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The mayor and the city Department of Housing Preservation and Development have released preliminary results (
in pdf
) from the 2002 New York City Housing and Vacancy Survey. The
U.S. Census Bureau
conducts this survey every three years, primarily to determine the rental housing vacancy rate, which must remain below five percent in order for rent regulation to continue.

The vacancy rate, measured between February and June 2002, was 2.94 percent. In the 1999
survey
, the rate was 3.19 percent, although the 2002 data has not yet been weighted to allow accurate comparisons to data from previous years.

"We still face the problems of a serious housing shortage, affordability, and crowding because the city is a desirable place to live," said Mayor Bloomberg in a press release that accompanied the release of the data. He said he supported the rent regulation laws as they exist today. Those laws are set to expire this June, and a heated battle will surround their renewal.

Beyond the rental vacancy rate, the survey offers a vast array of information about housing. The preliminary information currently available (the full tables will be released in about a year,) includes some surprising and revealing things about the city's housing stock.

Just what those numbers reveal, however, might depend on who you ask.

RENT

The survey found that in 2002, the median monthly gross rent was $788 for all units. For non-regulated units, it was $850, an amount that appears incredibly low, even for a housing market that has softened in recent years.

Location is one explanation.

"Most New Yorkers don't live in Manhattan, said Joe Weisbord, staff director of Housing First! , a coalition that promotes solutions to the city's affordable housing crisis. "[The $850 median] probably reflects a lot of apartments in the outer boroughs."

As was reported in Gotham Gazette's Issue of the Week entitled " The Fight Over Rent Control " , another understanding emerges from a recent study by the tenant group New York State Tenants & Neighbors. The study analyzes data from the 1999 Housing and Vacancy Survey and among other things, calculates the median rent, excluding buildings with fewer than six apartments and single-family homes.

"If you include small buildings that have never been regulated, and homeowner neighborhoods in Queens, that's a very different kettle of fish, in terms of their location, their desirability, and in terms of landlord-tenant relationships," said Michael McKee, associate director of New York State Tenants & Neighbors Coalition. "We compare regulated rents and unregulated rents in buildings with 6 or more units, because to be rent-stabilized you need to be in a building with six or more units."

For 1999, their study found that the median monthly rent for rent-regulated apartments was $640. For unregulated apartments, it was $1090. In Manhattan, the numbers were $766 per month for rent regulated apartments and $2000 per month for unregulated apartments.

VACANCY RATES

The 2002 Housing and Vacancy survey found that rental vacancy rates varied by borough. For 2002, Manhattan's rate was 3.86 percent, the highest of the five boroughs.

"Manhattan is really a unique animal, very different from the housing market in the rest of the city," said Jack Freund, executive vice president and chief economist of the Rent Stabilization Association , the city's largest landlord group. "What you are seeing here is that the highest rent levels are in

Manhattan."

Costly apartments tend to be in Manhattan, and the survey found that vacancy rates increased with rent levels. The rate for units asking $1750 per month or more climbed to 9.25 percent. For units asking $2,000 per month or more, the vacancy rate increased to 10.05 percent.

The stumbling economy might have something to do with those increases, but there are other possible explanations.

"There are more of those units coming onto the market, probably because of new construction in high rent units and vacancy decontrol of high rent units," said Freund.

Tenant advocates suggested that vacancy rates also remain high for higher rent apartments because those owners are often willing to keep their units vacant longer in order to find a tenant who is willing and able to pay.

VACANT APARTMENTS

The survey found that 2002 had the highest number of vacant units not available for sale or for rent since 1965, when the first Housing and Vacancy Survey was conducted. About 32 percent were unavailable awaiting or undergoing renovation, the highest number since 1987.

"That's a consequence of owners putting money back into their building, which they are able to do if they get rent increases," said Freund of the landlord group.

But tenant advocates thought renovations were a way for landlords to remove apartments from rent regulation.

"Landlords are spending lots of money on renovating apartments because with vacancy decontrol in effect, if you can get the rent above $2000 a month, you can take it from rent regulations forever," said McKee, of Tenants and Neighbors.

Also, 43,000 apartments, the highest number since the survey started counting them in 1978, were unavailable because of occasional, seasonal, or recreational use. More than six in ten of those apartments were in Manhattan.

Some attributed this to corporations that keep such apartments for the use of occasional corporate guests. But others saw it differently.

"It points out another structural problem with rent regulation that causes people to hold onto apartments even if they don't need them as their prime residence," said Freund. "We know that is a phenomenon that happens with apartments because the rents are so far below markets so you hold onto them even if you don't use them with the result that apartments are less available for the general population."

RENT REGULATION

Almost 22 percent of rent-controlled apartments were occupied by tenants who moved in after 1971, most likely utilizing succession rights. That means that nearly 80 percent of rent-controlled tenants have lived in their apartments since 1971 or before. In most cases, those tenants are now aging or elderly.

The data disproves the popular misconception that many of today's tenants under rent-control are lucky beneficiaries of family members' apartments.

"The reality is you can't just pass on your rent-controlled apartment to your nephew in Arizona," said McKee. "To have the right of succession, the family member has to actually live there. People who try to manufacture a situation that doesn't exist don't get away with it."

However, some see a problem in the long-term habitation encouraged by rent control.

"I think it speaks to the essence of the negative effect of rent control on the market. It takes units out of the housing market and reduces the general availability of housing for the majority of New Yorkers," said Freund.

Tenants in rent-controlled apartments actually seem worse off than their non-regulated counterparts. Their median income was $20,120 in 2001, less than two-thirds the median of all renter households. This can probably be explained by the advanced age and fixed incomes of such tenants.

"In fact, rent control incomes have gone up simply because the really old tenants have died off," said McKee. "In 1970 there were 1.1 million. Today you have 60,000, so it's a program that is being phased out."

HOUSING AND LIVING CONDITIONS: GOOD NEWS AND BAD NEWS

In 2002, housing conditions in the city were the best since the Housing and Vacancy Survey started asking about them. Housing advocates are pleased, but not surprised, by this revelation.

"I think you are looking at a century long trend in terms of improved conditions," said Weisbord of Housing First! "Housing conditions are, in general, extremely good, though there are still pockets of very poor quality housing in NYC."

As an example, the survey found that crowding remained a serious problem in 2002 — 11.1 percent of all renter households were considered crowded - with more than one person per room.

All in all, there are differing conclusions to be drawn from the revelations in the preliminary data.

"I think what is interesting is that housing remains very affordable," said Freund of the Rent Stabilization Association. He noted that the median household paid about 28 percent of their income in rent.

Tenant advocates, instead, focused on the continuing descent of the overall rental vacancy rate. "It is reflective of this very serious shortage that we have and we need to produce a lot of new housing and housing that is affordable for a wide range of income levels," said Weisbord.

Rebecca Webber is a journalist who has covered housing issues for Gotham Gazette since July 2000.