



New York City Comptroller
Scott M. Stringer

NEWS

PRESS RELEASE

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NYC COMPTROLLER STRINGER REPORT REVEALS NEW DATA ON THE GROWING CRISIS IN AFFORDABLE HOUSING IN NEW YORK CITY

**Apartment Rents in New York City Skyrocket as Real Incomes Declined;
Low Income Households Spend Over 41% of Income on Rent**

NEW YORK, NY—Housing in New York City became less affordable since 2000 as median apartment rents rose by 75 percent while real income declined, according to new research and analysis presented in “The Growing Gap: New York City’s Housing Affordability Challenge,” a report issued today by New York City Comptroller Scott M. Stringer.

“Despite multi-billion dollar initiatives to expand the affordable housing stock in New York City, apartments have become more expensive across every income level with the working poor disproportionately affected,” Comptroller Stringer said. “It is critical to understand our City’s housing landscape so that we can target the next investment of resources. New York City’s position among global cities will be defined by how well we respond to this crisis.”

Stringer’s wide-ranging report is a snapshot of the state of New York City’s housing ecology. The report examines the effect of demographic and economic trends in the City’s housing market, focusing on affordability, population growth, the centrality of public housing, costs of homeownership, homelessness, and rent regulation.

The report’s findings include:

- A 75 percent increase in median apartment rents in New York City since 2000, 31 percent higher than the rest of the U.S. Over the same period, median real incomes of New Yorkers declined by 4.8 percent as the nation struggled to emerge from two recessions.
- Housing affordability decreased for renters in every income group during this period, with the harshest consequences for poor and working New Yorkers earning less than \$40,000 a year.

- Five areas, Chelsea and Clinton and Midtown, Brooklyn Heights and Fort Greene, Williamsburg and Greenpoint, Greenwich Village and Financial District and Park Slope and Carroll Gardens, accounted for 40,000 of the 43,000 net additional households earning \$100,000 or more.
- Nearly 360,000 apartments renting for \$400 to \$1,000 per month (in 2012 dollars) disappeared during the 2000 to 2012 period. The real median rent jumped from \$839 to \$1,100 in that same period, a 31 percent increase.
- For low-income households, housing costs have gone from bad to worse. In 2000, renters earning between \$20,000 and \$40,000 were spending one third of their income on rent. Twelve years later, that group spent over 41 percent on average. This group's housing circumstances have become more precarious even though their labor force participation rates have soared.

Stringer's report identifies five areas of focus for policymakers:

1. **Alleviate the crushing affordability squeeze on low-income working families.** Working families at the bottom end of the ladder – those making less than \$40,000 a year -- have seen their incomes stagnate, while the supply of rental apartments affordable to them is rapidly evaporating. Programs need to be geared to the specific income needs of this burgeoning group.
2. **Invest in the stability and preservation of the New York City Housing Authority.** The intensity of the City's low-income housing situation reinforces the essential role played by NYCHA, as well as the need for greater investment in public housing by every level of government. The cost of rehabilitating a single NYCHA unit is estimated at less than one-third the cost of constructing a new unit.
3. **Adopt a new mix of policies to reverse the alarming increase in homelessness.** The City's shelter population currently stands at more than 52,000, including over 22,000 children – an historic high. New strategies are needed to minimize the human and budgetary costs of a shelter system bursting at the seams.
4. **Repair the rent regulation system.** New York's rent regulated housing stock is losing covered units at a faster rate than they are being replaced. One of the City's greatest housing challenges in the next decade will be to find ways to preserve existing housing stock or replenish it through new construction.
5. **Address the special housing needs of the elderly and disabled.** The demographic shift in the City's low-income population towards the elderly will only grow as more Baby Boomers reach retirement age. Many in this age group are homeowners and may need specialized services that allow them to remain in their homes.

“For New York City to remain a global financial center and hub for innovation in the 21st century, we must find ways for people to afford to live here. In the modern era, there has been a

crisis of affordability, but the conditions and the demands of that crisis have changed. We have begun to define the issues, now begins the work to provide affordable housing at all levels of the economic spectrum,” Stringer said.

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