



New York City Comptroller  
John C. Liu

NEWS RELEASE

PR12-09-102

Contact: Matthew Sweeney, (212) 669-3747

September 19, 2012

Page(s): 3

\*\*\*\*\*

## LIU: HIGH RENTS HOLD CITY’S MIDDLE CLASS UNDER SIEGE

### *Rents Rise as Incomes Stagnate*

\*\*\*\*\*

NEW YORK, N.Y. – City Comptroller John C. Liu today announced a new housing study, “Rents through the Roof,” that found middle-income New Yorkers are increasingly being squeezed by rising rents. Unfortunately, however, they can expect little relief from existing plans to create affordable housing.

The percentage of New Yorkers paying unaffordable rent has increased significantly over the past decade. Despite their particularly precarious situation, middle-income renters find little hope in existing local and federal efforts to create affordable housing. The City’s affordable-housing plan only delivered about one-third of the promised units that were targeted for middle-income earners. Although the downturn in the housing market is partly to blame for this shortfall, the study found that the increased emphasis on preservation versus new construction played a significant role.

“Unaffordable rents threaten to drive the middle class out of the City,” Comptroller Liu said. “Working families should not be forced to leave town or live in inferior housing. We need to invest more in affordable housing for middle-income renters so that our City is not only home to the very wealthy and the very poor but also to the vast majority of New Yorkers who fall in between.”

New Yorkers are all too familiar with high rents and the need to create affordable housing for low income families. But it is less well known that middle-income earners, more than two-thirds of whom are renters, feel the lack of affordable housing most acutely. And the pressure on them is *growing*.

Federal benchmarks deem rent unaffordable when it costs 30% or more of household income, and almost half of all New York City renters pay rent that is unaffordable by those federal standards. But well-off New Yorkers can afford to pay the freight, while poorer New Yorkers can avail themselves of a variety of safety-net programs.

Middle-income New Yorkers, making \$35,000-\$75,000, are caught between skyrocketing rents and stagnant incomes – a situation that has worsened over time. In 2000, 23% of the City’s rental units were unaffordable to median-income households, but that figure skyrocketed to 38% by 2010.

Even in Queens and Staten Island, traditional redoubts of the middle class, fully 44% of middle-income earners pay unaffordable rents, the data show.

-more-

The analysis of the latest housing and income data found that:

- 30% of New Yorkers spend more than half of their income on rent.
- 49% of New Yorkers pay rent that is considered a severe burden by the U.S. Department of Housing and Urban Development, up from 41% in 2000.
- The City’s median household income, \$50,886, has remained flat since 2000, when it was \$50,539, but the City’s median rent rose significantly from \$853 to \$1,004. (Measured in 2010 dollars)
- 69% of middle-income households are renters.
- 38% of the City’s existing rental units are unaffordable to middle-income New Yorkers — up sharply from 23% in 2000.

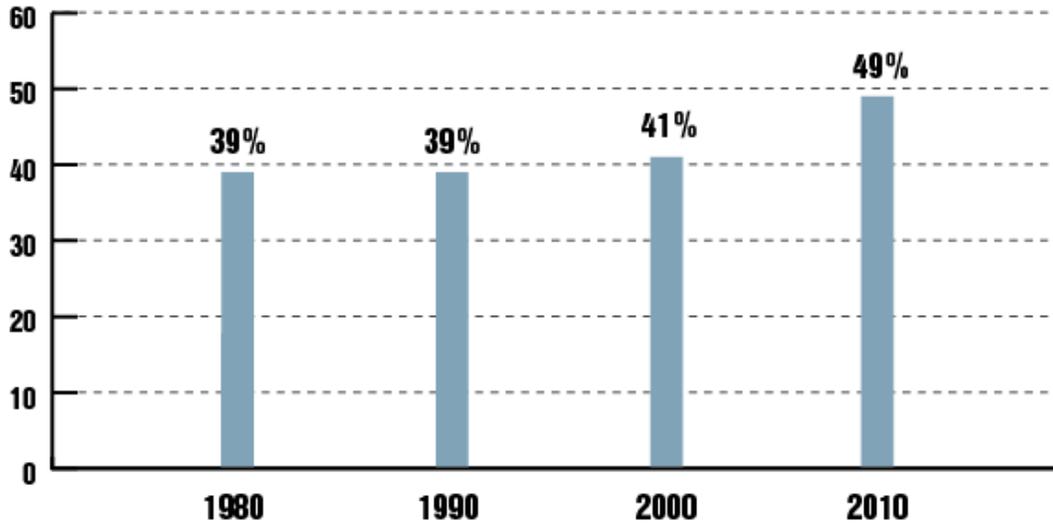
<b>Median Rent and Median Income, 1980-2010</b>				
	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>
<b>Median Contract Rent (2010\$)</b>	\$628	\$779	\$853	\$1,004
<b>Median Household Income (2010\$)</b>	\$40,645	\$51,865	\$50,539	\$50,886

Middle-income renters are under significantly more pressure in New York City than they are elsewhere in the U.S. Among renters earning \$35,000 to \$75,000, 38% of New Yorkers pay unaffordable rent compared to 26% in the U.S. By contrast, the percentage of New York renters paying unaffordable rents in the low- and high-income brackets is nearly on par with the rest of the nation.

	<b>Percentage Paying Unaffordable Rents</b>					<b>NYC</b>	<b>U.S.</b>
	<b>Bronx</b>	<b>Brooklyn</b>	<b>Manhattan</b>	<b>Queens</b>	<b>Staten Island</b>		
<b>Low Income, &lt;\$35,000</b>	83%	84%	80%	91%	84%	84%	79%
<b>Middle income, \$35,000-\$75,000</b>	25%	36%	45%	44%	44%	38%	26%
<b>High income, &gt;\$75,000</b>	2%	5%	12%	4%	5%	7%	4%

Rents have been expensive in New York City for a long time. From 1980 to 2000 roughly 40% of New Yorkers were paying rents that are considered unaffordable — a percentage was consistent until the last decade. Between 2000 and 2010 the percentage New Yorkers paying unaffordable rents rose from 40% to 49% or nearly half of all renters.

**Percentage of New Yorkers Paying Unaffordable Rents**



The full report is available at <http://www.comptroller.nyc.gov/>.

###