Five Hidden Facts About Housing (An Analysis Of Data From The Housing and Vacancy Survey)

by Andrew Beveridge
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The New York Housing and Vacancy Survey (known to those interested in housing as HVS) is conducted every three years (unless it is a Census year) on commission from New York City's Department of Housing and Preservation. The point of the survey is to determine the rental vacancy rate in New York City. If the vacancy rate should go above five percent it would be the end of rent regulation in New York City, because of a provision in the 1974 Emergency Tenants Protection Act. After the survey is completed, those interested wait for the first release of information, which includes the vacancy rate (in pdf format).

The U.S. Census Bureau recently released the raw data from the 2002 Housing and Vacancy Survey. My analysis of these data revealed some hidden and surprising facts about housing in New York. Here are five such findings:

1. Rent regulation seems to be vanishing in New York faster than many thought. In just three short years, according to an estimate I made, some 90,000 apartments in the city were de-regulated, or about eight percent of the total number of 970,000 stabilized apartments in New York. This estimate takes into account some of the changes in the survey sample between 1999 and 2002. It also only considers those apartments subject to the 1974 Emergency Tenants Protection Act. It excludes those that have been "controlled " as well as apartments in other categories, e.g. Public Housing, loft conversions, etc.

2. Two-thirds of all non-regulated apartments in Manhattan now rent at $2,000 or more. In 1999 this figure was slightly below half. Manhattan also is the borough with the largest drop in stabilized units. The Lower East Side / Chinatown and Greenwich Village were the two neighborhoods in New York City with the highest percentage increases for stabilized apartments. (I only included neighborhoods with enough units in the sample to make comparisons meaningful.) As these trends continue more and more Manhattan apartments can and will be removed from stabilization.

3. In every neighborhood in Manhattan, except for Washington Heights the median rent for those in stabilized apartments is less than three-fifths of those in non-stabilized apartments. For all apartments in Manhattan the stabilized median is 38 percent that of the market rate median. In the Upper West Side, for example, the median rent for those in market rate apartments is $2,500; for those in stabilized apartments the median rent is $924. So those in rent-stabilized apartments in Manhattan enjoy very large subsidies.

4. The largest increase in rents in market rate apartments occurred in the outer boroughs. Specifically Bay Ridge, Park Slope and Bedford Stuyvesant in Brooklyn, Astoria and Woodside /Sunnyside in Queens all saw market rate rents increase by thirty percent or more. These areas are undergoing new construction and renovation of existing structures.

5. In general stabilized and market rent housing was slightly more affordable in 2002 than in 1999. In 1999 exactly half of such renters paid more than 30 percent of their income for

housing, and 26 percent paid more than half. By 2002 , the first such group dropped by one percent (49 percent of such renters paid more than 30 percent of their income for rent), the second group went up one percent (27 percent paid more than half). Mostly, however, this reflects income gains. New York still continues to be one of the most unaffordable housing markets in the United States.

The implications of these findings, of course, can and will be debated by advocates for tenants and landlords. It does seem plain however, that the main beneficiaries of rent stabilization are those living in such apartments in Manhattan, and a few other "hot" neighborhoods. Yet, the trend towards freeing apartments from the ETPA means that more and more of these units will be lost to stabilization in Manhattan as rents are pushed above the $2,000 cut off. In most of the rest of New York City, few stabilized apartments would ever fetch $2,000. Indeed, outside of Manhattan the median rent for stabilized apartments is about 84 percent of the rent of those that are "market rate." At the same time, as more and more Manhattan apartments leave stabilization, fewer and fewer households will be able to afford to live there.

ABOUT THE SURVEY

Because the Housing and Vacancy Survey has the very important purpose of determining whether the system of rent regulation should remain in place, it is carefully designed and carried out by the Census Bureau. The two federal and city agencies put a great deal of effort in constructing a sampling frame of housing units in New York City that matches the housing in the various categories of regulation. About 17,000 units are surveyed. The survey also presents data on a large array of interesting things, including income, education, household structure, and immigration. In many ways it functions as an update to the decennial census. Unlike the census, though, it is conducted by personal interview. Each unit that is initially judged vacant is subject to further screening both to find out if it is truly vacant, and if it is vacant whether or not it is truly available to be rented. The vacancy rate is based not upon total units, but rather upon total units that are vacant and available to be rented. Eventually a comprehensive report will be issued by Department of Housing and Preservation, which is usually entitled Housing New York City. Before that report is released, the data themselves are made available to researchers.

Because the 2002 survey uses a sample based upon the 2000 Census and the 1999 Survey is based upon the 1990 Census simple comparisons become more difficult. To make my estimate of the change in the number of stabilized units, I adjusted the 1999 survey based upon results from the 2000 Census compared to the 2002 Vacancy survey. During the summer of 2004, the Census plans to provide data reweighted so that they are based upon the 2000 Census for all of the surveys conducted since 1993. At that point we can assess how accurate were my estimates.

Andrew A. Beveridge has taught sociology at Queens College since 1981, done demographic analyses for the New York Times since 1993, and provides expert testimony on a range of cases, including housing discrimination. The opinions expressed are his alone.