing and Vacancy Survey. The 2008 survey, which reveals a synopsis of the City's housing market between February and June 2008, found that the citywide net rental vacancy rate was 2.88 percent, down from 3.09 percent in 2005. The City's total housing stock rose to more than 3.33 million units – the largest in the 43-year period since the first survey was conducted in 1965 – and all five boroughs saw an increase in housing. New Yorkers' satisfaction with their neighborhoods and overall building conditions reached their highest ever levels since they were first measured, 30 years ago and 43 years ago, respectively. The survey, conducted every three years, is required by State and City rent-regulation laws to determine New York City's overall vacancy rate for rental housing. A rental vacancy rate below five percent triggers the declaration of a "housing emergency," which is necessary for the continuation of rent regulation protections for New York City residents. Every survey since the first one in 1965 has found the rental vacancy rate to be below five percent.

"New York City's housing stock grew more in the past three years than at any point since the City began conducting this survey more than forty years ago," said Mayor Bloomberg. "As a result, we have more housing to meet the demand of our growing population than ever before. At the same time, the fact that New York City's rental vacancy rate remains below five percent shows the pressure on our housing market and it will trigger the continuation of the City's rent protections. The survey also indicates that New Yorkers are reporting the highest levels of satisfaction with their neighborhoods and buildings, the latest example that the investments we are making in all five boroughs continue to pay off."

"The Housing and Vacancy Survey gives us a snapshot of housing availability, affordability and condition," said Acting HPD Commissioner Jahr. "It is extremely gratifying to know that the New Housing Marketplace Plan has played an important role in contributing to the largest number of housing units on record. The fact that every borough shared in the growth is noteworthy, as is the report that neighborhood conditions and the quality of our housing stock in general is at an all-time high. The Mayor and the City Council, along with our for-profit and non-profit partners, are to be commended for their commitment to quality and affordable housing."

The survey is conducted by the U.S. Census Bureau at the request of the City of New York every three years. It draws its sample of roughly 18,000 housing units from the 2000 decennial census conducted by the U.S. Census Bureau and updated by HPD to include new construction, renovation and conversion. Interviews for the survey were conducted between February and June, 2008.

The 2008 survey shows that between 2005 and 2008 the City's total inventory of residential units increased by nearly 68,000 to 3.33 million. Within that period, more than 13,000 income-targeted rental units – equivalent to nearly 20 percent of the net increase – were produced through the City's \$7.1 billion New Housing Marketplace Plan. The City started construction on thousands of new units that are not reflected in this report. While the survey shows that the number of rent stabilized units fell by nearly 16,838, under the New Housing Marketplace Plan, the City started construction or renovation of 46,196 affordable units (16,869 homeownership units and 29,327 rental units), most of

which will fall under rent regulation once completed.

Residents reported the highest levels of neighborhood satisfaction, neighborhood conditions and building conditions since such measurements have been taken. The proportion of renter households near buildings with broken or boarded-up windows on the same street fell to 5.1 percent in 2008 from 6.3 percent in 2005 and 8.6 percent in 2002. Nearly 72 percent of renter households rated the quality of their neighborhood buildings as “good” or “excellent.”

Initial findings of the survey indicate that:

Housing Inventory

- The vacancy rate for units available for rent in the City during the period between February and June of 2008 was 2.88 percent, down from 3.09 percent during the same period in 2005. The 2008 rental vacancy rate is lower than 5.0 percent and, thus, meets the legal threshold mandated by State and City laws to justify the continuation of rent control and rent stabilization.
- The number of housing units in New York City was 3.33 million in 2008, the largest housing stock in the 43-year period since the first survey was conducted in 1965. Between 2005 and 2008, the housing inventory increased by 68,000 units or 2.1 percent, the largest increase since the survey was initiated.
- Every borough saw an increase in housing inventory: The Bronx grew by 11,000 units (2.1 percent); Brooklyn by 18,000 units (1.9 percent); Manhattan by 24,000 units (2.9 percent); Queens by 11,000 units (1.3 percent); and Staten Island by 5,000 units (2.7 percent).

Neighborhood and Housing Conditions

- Neighborhood conditions were the best in the 30-year period since the survey began to address this issue. The proportion of renter households near buildings with broken or boarded-up windows on the same street fell to 5.1 percent in 2008 from 6.3 percent in 2005 and 8.7 percent in 2002.
- Neighborhood satisfaction was the best in the 30-year period since the survey began measuring perceptions of neighborhood quality in 1978. In the survey, 71.8 percent of renter households rated the quality of their neighborhood buildings as “good” or “excellent,” up from 63.1 percent in 1987 and 56.2 percent in 1978.
- In 2008, building conditions remained among the best since the survey started covering them. For all occupied units, the dilapidation rate was 0.5 percent, remaining at an all-time low since the survey began in 1965. The dilapidation rate for rental units was 0.6 percent in 2008, still the best ever recorded.
- The proportion of renter-occupied units with five or more of the seven maintenance deficiencies measured by the 2008 Survey was 4.4, one of the lowest ever recorded since these conditions were first measured in 1991.

Rental and Ownership Rates

- The number of rent controlled units remained relatively stable from 2005 to 2008, from 43,000 in 2005 to 40,000 in 2008. During the same period, the number of rent stabilized units in buildings constructed before 1947 fell by 22,000, or 2.9 percent. This loss was offset by an increase of 5,000 units in buildings constructed after 1947, for a net loss in rent stabilized units of 17,000 or 1.6 percent.
- The number of owner units, occupied and vacant, was 1,046,000, up by 14,000 between 2005 and 2008.
- The homeownership rate for the City as a whole was 32.9 percent in 2008 – that is, one in three households in the City was an owner household. In 2005 the homeownership rate was 33.3 percent.

Income and Rent

- The median income for all households was \$45,000 in 2007, a 12.5 percent increase over the \$40,000 median income in 2004. In 2007 dollars, the 2004 median income was \$44,300, making the real percentage of change 1.6 percent. (The survey incorporates data on housing conditions from 2008 but data on income from 2007.)
- The median income of homeowners was \$70,000 in 2007, up from \$65,000 in 2004. In 2007 dollars, the homeowners’ median income actually declined by 2.8 percent.
- The median income of renter households in 2007 was \$36,000, an increase of 12.5 percent for 2004. Real income rose by 1.4 percent in the three years.
- Median gross rents, which include the cost of fuel and utilities, increased by 4.2 percent in real dollars between 2005 and 2008. Contract rents – the amount people agree to pay monthly – increased by 1.6 percent in real dollars during the same period, keeping pace with the increase in incomes.
- The median gross rent/income ratio increased from 28.6 percent in 2002 to 31.2 percent in 2005 and holds at 31.5 in 2008.
- In 2008, the number of people applying more than 50 percent of their income for rent showed little or no change. Of all renter households in the City, 29.4 percent paid more than 50 percent of their income for gross rent. In 2005, the total was 28.8 percent. Those paying more than 50 percent of their income for contract rent showed no change, holding steady at 25.8 percent.

Full details of the 2008 Housing and Vacancy Survey initial findings are available on HPD’s website at www.nyc.gov/hpd. The comprehensive final report on the 2008 survey will be released in 2010 by HPD, which

commissioned the independent survey on behalf of the City of New York.

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