

Who Will Live In Bloomberg's Micro-Apartments?

by Ryan Sit

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NEW YORK — Nicole Guzzardi's first experience living in Manhattan was, to say the least, cramped.

She had gotten herself a sub-300-square-foot studio in the Lower East Side, but space was so tight when her cousin came to spend the night he ended up relegated to bunking in the bathroom — with half of his body on the tile floor and half in the flat-bottomed shower.

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"I had no room for anything. I obviously had no kitchen table. I had a desk but I barely ever sat in it because it was kitty-cornered and very uncomfortable," said Guzzardi, who had just gotten into graduate school and needed a place where she could commute easily to New York University. "So I ate on my bed, I did my homework on my bed, I slept on my bed. ... I had my small dog, and she just sat around all day in this little box. It was not fair to her."

Claustrophobic living experiences like Guzzardi's are not unusual in one of the world's tightest, priciest residential real estate markets. And it's an experience that could become even more common after Mayor Michael Bloomberg's "micro-unit" apartments start filling vacancies.

Last July, Bloomberg and other city officials announced [adAPT NYC](#), the pilot program seeking new and affordable housing models for a growing number of one- or two-person households.

Thirty-three developers submitted proposals for the units, which are expected to be between 275 and 300 square feet — about 100 square feet smaller than what is currently permitted under city zoning regulations. (Guzzardi's Lower East Side apartment building was constructed before a [1901 law](#) regulating the minimum square footage.)

The winning proposal for the adApt NYC program [could be announced as early as today](#).

The Bloomberg administration wants the developer to build as many as 80 micro-units at 335 E. 27 St., in Manhattan. The units are intended to be affordable housing for one- or two-person households, which the latest census data found to be a rising demographic in the city. According to the 2010 U.S. Census, there are 1.8 million one- and two-person households, but only one million studios and one-bedroom apartments.

But some have called the micro-units tenements for the 21st century, though at an expected \$2,000 a month and a 10-by-30-foot layout, they would certainly not be housing large, low-income families. They also would likely be out of the price range of most people within the target demographic — single New Yorkers. According to the city comptroller's office, 81.2 percent of single tax filers in the city made under \$75,000 in 2009, with the largest group —

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36.6 percent – earning under \$20,000.

“It doesn’t really fit the need for families and for growing a family or staying long term in the city,” said Matthew Dunbar, the advocacy and community relations manager for HabitatNYC, the local branch of Habitat for Humanity. “Anybody who wants to expand their families would not be able to use a micro unit to be able to do that.”

City officials said the micro-units will help to meet the changing needs of New Yorkers and are “critical to the city’s future economic success.”

“We hope that this pilot will turn out really well,” said Catie Marshall, a spokeswoman for the city’s Department of Housing Preservation and Development. She added that the city hopes and expects to develop micro-units across the city.

Policymakers in other U.S. cities are also considering tiny apartments to deal with the scarcity of affordable housing.

In San Francisco, lawmakers have approved that city’s smallest apartments, allowing the construction of 220-square-foot units, expected to range in rent from \$1,200 to \$1,500, according to the Los Angeles Times. In Boston, one firm displayed a 300 square-foot apartment in the Boston Convention and Exhibition Center, as a housing option submission to a research program launched by Mayor Thomas M. Menino in 2004 aimed at finding a way to better serve the one-in-three Bostonians between the ages of 20 and 34. They are expected to cost about \$1,500 a month.

In China, Japan and Paris, micro-units, sometimes no larger than a compact car parking spot, have also become increasingly popular.

THE SIZE OF A MICRO-UNIT

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To understand the size of a micro-unit, try picturing half of a No. 6 train car, furnished. Imagine your bed — likely a sofa bed because of spatial constraints — in the middle. That's the living room. Replace the poles and seats with a kitchen sink and a bathroom, complete with a tub. Now add in clothes, books, a computer, maybe a dresser — feeling crowded?

But what people might not get in terms of space they get in location.

“If they want to live in Manhattan, they have to forego a lot of things, and space is one of them,” said Zaida Farnham, an agent with Prudential Douglas Elliman.

Another real estate expert, Jeff Rothstein, vice president in charge of rentals and sales at Prudential Douglas Elliman, said that, for most young people, an apartment is “just a bed.”

“Most young professionals are never in their apartment anyway,” he added.

The New York micro-unit's expected rent is 40 percent higher than the median New York City household can sustain without infringing on basic necessities. The Census found that city residents' per capita income is \$30,398, and that the median household has an income of \$50,285 and is made up of two to three people. That means, for an average household making \$50,000 per year, affordable rent should not exceed \$1,250 per month.

Although the developer will have the final say on the cost of rent, the \$2,000 per month cost undercuts the average market price of a downtown Manhattan studio, which has grown to \$2,669, according to September's market report from Prudential Douglas Elliman. One bedrooms go for \$3,528.

Rothstein said he expects the micro-units to be filled by young professionals and graduating college students, like Guzzardi, looking to stay in the city. But, according to a salary survey published by the National Association of College and Employers, the average starting salary for college graduates is \$44,259. Affordable rent for that income is about \$1,100 a month.

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That salary looks about average when compared to a report issued by the city Comptroller in May that showed 68.3 percent of New York City tax filers earned less than \$50,000 in 2009.

A different report issued by the Comptroller in September found that half the households in New York City couldn't afford their rent. Forty-nine percent of New York City households pay more than 30 percent of their income on rent, and of that, 30 percent are paying more than half of their income on rent.

Rothstein said the micro-unit project might be part of the solution to the affordability problem.

"I think that it's something proactive; that the mayor is taking responsibility to keep young professionals in Manhattan," he said. "The average one-bedroom is, what, \$3,500? So, how can a young professional just starting a career in Manhattan afford that? Unless they get subsidized by a parent or they work another job."

Joseph Gabriel, project manager for Blesso Properties — which submitted a micro-unit plan to adAPT NYC — said he expects micro-units to be a success, and cited the response of a recently opened apartment building in Chelsea as evidence. He said eight of the nine units were 450 square-foot studios, costing as much as \$3,200 a month at the higher end. Gabriel said his firm received favorable responses after renting most, if not all, the building's units shortly after putting them on the market.

Gabriel said he hopes to win Bloomberg's competition, but added that he expects to implement the housing model around the city regardless of whether the Blesso Properties' proposal is chosen.

"We're hopeful that any zone changes or code changes do allow for a more flexible and more progressive type of development than has historically been possible in New York," he said.

BIG CITY LIVING IN TINY SPACES

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Despite the growing cost of rent, shrinking salaries and lack of job opportunities, people continue to move to Manhattan and other expensive neighborhoods in the outer boroughs. Renters are willing to cut back spending elsewhere to call a piece of the city their own.

“Even though it’s the size of a shoe box, it’s their own apartment,” Rothstein said. “They don’t have a roommate situation where somebody ate their yogurt.”

Guzzardi moved to Manhattan in 2011 to pursue a graduate degree in journalism at New York University. Like many young adults, she wanted to live on her own.

As a full-time student balancing school, social life and work as a blogger for the Huffington Post, it was unlikely she could spend a considerable amount of time at her East 11th Street apartment.

Guzzardi originally set a \$1,500 budget for rent, with the money coming from financial aid for school and money from her father, but upped it to \$1,600 after initial apartment hunts came up dry. When she found the studio, perched atop Tu-Lu’s Bakery on 11th Street in the Lower East Side, she settled for \$1,750.

“It was wicked nice, though,” she recounted. “Everything was redone. It had marble countertops and a pretty nice shower and a little balcony. I was like, whatever, I can deal with living in this amount of space. It’ll be fine.”

That optimism proved to be short-lived as the days wore on and the lack of space became more of an issue; she left after her lease was up. She now lives with a roommate in Gramercy.

Guzzardi said she wouldn’t choose to live in the same cramped apartment outside of her budget again, but she doesn’t regret her choice either. “If this is going to be my only [New York City] experience, I’m glad it was in Manhattan.”

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Image courtesy of the mayor's office. Mayor Michael Bloomberg and HPD Commissioner Mathew M. Wambua at launch of adAPT NYC (July 2012).