

The City of New York
Michael R. Bloomberg, Mayor

Department of Housing
Preservation
and Development
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Housing New York City 1996

Report Summary

September 1999

****The following is a Report Summary of the 1996 Housing and Vacancy Survey. The complete analysis, "Housing New York City 1996," along with a color wall map of the City, can be purchased at the New York CityStore for \$30.****

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Introduction

Findings of each substantive chapter of this report are summarized in the following sections of this chapter. This summary highlights the major findings of the study without the details and qualifications that are included in presenting and discussing them in the sections of the report where they are fully covered. The general purpose of this chapter is to provide readers with salient structural and functional characteristics of the New York City housing market and major prevailing issues the market has faced and to enable readers to acquire quickly an overview of the basics of these characteristics and issues. However, it is important to realize that the findings presented in this summary are the result of a consideration of all the detailed evidence; thus, it is necessary to review all the data and data analyses in order to get a fuller picture of the structure of the City's housing market and how it functions and a fuller appreciation of the issues.

Residential Population and Households

Changes in the Population

The number of people living in residential units in New York City stood at 7.230 million in 1996, an increase of 112,000 over the population of 7.119 million in 1993. During the nine-year period between 1984 and 1993, the population increased by an average 0.3 percent annually. This long-term upward trend of population growth has continued, showing an even higher rate of increase of 0.5 percent annually since 1993.

Locational Distribution of the Population

Manhattan, which gained population by 70,000 between 1993 and 1996, captured almost two-thirds of the citywide net growth for the three years. Queens also had a large share of the population increase in the City, with its population growing by 55,000. The population in the Bronx and Staten Island also increased by 17,000 and 13,000 respectively. On the other hand, Brooklyn experienced a drop of 43,000 persons.

Racial and Ethnic Composition of the Population

In 1984, almost half of all individuals in the City were white. But, in 1993, whites were just above 40 percent of the population; in 1996, they were less than 40 percent. The relative share of blacks grew until 1993: they accounted for one-quarter of the citywide population in 1984 and 27.8 percent in 1993. But between 1993 and 1996, their share declined slightly to 26.5 percent. Puerto Ricans accounted for 11.8 percent of the citywide population in 1984; they declined slightly, in the following nine years, to 10.7 percent in 1993, and remained constant in the following three years. On the other hand, non-Puerto Rican Hispanics gained steadily in their share of the citywide population over the years, going from 8.1 percent in 1984 to 12.9 percent in 1993 and 14.2 percent in 1996. The share of Asians has also kept up its growth since 1987, rising from 4.4 percent to 7.8 percent in 1993 and 8.9 percent in 1996.

Educational Attainment of the Population

New Yorkers have made significant improvements in their level of educational attainment in recent years. In 1991, only 22.7 percent of adults had college degrees; this increased to 24.3 percent in 1993 and to 25.7 percent in 1996. Similarly, the proportion of adults who did not graduate from high school decreased from 27.8 percent in 1991 to 25.6 percent in 1993 and further to 24.7 percent in 1996. The improvement was repeated for whites, blacks, and Puerto Ricans, but not for non-Puerto Rican Hispanics or Asians.

Households by Tenure

The number of households in the City was 2.780 million in 1996. Renter households outnumbered owner households by seven to three. Between 1993 and 1996, the number of renter households decreased by 24,000, while the number of owner households increased by 29,000, although the relative share of renters and owners remained almost the same.

Households by Rent Regulation Status

In 1996, of the 1.946 million renter households in the City, more than half lived in rent regulated units: rent stabilized units (52.1 percent) and rent controlled units (3.6 percent). Another one in six renter households lived in public housing (8.5 percent), Mitchell-Lama (3.6 percent), in rem (1.2 percent), and "other" rent regulated (3.0 percent) units. On the other hand, close to three in ten of all renter households (28.0 percent) occupied unregulated, market-rent units.

Households by Type of Ownership

Of the 834,000 owner households in the City in 1996, almost two-thirds occupied conventional one- or two-family housing units, while almost one-quarter lived in cooperatives and the remainder lived in condominiums (5.3

percent) or Mitchell-Lama cooperatives (6.1 percent).

Households by Race and Ethnicity

The relative proportion of renter households for each racial and ethnic group typically outnumbered the proportion of owner households by approximately 3 to 2 for whites, 3 to 1 for blacks, 7 to 1 for Puerto Ricans and non-Puerto Rican Hispanics, and 2 to 1 for Asians.

Household Size

The average size of all households in the City was 2.60 persons in 1996. The proportion of single-person households, 33.2 percent in 1996, has remained constant since 1991. The proportion of such households was 35.8 percent for renters and 27.0 percent for owners. However, more than one in five households in the City were large households, with four or more persons.

In Manhattan, the average size of all households was only 2.14 persons; and, unlike the other boroughs, owner household size there was smaller than renter household size, 1.94 persons versus 2.19 persons. The size of all households in Staten Island, 2.88 persons, was the largest of all boroughs, as was the size of owner households in the borough, 3.22 persons.

In 1996, the household size of non-Puerto Rican Hispanics, 3.35 persons, was the largest of any racial and ethnic group. The household size of Asians, 3.25 persons, was the second largest. The household sizes of the other racial and ethnic groups were 2.86 persons for blacks, 2.71 persons for Puerto Ricans, and 2.17 persons for whites.

Of renter households in 1996, in rem household size was the largest, 3.21 persons, considerably larger than any other renter household group and larger than households in conventional one- or two-family housing units. Rent controlled units, at 1.80 persons, housed the smallest households.

The average size of owner households was 2.75 persons in 1996. Households occupying conventional one- or two-family housing units were the largest, 3.12 persons, while households in private cooperatives were the smallest, 1.95 persons, even smaller than the average renter household size of 2.54.

Household Composition: Household Type

Over the course of the more than ten years between 1984 and 1996, the number of elderly households has steadily declined. The proportion of elderly households, renter and owner households combined, was 12.7 percent in 1984; it was 10.9 percent in 1993 and 9.9 percent in 1996.

Among owner households, there was an upward trend in the proportion of single adult households, from 9.4 percent in 1984 to 12.9 percent in 1991 and 13.8 percent in 1996. Also, there was a considerable increase in the proportion of single elderly owner households, from 9.8 percent in 1984 to 12.0 percent in 1991 and 13.2 percent in 1996; but there was a decline in the proportion of elderly owner households from 20.6 percent in 1984 to 17.9 percent in 1996.

In 1996, two-thirds each of single elderly and elderly households were white. On the other hand, almost nine out of ten single adult with minor children households were either black (45.2 percent), Puerto Rican (22.4 percent), or non-Puerto Rican Hispanic (18.6 percent).

Single elderly households alone occupied almost half of rent controlled units; together with elderly households, they occupied close to two-thirds of rent controlled units. The two elderly household groups occupied more than one-third of all Mitchell-Lama cooperatives: single elderly households, 23.0 percent, and elderly households, 12.5 percent.

Immigrant Households (Birthplace of Householder)

The proportion of householders in the City who were born in the United States has been on a downward trend over the past years. In 1996, 54.8 percent of the householders in the City reported that they were born in the United States, down markedly from 63.2 percent in 1987.

On the other hand, householders born in the Caribbean and Latin America increased from 8.8 percent and 3.6 percent respectively in 1987 to 12.5 percent and 6.0 percent in 1996. Also, householders born in Asia grew from 3.9 percent to 6.5 percent during the same nine-year period.

Householders who had moved into their current units in the City from other parts of the United States were the best educated: almost three-fifths of them had finished college, and more than nine out of ten had finished at least high school. Using the proportion of householders whom had finished college as a measure of educational attainment, recent immigrant householders had a higher educational attainment (39.1 percent) than recent movers within the City (28.7 percent).

Doubled-Up Households (Sub-Family and Secondary Individual Households)

In doubled-up households in 1996, there were about 137,000 sub-families and about 202,000 secondary individuals, indicating that this many hidden households were counted as parts of other households. About 90,000 of these sub-families and 170,000 of these secondary individuals were renters.

There were about 24,000 very low-income (less than \$15,000 a year) sub-families in crowded renter households; their median income was \$2,808 in 1995. Just a little more than one-third of these sub-families had earnings from employment, and their median income was \$8,180, or 28 percent of the household income. About a quarter of these sub-families received public assistance, and their median income in 1995 was \$4,656, which was 18 percent of the household income. About three out of ten of these sub-families did not have any income, either from earnings or public assistance. More than half were not in the labor force, and the two main reasons given were family-/child-care-related (34.0 percent) and school-related (25.1 percent) reasons. About two-thirds (16,000) were single parents, and almost all of these were females. The median age of these female single parents was 27 years. Close to half of these had not finished high school.

There were 22,000 very-low-income secondary individuals in crowded renter households, with a median income of \$8,000 for males and less than \$1,000 for females in 1995. A little more than three-fifths had incomes from employment, and one-third had no sources of income. Almost four in ten had not finished high school.

In 1996, there were about 10,000 very-low-income sub-families (7,000) and secondary individuals (3,000) in crowded renter households with very high rent burdens (a rent-income ratio of 50 percent or more) in the City. Most of these sub-families and secondary individuals were definitely doubled-up due to the serious gap between the rent they could afford to pay and the rent of available units.

Household Incomes in New York City

Changes in Household Incomes by Tenure

The median household income in current dollars for all households in New York City increased significantly from \$25,624 to \$29,600, or by an annual compound rate of 4.9 percent, between 1992 and 1995. Even after adjusting for inflation, incomes improved by an annual compound rate of 2.2 percent.

The median renter household income in current dollars increased from \$20,800 to \$23,892, or by an annual compound rate of 4.7 percent. Real renter income (income after inflation) increased by an annual compound rate of 2.0 percent. The median owner household income increased from \$44,000 to \$48,562, or by an annual compound rate of 3.3 percent before adjusting for inflation and by 0.7 percent after inflation.

The considerable increase in median income for households as a whole in the City was consistent throughout the income quintile groups, except for the lowest 20-percent income group. In 1996, in this income group, 83.2 percent of households had no workers. Thus, the primary reason for no improvement in household incomes in the lowest quintile was that most members of these households had no earned income, while public assistance and other public aid, the main sources of these households' incomes, did not keep pace with even modest real gains in earnings.

Distribution of Household Incomes

In 1995, almost three in ten households had incomes lower than \$15,000, which is not much higher than half (\$14,800) of the HVS median household income of \$29,600. Of renter households, more than a third had incomes below \$15,000. Households with such an income level could only pay about \$413 a month for rent, if paying no more than a third of the household income for housing is used as a reasonable measure of affordability. The median gross rent for all rental units, including public housing and in rem units, was \$640.

As a result of the differential income distribution for renter and owner households, only a little more than four in ten renter households had incomes higher than \$30,000, which is slightly higher than the median income of all households (\$29,600), while seven in ten owner households had such incomes.

Changes in Median Household Incomes by Borough

Between 1992 and 1995, real household income in Queens increased substantially from \$32,116 to \$35,000, a 9.0-percent increase, much higher than the citywide increase of 6.8 percent and the highest among the boroughs. In Queens, the real median renter household income increased at an even higher rate, 11.8 percent, almost double the increase of 6.2 percent for renter households in the City as a whole. At the same time, the increase in real median owner household income in the borough was 5.5 percent, more than 2.5 times the increase of 2.1 percent for all owner households in the City.

The real median income for renter households in Manhattan improved by 8.4 percent, while owner household real median incomes increased by 1.9 percent, between 1992 and 1995. The consequent improvement in the median real income for all households in Manhattan was 7.9 percent, from \$32,440 to \$35,000.

Real median household incomes in the Bronx increased slightly from \$19,464 to \$20,000, or by 2.8 percent, between 1992 and 1995. Renter household income in the borough increased by 5.1 percent, while the median income for owner households remained practically the same.

In Brooklyn, the real median income for all households fell by 2.7 percent, from \$24,654 to \$24,000, while the median income for renter households declined by 2.8 percent (Brooklyn was the only borough where renter income dropped) and the median income for owner households did not change.

In Staten Island, the real median income for all households declined by 2.0 percent, going from \$43,686 to \$42,800, while for owner households it remained virtually the same. However, the real median income for renter households increased considerably by 5.7 percent.

Median Household Incomes by Rental Categories

The real median incomes of households residing in the two housing categories, rent controlled and Mitchell-Lama, where elderly households are concentrated, declined substantially. Between 1992 and 1995, the real median income for these households in rent controlled units dropped by an overwhelming 13.6 percent, from \$15,541 to \$13,428, while that for Mitchell-Lama households declined by 8.0 percent, from \$21,735 to \$20,000.

The real median incomes of households in the two heavily subsidized housing categories, public housing units and in rem units, which have provided affordable housing primarily for very poor households, did not change much. Specifically, the real median income of public housing households, \$9,083 in 1992 and \$9,000 in 1995, remained virtually the same, while the real median income of in rem households, which was the lowest in both

years, increased only very slightly, from \$8,110 to \$8,400.

On the other hand, the real median incomes of households in the two unregulated rental categories increased substantially between 1992 and 1995: by 10.4 percent, from \$27,168 to \$30,000, for unregulated units in rental buildings; and by 9.5 percent, from \$39,252 to \$43,000, for unregulated units in cooperative and condominium buildings.

Real median household incomes improved modestly for households in rent stabilized units by 3.7 percent during the three years, going from \$24,438 to \$25,350. However, the rates of real median income increase for the two subgroups in this category were widely different: a mere 2.2-percent increase, from \$23,487 to \$24,000, for households in stabilized units built before 1947, but a considerable 6.8-percent increase, from \$28,547 to \$30,500, for households in such units built in 1947 or later.

The most pronounced increases in renters' real incomes occurred in households in rented cooperative and condominium units, particularly among those occupants who moved in between 1993 and 1996. Their 1995 median income was 24.2 percent higher than the real median income of the 1993 occupants. On the other hand, the steepest declines in renters' real incomes occurred in both in-place households in rent controlled (19.1 percent) and Mitchell-Lama (15.3 percent) units and replacement households in the following four types of subsidized units: Mitchell-Lama (16.9 percent), "other" regulated (14.6 percent), in rem (13.0 percent), and public housing (10.6 percent).

Median Household Incomes by Race and Ethnicity

Real incomes for all racial and ethnic groups increased between 1992 and 1995. Among the groups, the median income of Puerto Rican households was lower than the citywide median and the lowest of all racial and ethnic groups in both 1992 and 1995, but it increased the most, by 12.5 percent, going from \$15,139 to \$17,028. The median income for Asian households was substantially higher than that for all households in both 1992 and 1995 and was equal to that of white households, which was the highest of all racial and ethnic groups in 1995. Asian household median income increased by 7.2 percent, from \$34,062 to \$36,500. The median income for non-Puerto Rican Hispanic households was considerably lower than the median income for all households in both years but increased considerably by 6.2 percent, from \$22,052 to \$23,424.

Increases in the real median incomes of white and black households were very modest. For whites, it increased by 2.6 percent, from \$35,572 to \$36,500, while the median income for blacks, which was lower than the median income for all households, increased by 2.2 percent, from \$23,789 to \$24,312.

The rate of increase in real median owner household income was lower than for all and for renter household incomes, except for Asians. The median income for Asian owner households was higher than that of all owner households and that of any other major racial and ethnic owner group, including whites. Their median income increased by 11.0 percent, from \$50,537 in 1992 to \$56,100 in 1995, which is about five times the rate of increase for all owner households.

The median income for Puerto Rican owner households was not the lowest among all racial and ethnic owner households. Median incomes for Puerto Rican and non-Puerto Rican Hispanic owner households each increased by 4.0 percent, from \$43,253 to \$45,000 for both groups. The real median income for white owner households increased slightly by 2.5 percent, from \$48,768 to \$50,000, while for black owner households it remained virtually constant, \$43,253 in 1992 and \$43,000 in 1995.

Household Income by Employment and Educational Attainment

Two factors, the number of employed persons per household and the average income of each employed person, explain how household incomes are structured for different racial and ethnic households. The median incomes for white and Asian households in 1995 were the same, \$36,500, but for different reasons. For whites, the average number of employed persons (1.06) was far less than for Asians (1.55), but the median income for white individuals was 50.2 percent higher than the median income for Asian individuals. This logic holds true in

understanding differences in the median incomes of other racial and ethnic groups compared to each other.

The average number of employed persons in owner households was considerably higher than the number in renter households for every racial and ethnic group, and this is one of the major reasons why median owner household incomes are substantially higher than median incomes for renter or for all households.

Among individuals who had full-time jobs in each racial and ethnic group, the median income was higher for individuals with higher educational attainment.

Sources of Household Income by Race and Ethnicity

For 68.6 percent of households in the City, earnings were the primary source of income in 1995. For almost a quarter of the households in the City, either Social Security (13.9 percent) or cash public assistance (9.8 percent) was the primary source of household income.

In 1992, for 53.0 percent of Puerto Rican households, earnings were the primary source of income; in 1995, it was 57.7 percent, an increase of 4.7 percentage points and the largest increase among racial and ethnic groups. At the same time, the proportion of Puerto Rican households with public assistance as the primary source of income declined from 31.2 percent to 27.2 percent. During the same three-year period, the median income of Puerto Rican households increased substantially by 12.5 percent, the highest increase among all racial and ethnic groups.

Sources of Household Income by Household Type

The median income of single adult with minor children households increased by 7.0 percent between 1992 and 1995. This increase is the consequence of more income from employment than from anything else. In 1992, 44.3 percent of such households reported earnings as their primary source of income. The proportion increased by 2.0 percentage points to 46.3 percent in 1995. On the other hand, the proportion of this household group whose primary source of income was cash public assistance declined by 2.6 percentage points, from 45.8 percent to 43.2 percent. During the same period, the proportion of aggregate income from earnings for this type of household increased by 2.2 percentage points, from 73.3 percent to 75.5 percent, while the proportion of aggregate income from cash public assistance declined slightly.

Contrarily, the increase of 4.1 percent in the median household income for the elderly household group was not the result of their obtaining more income from earnings between 1992 and 1995. The proportion of elderly households whose primary source of income was earnings decreased by 3.3 percentage points, from 41.4 percent to 38.1 percent. Also, the proportion of this household group whose primary source of income was Social Security declined slightly. On the other hand, the proportion of these households whose primary source of income was a pension or public assistance increased by 2.3 percentage points and 1.9 percentage points respectively.

Poor Households (Households with Incomes below the Federal Poverty Level)

In 1995, the poverty rate in the City was 20.6 percent. In 1992, it was 20.8 percent. In 1995, 26.3 percent of renter households were poor, as in 1992. On the other hand, the proportion of poor households among owners was 7.5 percent in 1995 and 7.4 percent in 1992.

In 1995, the poverty rate for Puerto Ricans was 37.6 percent, a substantial decline of 5.5 percentage points from 43.1 percent three years earlier, although their poverty rate was still the highest among all racial and ethnic groups, as in 1992. This decline is clearly a consequence of the substantial improvement in their income earned from employment.

All poor households included about 612,000 children (under the age of 18) living below the poverty level.

In 1996, there were about 133,000 poor single-female-headed households with children. More than nine out of

ten were renters. Of these householders, only 53.8 percent had graduated from high school; only 27.9 percent were in the labor force, and their median household income was only \$5,202. More than four-fifths of these householders were either black (37.9 percent), Puerto Rican (25.2 percent), or non-Puerto Rican Hispanic (19.4 percent).

More than half of poor householders in the City was born outside the United States. Almost half of poor householders did not graduate from high school; only a little more than one in ten graduated from college.

Cash-Public-Assistance-Recipient Households

Of all households in the City, 19.2 percent received cash public assistance in 1996, a slight increase from the 17.5 percent that did in 1993. Of all poor households in the City, only 57.2 percent received cash public assistance in 1996.

More than half of the heads of public-assistance-recipient households in 1996 did not graduate from high school. Almost three-quarters of the heads of public-assistance-recipient households were not in the labor force.

Labor Force Participation, Occupational and Industrial Patterns

The labor force participation rate in the City remained virtually constant for the three-year period between 1993 and 1996. In 1996, 59.2 percent of individuals in the City were in the labor force. This means that about two out of five New Yorkers over the age of 15 were neither working nor looking for work.

According to the 1996 HVS, 35.8 percent of individuals reported that they were not in the labor force because they had retired. Additionally, almost two in five individuals were not in the labor force due either to family responsibilities, including childcare (17.0 percent), or to school or training (22.7 percent); another 15.5 percent were not working because they were in ill health or had a physical disability.

The labor force participation rate in the City for individuals who did not graduate from high school was only 58.6 percent in 1996; but, for individuals who did graduate from high school, it was 75.3 percent, 16.7 percentage points higher. For individuals with college degrees or education beyond that, the rate was extremely high: 88.3 percent.

In 1996, whites had more jobs in the occupational categories (such as professional and management) that had better than average pay, while non-white individuals had more jobs in the service and operator categories, which had lower earnings.

Across the board, the level of educational attainment was the most enabling indicator of job security and of better occupations and industries in term of earnings.

New York City's Housing Inventory

Changes in the Overall Size of the Housing Inventory

The number of housing units in New York City totaled 2,995,000 in 1996, up by 18,000 from 2,977,000 in 1993. During the four-year period from 1987 to 1991, the number of housing units rose by 141,000, or by 4.9 percent, from 2,840,000 to 2,981,000. However, from 1991 to 1993, there was no appreciable change in the number of residential accommodations. But, in the next three years, through 1996, the creation of housing accommodations in the City began to grow.

Overall Changes in Components of the Inventory

In the City, 53,000 housing units were added to the inventory between 1993 and 1996. Most of these additions came from 30,000 returned losses, 16,000 newly constructed units, and about 7,000 conversions from non-residential to residential use and from larger residential units broken up into smaller ones. During the same period, 36,000 housing units were lost. As a result, the City had a net gain of 18,000 housing units in the three-year period.

Declining Losses

The number of housing units lost in New York City between 1993 and 1996 was the smallest since 1975. During this three-year period, 36,000 units, or an annual average of 12,000 units, were removed from the active housing stock, a steep decline of 36.8 percent from the annual average of 19,000 units lost between 1991 and 1993. This was a remarkable recovery, compared to the 35.7-percent increase in average annual losses from 14,000 in the 1984-1987 period to 19,000 in the 1991-1993 period. HVS data on losses between 1987 and 1991 are not available, since the 1991 HVS used a new sample drawn from the 1990 census.

Almost half of the losses in the City between 1984 and 1987 were through mergers (the consolidation of smaller units into larger ones), while most of the remaining losses were through either units that were boarded-up/damaged by fire, usually termed "abandoned" units (21.1 percent), or units that were converted to non-residential units (16.9 percent). Proportionally, a similar pattern was maintained in more recent years. In the 1993-1996 period, 53.7 percent of units lost were lost through mergers.

Returning Losses

Previously lost units returned to the active housing inventory through gut rehabilitation or changes in use or in physical characteristics have accounted for the largest component of all the additions to the housing stock in the City over the years. Particularly, for the 1984-1987 period and again for the 1993-1996 period, returned units were the majority of additions and represented a much more substantial contribution to the housing stock than that of newly constructed units.

A disproportionately large number of housing units, 30,000, or almost eight in ten, lost from the housing inventory between 1990 and 1993 were returned to the inventory between 1993 and 1996. An additional 15,000 units lost between 1970 and 1987 and not returned through 1987, were returned to the inventory between 1993 and 1996 through various return mechanisms. The 30,000 units returned to the stock, as estimated by the main 1996 HVS alone, were close to double the number of newly created units: 16,000. Furthermore, when combined with the number of returned units from 1987 inventory losses, the total number of 45,000 returned units was close to three times that of newly created units.

Through various HPD gut rehabilitation programs alone, 11,216 units were created and returned to the housing inventory during the period of three years and one month between June 1993 and July 1996, which closely corresponds to the period of time between the completion of the 1993 HVS and the completion of the 1996 HVS. In addition, during the period between July 1993 and June 1996, HPD approved \$356.3 million worth of J-51 tax abatements for 229,704 units for gut rehabilitations and major repairs that could enable many previously lost units to return to the active housing inventory.

Location of Returned Units

About two-fifths of the returned units found in the main 1996 HVS were in Brooklyn, while about a quarter were in Manhattan. Another third were in either Queens (19.1 percent) or the Bronx (13.7 percent).

Two-fifths of the units returned between 1993 and 1996 from 1987 inventory losses were located in Manhattan, while half were in either Brooklyn (30.2 percent) or the Bronx (20.2 percent). The proportion of returned units in Queens from 1987 inventory losses was 9.0 percent.

Previous Status of Returned Units

More than half of the returned losses from the 1990-1993 inventory were decoupled units which had been reported in 1993 as small units merged into larger ones. Another quarter of returned units came from units reported in 1993 as residential units converted to non-residential use, while one in eight came from units that had been boarded-up or burned out in 1993.

Unlike returned units from 1990-1993 losses, "merged" was not the previous status of any returned units from 1987 losses. About one-third of the units returned between 1993 and 1996 from the 1987 losses had been in the middle of rehabilitation or construction, while a quarter had been reported to be boarded up or burned out in 1993. Another little more than a quarter of such returned units were found to be residential units converted to non-residential use in 1993.

Newly Constructed Units

The level of new residential construction in the City declined in 1991 to 7,639 units from a fairly steady pace of 13,000 units a year between 1986 and 1990. The level of new residential construction dipped further in 1993 to 5,512 units. However, starting in 1994, the number of newly constructed units in the City increased noticeably to 6,964 units in 1994 and to 7,248 units in 1995. Particularly in the Bronx and Brooklyn, the increase was not only substantial but also sustained from 1994 through 1996, the last year for which data on new residential construction were available.

Changes in the Inventory by Tenure and Occupancy

The increase of about 18,000 housing units in the City between 1993 and 1996 resulted exclusively from an increase in the owner sector that outnumbered the decrease in the rental sector. Between 1993 and 1996, the number of rental accommodations declined by 13,000, while the number of owner accommodations increased by 32,000. However, the rental stock still dominated overwhelmingly the overall housing stock in the City in 1996, which was about two-thirds rental units, with the remaining one-third being either owner units (28.6 percent) or vacant units not available for sale or rent (3.7 percent).

The net decline of 13,000 in the number of rental units was a consequence of the combination of a decline of 24,000 occupied rental units and an increase of 11,000 vacant rental units. On the other hand, as the supply of owner housing units increased by 32,000, the utilization of this stock also increased by 29,000 owner-occupied units. As a result, the rise in the number of vacant owner units was not appreciably high.

The Inventory by Location

In 1996, of all 2,995,000 housing units in the City, almost three in ten, or 876,000 housing units, were in Brooklyn (29.2 percent), while 775,000, or a quarter, were in Manhattan (25.9 percent) and another quarter, or 751,000 units, were in Queens (25.1 percent). Of the remainder, about one in seven, or 447,000 units, were in the Bronx (14.9 percent) and one in twenty, or 146,000 units, were in Staten Island (4.9 percent).

Changes in the Rental Inventory by Rent Regulation Status

Rent controlled units in the City numbered 71,000, or 3.6 percent of occupied rental units, in 1996. They housed 127,000 individuals, or 1.8 percent of the population. The number of rent controlled units declined by 31,000, or by 30 percent, from 101,000 units in 1993.

In 1996, 1,052,000 rent stabilized units, occupied and vacant together, the largest single category of rental housing, comprised 51.9 percent of the 2,027,000-unit rental stock in the City. This represents a slight increase of 4.3 percent since 1993, when the number of rent stabilized units was 1,009,000. Rent stabilized units housed 2,441,000 individuals, or 33.8 percent of the population, in 1996.

The number of in rem units declined by 30.4 percent, or from 36,000 to 25,000 units, between 1993 and 1996. This dramatic decline resulted mostly from HPD's effective disposition policy to return the units to the private

sector, as part of the agency's comprehensive anti-abandonment policies.

In 1996, there were 576,000 rent unregulated units in the City: 500,000 in rental buildings and 76,000 in cooperative and condominium buildings. Between 1993 and 1996, the number of rent unregulated units in cooperative and condominium buildings declined considerably from 95,000 to 76,000 units, or by 20.6 percent.

Size of Rental Units

Close to one in ten occupied and vacant rental units in the City (8.4 percent) were studios in 1996, while more than two-fifths (41.7 percent) were one-bedroom units. Thus, about half of all rental units were small units, while the remainder were larger units with two bedrooms (35.5 percent) or three or more bedrooms (14.4 percent).

Changes in the Owner Housing Inventory and in the Ownership Rate

In 1996, three in ten householders in New York City owned their housing unit. This homeownership rate has held steady without any appreciable fluctuation since 1987, when it was 30.3 percent.

The ownership rate for each racial and ethnic group has varied widely over the last several years. In 1987, the ownership rate for whites was 38.9 percent, but it increased to 40.1 percent in 1996. On the other hand, the ownership rate for blacks was 25.1 percent in 1996, virtually no change from 1987, when it was 25.2 percent. The ownership rate for Puerto Ricans increased from 11.5 percent in 1987 to 13.2 percent in 1996, while the rate for non-Puerto Rican Hispanics declined from 17.6 percent in 1987 to 12.5 percent in 1996. For Asians, the ownership rate remained practically the same: 31.8 percent in 1987 and 31.7 percent in 1996.

During the six years between 1987 and 1993, the number of owner units, both occupied and vacant, in New York City declined by 11,000, from 837,000 to 825,000; but, in the following three years, the number increased noticeably by 32,000, or 3.9 percent, to 858,000 units in 1996.

Changes in the Owner Unit Inventory by Type of Owner Unit

In 1996, close to two-thirds of the 858,000 occupied and vacant owner units in the City, or 555,000 units, were conventional one- or two-family housing units, which increased by 12,000 units (from 544,000 units in 1993), or by 2.2 percent. About three in ten of all owner units, or 250,000 units, were either private cooperatives (204,000 units or 23.8 percent) or condominiums (46,000 units or 5.4 percent). Private cooperative units increased by 12,000 units (from 192,000 to 204,000 units), or by 6.2 percent. The remaining 53,000 owner units, representing just a little more than one in twenty owner units, were Mitchell-Lama cooperatives.

Owner Units by Year of Home Purchase, Current Value, and Purchased Value

About 58,000 owners, or 6.9 percent of the total number of owners in New York City, had purchased the units they were currently living in within the previous eighteen months—that is, between approximately January 1995 and June 1996. This is an increase of 18,000 since 1993, when the number of owners who reported buying their houses and living in them for a year and a half was 40,000, or 5.0 percent of all owners. In addition, in 1996, another 171,000 owners, or 20.5 percent of all owners, reported buying their houses between two and five years previously, an increase of 24,000 such owners since 1993. In other words, in 1996, 229,000 owners reported that they had bought their units within the previous five years. This is 42,000 more owner households than the 187,000 who reported the same situation in 1993.

Almost one-fifth of the total 784,000 occupied owner units, or 139,000 units, had an estimated value of less than \$100,000. Most units by far with this estimated market value were cooperatives, and two-thirds of them were located in either Queens (45.3 percent) or Brooklyn (23.0 percent). They were not in noticeably poor physical condition, compared to that of units in the City overall, but they were relatively small.

Two-thirds of all owner-occupied units, or 534,000 units, had an estimated market value between \$100,000 and \$299,000: 310,000 units with a value of \$100,000-\$199,000 (39.6 percent) and 224,000 units with a value of

\$200,000-\$299,000 (28.5 percent). In addition, one in seven of all owner-occupied units, or 111,000 units, had an estimated market value of \$300,000 or more.

In the years from 1993 to 1996, 116,000 owner units (excluding Mitchell-Lama) were purchased in New York City. Six in ten of these were conventional units, three in ten were cooperatives, and just less than one in ten were condominiums. Citywide, the median purchase price for an owner unit bought in the three-year period was \$160,000; it was \$172,000 for a conventional unit, \$85,000 for a private cooperative, and \$145,000 for a condominium.

Accessible Housing (Housing Units Accessible to Physically Disabled Persons)

In 1996, only 415,000 units, or 37.9 percent of all units in multiple dwellings with elevators in the City, were determined, by meeting all five HVS accessibility criteria, to be accessible to people with physical disabilities requiring the use of a wheelchair.

Of units in multiple dwellings without elevators, the number of accessible units was very small: only 14,000 units altogether, or 1.6 percent.

Housing Vacancies and Vacancy Rates

The Overall Net Rental Vacancy Rate

The vacancy rate for rental housing units in New York City during the period between March and June 1996 was 4.01 percent.

In 1996, there were 81,000 vacant units available for rent out of 2,027,000 occupied and vacant available rental units in the City. This is an increase of 11,000 vacant available rental units, raising the rental vacancy rate from 3.44 percent in 1993, when there were 70,000 vacant available rental units out of 2,040,000 occupied and vacant available rental units. The 1996 rental vacancy rate is the highest reported by the HVS since the first HVS in 1965, and it indicates a significant further loosening of the housing market since 1993.

Over a twelve-year period, the rental vacancy rate in the City has steadily risen from 2.04 percent in 1984, to 2.46 percent in 1987, 3.78 percent in 1991, and 4.01 percent in 1996, almost double the rate in 1984. However, the 1996 vacancy rate is still significantly lower than 5.0 percent and, thus, meets the legal definition of a housing emergency, as defined by New York State and City rent regulation laws for the continuation of both rent control and rent stabilization in the City.

Rental Vacancies and Vacancy Rates by Location

The rental vacancy rate in the Bronx rose from 3.99 percent to 5.43 percent between 1993 and 1996. Since the first HVS in 1965, not a single borough had a rate higher than 5.00 percent, the rental vacancy rate standard used to determine a housing emergency for New York City as a whole, until 1978, when the Bronx had a rate of 5.18 percent. In 1996, this situation occurred again in the Bronx.

A vacancy rate over 5.00 percent in the Bronx in 1996 does not mean that a high volume of vacant units were dispersed throughout the borough. Rather, vacant rental units were highly clustered in selected areas in the borough. Almost two-thirds were in the south and west of the borough, in an area covering Community Districts 1 through 7.

The rental vacancy rate in Brooklyn was 4.20 percent in 1996, a significant increase from the rate of 3.25 percent in 1993. Two-fifths of the 26,000 vacant rental units in Brooklyn were located in the area covering

Community Districts 3, 4, 5, and 16.

In Manhattan, the rental vacancy rate was 3.47 percent in 1996, compared to 3.52 percent in 1993, while in Staten Island it was 4.17 percent in 1996 and 4.14 percent in 1993. In Queens, the rate stood at 3.28 percent in 1996, the lowest rate among the five boroughs, inching up from 3.07 percent in 1993.

Rental Vacancies and Vacancy Rates by Rental Categories

The vacancy rate for rent stabilized units was well below 5.00 percent in 1996, and the change in the rate from three years previously was slight: 3.57 percent in 1996, compared to 3.36 percent in 1993.

The vacancy rate for rent unregulated units was higher than 5.00 percent in both 1993 (5.06 percent) and 1996 (5.29 percent). Particularly, the vacancy rate for rental units in cooperative and condominium buildings (sublet rental units) stood at 12.10 percent in 1996, a further increase from the already extremely high rate of 10.58 percent in 1993. But this increase was not the result of an increase in the number of vacant available units. Rather, it was mostly due to the substantial decrease of 19,000 occupied rental units in this category, a drop of 21.9 percent. It was this significant reduction in the denominator of the rental vacancy rate equation that produced the increase in the vacancy rate.

The vacancy rate for in rem units increased from 5.79 percent in 1993 to 8.78 percent in 1996. However, this increase is not the result of an increase in vacant units—in fact, the number of vacant in rem units remained practically the same. Rather, the increase is the consequence of a decrease of 11,000 occupied in rem units. Moreover, the absolute numbers of vacant in rem units were very small in both 1993 and 1996 and should, thus, be interpreted with caution.

The vacancy rate for public housing units increased from 1.03 percent to 3.75 percent. The number of vacant public housing units increased by about 5,000 between 1993 and 1996. This increased number of vacant units includes, among other things, public housing units in the planning stage or in the process of rehabilitation, renovation, or other work required to make them available for handicapped persons, as required by federal law (Section 504).

Vacancy Rates and Rent Levels

The vacancy rate for units in the very-low-rent level with asking rents of less than \$300 a month was only 2.62 percent, although this was higher than the rate for such units in 1993, when it was a mere 1.40 percent.

In 1996, the vacancy rate for units in the low-rent level, those with asking rents between \$300 and \$599, was 3.67 percent. The low vacancy rates for low- and very-low-rent units clearly exemplify a pervasive shortage of affordable low-rent units in the City. Extremely strong and sustained demand for units at these low rent levels, coupled with a very contracted supply of low-rent units in the City, together bring the vacancy rate for these units down.

The vacancy rate for units with middle-level asking rents, \$600 through \$899, was 5.31 percent in 1996. The housing market at this rent level, in terms of both supply and demand, is clearly more competitive with existing ownership as well as with rental units both in and outside the City and with newly constructed, rehabilitated, or converted units. This is why the vacancy rate for these rental units in the City was high in both 1993 and 1996. About eight in ten vacant rental units in this middle level of rent were located in either Brooklyn (36.1 percent), Queens (22.2 percent), or the Bronx (22.1 percent).

The vacancy rate for higher-rent units, those with asking rents of \$900 or more, was 3.36 percent in 1996. The vacancy rate for units in the highest rent level, with asking rents of \$1,250 or more, was only 2.39 percent. Apparently, this situation of low vacancy rates for high-rent units lies in a combination of the following factors. As incomes of households in the City increased during the three-year period, the housing purchasing power of households improved. As a result, the demand for high-rent units, with more space and/or better conditions, and for ownership condominium and cooperative units expanded. On the other hand, the supply of such high-rent vacant units decreased, as many rental units in cooperative and condominium buildings were transformed into

owner units.

Number of Vacant Rental Units at Public Assistance Shelter Allowances

In 1996, there were 206,000 units that were physically decent and within the Public Assistance Maximum Shelter Allowance. (In defining physically decent units, the following units were excluded: units with incomplete kitchen and/or bathroom facilities, units in dilapidated buildings, units in buildings with three or more building defects, and units with four or more maintenance deficiencies.) Of this number, 2.8 percent, or only 6,000 units, were vacant and available for rent. Half of these were public housing units. Considering that there is a very long waiting list for public housing units, it is clear that very poor households seeking affordable, decent housing in the City find it extremely difficult to meet their housing needs, and this means that a serious housing emergency persists for the City's very-low-income households.

Number of Vacant Rental Units Affordable to Median-Income Renter Households

By counting the number of vacant units available for rent at or below 30 percent of the citywide median income of \$23,892 for renters, the number of privately owned vacant rental units that households with incomes at least equal to the median renter household income could afford was estimated at 34,000 in 1996; this number excludes public housing units, in rem units, Mitchell-Lama units, and units in the "other" regulated category. This is 60.5 percent more than the 21,000 units available in 1993. At the same time, the rental vacancy rate for these privately owned units that households with incomes at least equal to the median renter household income could afford was 3.42 percent in 1996, a considerable improvement over the rate of 2.07 percent in 1993. Thus, the choices for middle-income households improved, but units for such households were still scarce.

Number of Vacant Rental Units at Fair Market Rents

Applying Fair Market Rents for Existing Section 8, effective October 1995, it is estimated that 1,331,000 physically decent units met the Fair Market Rent limits in 1996. Of this number, 4.4 percent, or 58,000 units, were vacant and available for rent. Approximately half of these units were studios (7.5 percent) or one-bedroom units (40.7 percent), while the other half were two-bedroom (34.3 percent) or three-or-more-bedroom (17.5 percent) units.

Median Asking Rent for Vacant Available Units by Rental Categories

Except for two rental categories, in rem and "other" regulated, which cover publicly-assisted units whose rents are regulated by the U.S., State, and/or City and whose rents increased slightly, median asking rents for units in all other rental categories declined. The inflation-adjusted median asking rent for all vacant available units in New York City declined by 8.0 percent from \$673 in 1993 to \$619 in 1996.

The most severe asking rent decline between 1993 and 1996 was the 31.1-percent decline for public housing units. Another severe rent decline was the 18.1-percent decline for rental units in cooperative and condominium buildings, followed by the 13.8-percent decline for rent stabilized units in buildings built after 1947. Asking rents for all rent stabilized units declined by 6.4 percent overall.

Vacancy Rates by Building Size

The rental vacancy rate for units in buildings with 6-19 units was very high, at 5.47 percent. Half of the units in this size of small building were in Brooklyn and a quarter were in Manhattan. More than seven in ten were in Old-Law (27.9 percent) or New-Law (43.8 percent) tenements. Compared to the overall condition of neighborhoods where vacant rental units were located, the condition of the neighborhoods where these buildings were located was poorer.

Vacancy Rates by Unit Size

In 1996, the vacancy rate for studio rental units was 6.73 percent, while the rate for one-bedroom rental units was 4.04 percent. At the same time, the rates for large units, two-bedroom and three-or-more-bedroom units,

were 3.40 percent and 3.84 percent respectively.

Length of Vacancies

In 1996, of the 81,000 vacant rental units in the City, about six in ten were available on the market for less than three months, while the remaining almost four in ten were available for three months or more.

Of the 30,000 long-term vacant rental units in the City, more than eight in ten were located in Brooklyn (28.9 percent), Manhattan (27.0 percent), or the Bronx (26.5 percent). In at least these three boroughs, it appears that vacant units were rejected by prospective renters for a long period if they were in physically deteriorated neighborhoods, even if the units themselves were in buildings in relatively good condition. This is probably because poor neighborhood condition often brings with it undesirable social effects which, in turn, make neighborhoods less safe and lower the quality of neighborhood life. In Brooklyn, 33.7 percent of long-term vacant units were on streets where units with broken or boarded-up windows were found, compared to 17.2 percent for all vacant rental units in the City. In Manhattan, 38.7 percent of long-term vacant units were on streets where boarded-up units were located. In the Bronx, 21.6 percent of long-term vacant units were on streets with boarded-up units.

Turnover

Units in rental categories that mostly cover high-rent units whose rents are not regulated—such as the rent unregulated category—turned over more often than units in rental categories of low- and very-low-rent units that include rent controlled units and public or publicly-assisted units, whose rents are controlled by government agencies that own, manage, and/or provide them with subsidies. The proportion of occupied units in both 1993 and 1996 that turned over at least once during the three-year period was highest for rent unregulated units, at 42.0 percent. Of occupied rent unregulated units, 44.0 percent of those in cooperative and condominium buildings turned over during the period, while 34.6 percent of rent stabilized units turned over at least once, almost the same proportion as that of all occupied rental units during the same period. On the other hand, only 15.8 percent of occupied public housing units and 21.3 percent of in rem units turned over during the three-year period.

The proportion of rental units occupied in both 1993 and 1996 that turned over at least once during the three-year period increased steadily as the rents of such units increased. The proportion for the lowest-rent units, those renting for less than \$400, was 21.5 percent. It was 32.5 percent for units renting for \$400 through \$599 and 34.5 percent for units renting for \$600 through \$699. The proportion moved up further for higher-rent units: 41.5 percent for units renting for \$700 through \$899, 43.2 percent for units renting for \$900 through \$1,249, and 48.2 percent for units renting for \$1,250 or more.

Number of Owner-Unit Vacancies and Vacancy Rates

As the number of vacant units for sale increased slightly from 20,000 in 1993 to 24,000 in 1996, the owner vacancy rate also inched up from 2.48 percent to 2.75 percent.

In New York City, 50.9 percent of all vacant owner units in 1996, or 12,000 units, were conventional one- or two-family units, an increase of 82.5 percent from 7,000 vacant owner units in 1993. Another 10,000 units, or two-fifths of all vacant owner units in the City, were private cooperatives (32.4 percent) or Mitchell-Lama cooperatives (9.0 percent). These types of vacant owner units declined by 9.4 percent from 1993.

The vacancy rate for conventional owner units was 2.16 percent in 1996, lower than the overall owner vacancy rate of 2.75 percent, but a serious increase from the rate of 1.21 percent in 1993. The rate for private cooperatives was 3.75 percent in 1996, a considerable decline from 4.41 percent in 1993, while the number of condominium units in 1996 was very small, with a vacancy rate of less than 4.00 percent, a substantial decline from 6.73 percent in 1993. The rate for Mitchell-Lama cooperatives was 4.03 percent, a substantial decline from 5.29 percent in 1993. This situation clearly reflects the strong owner housing market in the three-year period, during which many rental units in cooperative and condominium buildings were transferred to owner units to

meet the increasing demand for such units.

Vacancy Duration by Types of Owner Units

In the City, almost half of vacant owner units (49.4 percent) were available in the market for three months or more in 1996. The length of time vacant owner units were available for sale was even longer for conventional units: 57.5 percent were vacant for three months or more. On the other hand, vacant private cooperatives and condominiums were available in the market for a relatively short period of time: only 36.0 percent were vacant for three months or more, which further substantiates the strength of the cooperative and condominium market in the City in 1996.

Changes in the Unavailable Housing Stock

Vacant units unavailable for rent or sale in the City numbered 110,000 units in 1996, not much of a change from three years earlier when the number was 111,000.

In 1993, 23,000 units, or a fifth of the unavailable stock, were unavailable because they were either in the process of renovation (10.4 percent) or awaiting renovation (10.1 percent); the number climbed to 31,000, close to three in ten units in the unavailable housing stock, in 1996. Housing units unavailable because they were occupied only for occasional, seasonal, or recreational purposes rather than on a permanent residential basis, declined by 6,000, from 39,000 units in 1993 to 33,000 in 1996.

Four-fifths of the unavailable stock in 1993 returned to the occupied stock or the vacant stock available for rent or sale in 1996. This implies that, by the 1999 HVS period, most of the unavailable units in 1996 are likely to have become part of the active housing stock, as either occupied units or vacant units available for sale or rent.

Four in every ten units in the unavailable stock in New York City in 1996 were in Manhattan, while close to three in ten were in Brooklyn. The remainder were located in Queens (14.8 percent), the Bronx (12.0 percent), and Staten Island (4.0 percent).

Rent Levels in New York City

Rent Patterns

In 1996, the median monthly contract rent, which excludes tenant payments for utilities and fuel, was \$600. The median monthly gross rent, which includes utility and fuel payments, was \$640.

In the three years from 1993 to 1996, the median contract rent increased by 5.9 percent annually, from \$505 to \$600. This was a 3.3-percent annual increase after adjusting for inflation. During the same period, the median gross rent increased by 4.4 percent annually, from \$562 to \$640, an inflation-adjusted increase of 1.9 percent annually. Some of this change in the median contract rent and median gross rent figures may have been caused by differences in the rent and rent subsidy questions in 1993 and 1996.

In 1996, the median contract rent of units occupied by rent-subsidized households was \$500, 16.7 percent lower than the median contract rent of \$600 for all rental units and 16.0 percent lower than the median rent of \$595 for units occupied by unsubsidized households. Of the \$500 median contract rent for rental units occupied by subsidized households, only a median of \$147 was paid by the households out of pocket. The difference between median contract rent and out-of-pocket rent was \$353, or 2.4 times the household's out-of-pocket rent. This means that many rent-subsidized households, particularly very poor households, could not have afforded the units they occupied without the subsidies they received.

Rent by Location

The median contract rent in Manhattan was \$650, the highest of all five boroughs and \$50, or 8.3 percent, higher than the citywide median of \$600. The median rent in Queens was \$647, almost the same as in Manhattan. In the Bronx, it was \$508, the lowest of all five boroughs, and \$92, or 15.3 percent, lower than the citywide median. The median rent in Brooklyn was \$550, which was \$50, or 8.3 percent, lower than the citywide median. In Staten Island, the median rent was \$600, exactly the same as for the City as a whole.

Rent by Rent Regulation Status

The median contract rent of rent controlled units in the City was \$428 in 1996, \$172 less than the citywide median of \$600. Compared to the proportional distribution of renter-occupied units in the City by rent level, many more rent controlled units were low-rent units and fewer were middle- and high-rent units. In this rental category, almost three-quarters of the units rented for below \$600: 43.4 percent for less than \$400 and 29.9 percent for \$400 to \$599. Most of the remaining units in this category rented for \$600 to \$999.

The median rent of rent stabilized units, a category containing more than half of the renter-occupied units in the City, was \$600, the same as the citywide median. However, the median rent of rent stabilized units in buildings built in 1947 or later was considerably higher than that for such units in buildings built before 1947: \$650 versus \$572.

Compared to the distribution for all renter-occupied units both in the City and in any other rental category, in the post-1947 rent stabilized category, there were many more very-high-rent units and many fewer very-low-rent units. Close to a fifth of the renter-occupied units in this category rented for \$1,000 or more: 8.9 percent for \$1,000 to \$1,499 and 9.5 percent for \$1,500 or more. On the other hand, only 6.2 percent rented for less than \$400.

The median contract rent of rent unregulated units as a whole was very high: \$690. The median rent of unregulated units in non-Mitchell-Lama cooperative and condominium buildings (sublet coops) was the highest of any rental category, \$800, or \$200 higher than the citywide median, while the median rent of unregulated units in rental buildings was \$660.

Rent unregulated units as a whole were middle-rent units. Almost six in ten rented for \$600 to \$999, while the remaining units in this category were divided into low- and high-rent units, with three in ten renting for less than \$600 and a little more than one in ten renting for \$1,000 or more.

Occupied rental units in the City with the lowest rents were public housing and in rem units. The median contract rents of these units were \$225 and \$250 respectively, only 37.5 percent and 41.7 percent respectively of the citywide median rent.

In rem units and public housing units in New York City were truly affordable very-low-rent units. Almost all in rem units rented for less than \$600, and more than eight in ten rented for less than \$400. Almost all public housing units also rented for less than \$600, but one in twenty rented for \$600 to \$799. More than seven in ten public housing units rented for less than \$400.

Affordability (Rent-Income Ratio) of Rental Housing

The median gross rent-income ratio, the proportion of income households spend for the gross rent of the units they occupy, was 30.0 percent in 1996.

The gross rent-income ratio for rent-subsidized households was 63.7 percent in 1996. In other words, the median gross rent of the apartment that a household receiving some kind of rent subsidy covered in the 1996 HVS paid altogether, as a combination of both the household's out-of-pocket rent and the rent subsidy, was 63.7 percent of the household's income. The portion of the household's income that was actually spent out of pocket for rent for these subsidized units was only 27.2 percent. This means that, if rent-subsidized households had had to pay the total rent asked by their landlords out of their own pockets, without any rent subsidy, the amount of their

monthly rent would have been 63.7 percent of their monthly income, while the monthly rent they actually paid was only 27.2 percent of their monthly income. The difference between the rents landlords received, as a proportion of these households' incomes, and the portion of the rent the households actually paid out of pocket, as a proportion of their household income, was extremely large: 36.5 percent. Even applying the standard of thirty percent of household income for rent, the affordability gap here was 33.7 percentage points. Thus, many of these subsidized households could not have afforded the apartments they occupied without the subsidy they received, unless they had greatly reduced the least discretionary items of their expenditures, such as food, clothing, transportation, and education for children.

The median gross rent-income ratio for households that did not receive any rent subsidies covered in the 1996 HVS and that paid their total rent out of their own pockets was only 28.6 percent in 1996, while the out-of-pocket rent-income ratio for rent-subsidized households was 27.2 percent. Each of these rent-income ratios is quite different in its meaning. Rent-unsubsidized households were able to afford the apartments they occupied by spending less than the affordability standard of 30 percent of their own incomes for rent, without any rent subsidies, while it is most unlikely that rent-subsidized households could have afforded the apartments they occupied without the subsidies they received, since, although the rent they paid from their own pockets was only 27.2 percent of their income, their out-of-pocket rent and rent subsidies combined were more than 60 percent of their income.

Affordability and Rent Regulation Status

The median gross rent-income ratio for households in rent controlled units, most of whom were elderly with low, fixed incomes, was very high, 36.0 percent. The rent-income ratio for households in rent stabilized units was 30.2 percent, practically the same as the ratio for all renter households, which was 30.0 percent. However, the ratio for households in pre-1947 rent stabilized units was 31.2 percent, considerably higher than the ratio of 28.0 percent for households in post-1947 rent stabilized units.

The median gross rent-income ratio for households in rent unregulated units as a whole was 28.7 percent, and the ratio for unregulated units in private cooperative and condominium buildings (sublet coops) was only 26.2 percent, the lowest of all rental categories.

Even when the median rent-income ratio of a category is less than the 30.0 percent affordability standard, a significant number of households have ratios above 30.0 percent. Of rent unregulated households, 25.6 percent, or 127,000 households, paid rent-income ratios greater than 50.0 percent; and, even of rent stabilized households, 29.1 percent, or 272,000 households, paid more than 50 percent of their income for rent and utilities.

The difference between the rent-income ratio and the out-of-pocket rent-income ratio for rent-subsidized households in rent unregulated units as a whole was unbearably high. The total rent, as the sum of out-of-pocket rent plus rent subsidy, for rent-subsidized households in rent unregulated units was 101.0 percent of their income in 1996, while the proportion of the total rent paid out of their own pockets was 25.3 percent. The resulting difference between their rent-income ratio and their out-of-pocket rent-income ratio was 75.7 percentage points, and the affordability gap between their overall rent-income ratio and the standard rent-income ratio of 30.0 percent was 71.0 percentage points. As a result, without the subsidies they received, these households could not have afforded to rent the units they occupied. This situation of such a high overall rent-income ratio, a lower out-of-pocket rent-income ratio, and a consequently large affordability gap was repeated for subsidized households in rent unregulated units in rental buildings and in cooperative and condominium buildings.

A large affordability gap situation also occurred for subsidized households in rent stabilized units in buildings built before 1947. The rent-income ratio and the out-of-pocket rent-income ratio for pre-1947 rent stabilized units were 79.2 percent and 26.7 percent respectively, with a resulting affordability gap of 49.2 percentage points. Based on these findings, it can be judged that these households in these rental categories were so poor and the gap was so large that they were in housing poverty and, without rent subsidies, could not have afforded their apartments-even if they had made sacrifices on other necessities-and could, thus, even have been at great risk of homelessness.

The pattern of extraordinarily high rent-income ratios for subsidized households compared to unsubsidized households holds true for the two major rental categories in the private sector: rent stabilized and rent unregulated. Particularly, the ratios for subsidized households in rent unregulated units as a whole were about three times higher than the ratios for the City as a whole and for households in unsubsidized units in the same categories. The gross rent-income ratio for subsidized households in rent stabilized units was also high, more than double the ratios for the City as a whole and for households in unsubsidized units in the same categories.

Affordability by Race and Ethnicity

In 1996, of all major racial and ethnic groups, Puerto Rican households paid 34.6 percent of their income for rent, 4.6 percentage points higher than the median gross rent-income ratio for the City as a whole and the highest rent-income ratio of any racial and ethnic group. Non-Puerto Rican Hispanic households also paid a very high proportion of their income for rent, 32.1 percent, higher than the ratio for all renters in the City by 2.1 percentage points. Black households had almost the same rent-income ratio as all renters in the City, 30.6 percent, while the rent burdens for white and Asian renters were 27.9 percent and 28.4 percent respectively, both lower than the median ratio for the City as a whole.

For non-Puerto Rican Hispanic rent-subsidized households, the median gross rent-income ratio was 73.5 percent, while their out-of-pocket rent-income ratio was only 26.8 percent. This means that the rent landlords received was 73.5 percent of renter households' incomes, while the portion of rent actually paid by these renter households out of pocket was only 26.8 percent of their income. The difference was, thus, 46.7 percentage points. Using thirty percent of household income as the affordability standard, the affordability gap here was 43.5 percent. Judging from this, it can be assumed that, without the rent subsidies they received, non-Puerto Rican Hispanic households could not have afforded the apartments they occupied.

The rent-income ratio for rent-subsidized Puerto Rican households was practically the same as that for non-Puerto Rican Hispanic rent-subsidized households, 73.0 percent, while their out-of-pocket rent-income ratio was 25.8 percent, an affordability gap of 43.0 percentage points.

White households that received some kind of rent subsidy also had to pay a high proportion of their income for rent, 60.3 percent. This group's out-of-pocket rent-income ratio was 28.5 percent, with a resulting affordability gap of 30.3 percentage points.

The rent-income ratio for rent-subsidized Asian households was 44.9 percent, the lowest of any major racial and ethnic household group. Their out-of-pocket rent-income ratio was 17.7 percent, resulting in the smallest affordability gap, at 14.9 percentage points, of any racial and ethnic group.

Affordability of Rental Housing by Household Type

Single households with minor children paid the highest proportion of their income for rent of any household group: an unbearably high 58.0 percent in 1996, 28.0 percentage points higher than the average renter household in the City. The affordability gap for these single households with minor children was 28.0 percentage points.

The rent burden for single elderly households was also very serious: their median gross rent-income ratio of 50.7 percent was second highest and 20.7 percentage points higher than the median rent-income ratio for the City. The consequent affordability gap for these households was 20.7 percentage points.

The median gross rent-income ratios for subsidized single households with minor children and single adult households were unbearably high. Specifically, the median ratio of overall gross rent against household income was 101.0 percent for subsidized single households with minor children. This means that, if these households had had to pay their total rent without any rent subsidy, all of their household income would not have been enough to pay their rent. But because these households received some kind of rent subsidy, the proportion of rent they actually paid out of pocket was only 25.6 percent of their income. Thus, the affordability gap was 71.0 percentage points. This implies that these households, which were in housing poverty, would have been too poor to afford the rent of the units they occupied, without the subsidy they received, and that they, thus, might have

been at great risk of homelessness, unless they had doubled up with other households.

The total median gross rent for rent-subsidized single adult households was 79.1 percent of their household income; but the proportion of their income that went out of pocket toward rent was only 26.5 percent, producing an affordability gap of 49.1 percentage points. Again, most of these single adult households could not have afforded the apartments in which they lived in 1996 without the rent subsidy they received.

The median gross rent-income ratios for other subsidized household types were lower than the ratio for all subsidized households in the City, 63.7 percent. However, the differences between rent-income ratios and out-of-pocket rent-income ratios and the affordability gaps for these other subsidized households were seriously large. Particularly, the rent-income ratio for subsidized adult households with minor children was 61.7 percent, while their out-of-pocket rent-income ratio was 23.2 percent. The affordability gap was 31.7 percentage points.

It is important to note that it is not high median gross rents that create the very high median gross rent-income ratios for subsidized households. Rather, it is because of the very low median incomes of subsidized households that their gross rent-income ratios are so high. The median income of all subsidized households was only \$7,800 in 1995, a mere 32.6 percent of the median household income of all renter households. Subsidized single households with minor children, the household type with the highest affordability gap, were the poorest. Their median household income was only \$6,500, 27.2 percent of all renter households' median income and the lowest household income of any household type in 1995. The median household incomes of subsidized single adult and single elderly households were also extremely low: \$6,662 and \$6,912 respectively.

In general, the proportion of income that rent-unsubsidized household groups paid for rent was considerably smaller than that paid by subsidized household groups. However, unsubsidized single households with minor children, in particular, paid an extremely high proportion of their income for rent: 51.2 percent. Rent-unsubsidized single elderly households also paid a very high proportion of their income for rent: 47.0 percent. Again, the cause of this high rent-income ratio for these two household types was their extremely low incomes, not their high rents. The median incomes of these two household types were each \$9,000, only 37.7 percent of the median household income of all renter households in 1995. Many of these unsubsidized single adult households with minor children and single elderly households needed to receive some kind of rent subsidy in order to reduce their rent burdens.

Affordability by Rent-Income Ratio Level

In 1996, half of all renter households paid 30.0 percent of their income, the standard affordability measure, or more for rent: 22.4 percent paid between 30.0 and 49.9 percent, and 27.9 percent paid 50.0 percent or more.

On the other hand, of rent-subsidized households, 78.6 percent paid 30.0 percent or more of their income for rent: 20.2 percent paid between 30.0 percent and 49.9 percent, and the remaining 58.4 percent paid 50.0 percent or more.

Affordability by Location

In terms of the proportion of household income that went to rent plus fuel and utilities, rental units in Staten Island were the most affordable of all those in the five boroughs in 1996 for the households that occupied them. In Staten Island, where the median gross rent-income ratio was 26.5 percent, 56.4 percent of renters paid less than 30.0 percent of their income for rent, compared to half of renter households in the City as a whole. On the other hand, 12.6 percent of renter households in the borough paid more than 70.0 percent of their income for rent, while 19.3 percent of renter households citywide paid that high a proportion.

Compared to those in the other two boroughs, the Bronx and Brooklyn, rental units in Manhattan and Queens were also relatively affordable overall for their occupants. In Manhattan and Queens, where the median gross rent-income ratios were 27.8 percent and 28.2 percent respectively, 54.0 percent and 53.2 percent respectively of renter households paid less than 30.0 percent of their income for rent, while 16.0 percent and 13.9 percent respectively paid more than 70.0 percent. Renters in the Bronx and Brooklyn paid much higher proportions of their household income for rent. The median gross rent-income ratios in these two boroughs were 34.8 percent

and 32.0 percent respectively. In the two boroughs, 41.8 percent and 46.6 percent respectively of renter households paid less than 30.0 percent of their income for rent, while 27.2 percent and 22.2 percent respectively paid more than 70.0 percent.

Housing Conditions in New York City

Occupied Rental Units in Dilapidated Buildings

The quality of the structural condition of renter-occupied units in New York City has remained very good. The proportion of renter-occupied units in dilapidated buildings was 1.3 percent in 1996, about the same as the rate of 1.2 percent in 1993.

In Manhattan, structural condition, as measured by the dilapidation rate, was the poorest in the City in both 1993 and 1996. The rate in Manhattan was 2.2 percent in 1993 and 1.8 percent in 1996, the highest of the five boroughs in both years. The dilapidation rate in the Bronx was 0.9 percent in 1993 and 1.5 percent in 1996. Structural condition worsened in Brooklyn between 1993 and 1996, as the dilapidation rate doubled from 0.6 percent to 1.2 percent. The rate in Queens was 1.1 percent in 1993 and 0.6 percent in 1996. The number of units in dilapidated buildings and the dilapidation rate in Staten Island in both years were unappreciably small.

Of the 26,000 occupied rental units in dilapidated buildings in the City, two-fifths were located in Manhattan in 1996, while more than half were located in the borough in 1993. Close to three in ten dilapidated units were located in Brooklyn in 1996, while only less than one in six were located in the borough in 1993. Most of the remaining three in ten dilapidated units in 1996 were located in the Bronx (19.0 percent) and Queens (10.4 percent).

Dilapidation as a structural problem in general is closely related to a building's structure type and age. In 1996, half of the dilapidated occupied rental units in the City were in New-Law tenements. The dilapidation rates in Old-Law and New-Law tenement buildings were 2.5 percent and 2.3 percent respectively, compared to 1.3 percent for all occupied rental units in the City.

Occupied Rental Units in Buildings with Structural Defects

The proportion of renter-occupied units in buildings with any of the thirteen building defects-grouped into four types (exterior wall defects, window defects, stairway defects, and floor defects)-in 1996 was 11.4 percent, almost the same as in 1993, when it was 10.7 percent.

Between 1993 and 1996, structural condition, as measured by the incidence of one or more observable building defects, worsened in the Bronx and Brooklyn and improved in Manhattan and Queens. The proportion increased from 8.8 percent to 14.3 percent in the Bronx and from 10.0 percent to 13.1 percent in Brooklyn. On the other hand, it declined from 15.0 percent to 12.0 percent in Manhattan and from 7.0 percent to 5.8 percent in Queens.

Structural condition, as measured by building defects, is associated with building structure class, as was the case with the dilapidation rate. In 1996, of occupied renter units in Old-Law tenement buildings, 23.0 percent were in buildings with one or more building defects, the highest percentage of any building structure class, as in 1993, when the figure was 24.9 percent, and twice the proportion for all occupied rental units in buildings with any defects. Of occupied rental units in New-Law tenement buildings, 17.7 percent were in structurally poor buildings. However, the comparable proportion for units in buildings built after 1929 was only 3.9 percent.

Of rent stabilized units in buildings built before 1947, one in six units was in a building with one or more building defects, while the proportion was only one in fifty for rent stabilized units in buildings built in or after 1947.

Of rental units in cooperative and condominium buildings (sublet coops), only 4.1 percent were in buildings with one or more building defects.

In terms of building defects, the structural condition of public housing was also good. Only 6.3 percent of public housing units were in buildings with one or more building defects, an improvement over 1993, when the proportion was 9.6 percent.

The proportion of units in in rem buildings with one or more defects was 55.3 percent, an appreciable increase over 1993, when it was 47.1 percent. Such a high proportion occurs because these tax-delinquent buildings have not been maintained or repaired by their owners for a long period of time and the structural as well as maintenance conditions of the buildings are extremely poor. Thus, a long time is required to upgrade their condition after the City takes them over.

Maintenance Conditions of the Occupied Housing Inventory

The quality of maintenance conditions of renter-occupied units in the City remained very good in 1996. The proportion of renter-occupied units with no maintenance deficiencies was 41.0 percent in 1993 and 42.1 percent in 1996, while the proportion of renter-occupied units with five or more deficiencies out of the seven deficiency categories remained practically the same in both years.

In terms of both no deficiencies and five or more deficiencies, maintenance conditions in the Bronx were much worse than citywide conditions and were, in fact, the worst of all five boroughs in 1996. In the borough, the proportion of renter-occupied units with no deficiencies declined from 32.4 percent in 1993 to 30.4 percent in 1996, while the proportion of renter-occupied units with five or more deficiencies rose from 7.1 percent to 9.7 percent. Maintenance conditions in Manhattan were also poorer than conditions citywide. The proportion of renter-occupied units with no maintenance deficiencies in the borough was 37.9 percent in 1996, a slight increase from 35.7 percent in 1993. The proportion of renter-occupied units with five or more maintenance deficiencies remained practically the same. The levels of maintenance conditions in Brooklyn in 1996 were somewhat similar to the citywide levels.

The maintenance conditions of occupied rental units in Staten Island and Queens were much better than in the City overall. Maintenance conditions of renter-occupied units in Staten Island were the best of any borough in both 1993 and 1996. In the borough, the proportion of renter-occupied units with five or more maintenance deficiencies remained basically the same, at 2.2 percent in 1996, while the proportion of occupied rental units with no deficiencies in the borough declined from 66.1 percent to 58.3 percent. The proportion of renter-occupied units with no deficiencies in Queens was 54.8 percent in 1993 and 53.2 percent in 1996. At the same time, the proportions of renter-occupied units in the borough with five or more deficiencies were 1.8 percent and 2.6 percent respectively.

Looking at maintenance conditions by rental categories, occupied rent unregulated units and Mitchell-Lama units were in better condition than units in other categories. Of occupied rent unregulated units, 55.9 percent had no deficiencies and 3.1 percent had five or more deficiencies, while, of renter-occupied Mitchell-Lama units, 53.2 percent had no deficiencies and 2.6 percent had five or more deficiencies.

Maintenance conditions of occupied rent stabilized units were different for buildings of different ages. Of occupied rent stabilized units in buildings built before 1947, the proportion of units with no deficiencies was 32.4 percent, worse than for the City overall, while the proportion in buildings built in 1947 or later was 48.3 percent, much better than for the City overall.

Maintenance conditions of rent controlled units were slightly better than citywide conditions in 1996. The proportion of occupied rent controlled units with zero deficiencies was 44.2 percent, and the proportion of such units with five or more deficiencies was 6.0 percent.

Physically Poor Occupied Rental Units

The definition of housing units with physical defects used by the City for many years in the CHAS and Consolidated Plan, which have been required by and submitted to HUD, is as follows: "A housing unit that is dilapidated, lacking a complete kitchen and/or bath for exclusive use, has four or more maintenance deficiencies or is in a building with three or more types of building defects." Applying this definition, the 1996 HVS reports

that, in the City, there were 264,000 renter-occupied units with physical defects in 1996, the same as in 1993, when the number of such physically poor units was found to have been reduced considerably by 63,000, from 327,000 such units two years earlier in 1991.

Out of the 264,000 physically poor renter-occupied units in the City in 1996, 23.6 percent were located in the Bronx. However, the proportion of all renter-occupied units in the City that were in the borough was only 16.8 percent. Manhattan also had a higher proportion of physically poor units than its share of renter-occupied units: 33.2 percent compared to 28.8 percent. On the other hand, Queens' proportionate share of physically poor units in relation to its share of renter-occupied units was very low: 9.5 percent compared to 21.2 percent.

Physical housing condition is most closely related to the age of the dwelling. Of all physically poor occupied renter units in 1996, almost six in ten were units in Old-Law tenement buildings (14.1 percent) or New-Law tenement buildings (44.4 percent), a much higher share than the total proportion of renter-occupied units in these two structure classes (9.4 percent and 31.0 percent respectively). On the other hand, a quarter (24.5 percent) of physically poor renter-occupied units were located in multiple dwellings built after 1929, although 37.9 percent of the occupied renter units in the City were in such dwellings.

Compared to their overall share of renter-occupied units in the City, larger units (those with three or more bedrooms) had a higher share of physically poor units in 1996. Of the physically poor renter-occupied units in the City, 17.6 percent were units with three or more bedrooms, while only 14.5 percent of renter-occupied units in the City as a whole were such large units.

Most physically poor units were low-rent units; and the lower the rent, the physically poorer the unit. In 1996, of physically poor occupied renter units, 30.1 percent were units with contract rents of less than \$400 a month, while only 19.5 percent of all occupied renter units were such low-rent units. Almost two-thirds of physically poor renter-occupied units were units with rents of less than \$600, the median contract rent in 1996.

Characteristics of Households Occupying Physically Poor Rental Units

Eight in ten households living in physically poor rental units in the City in 1996 were non-white. Four in ten renter households in 1996 were white, but only two in ten renter households living in physically poor units were white. On the other hand, only a quarter (25.7 percent) of the renter households in the City were black, while almost four in ten renter households living in physically poor units were black. The proportions of Puerto Rican households living in rental units overall and in physically poor rental units were 12.8 percent and 17.2 percent respectively. The comparable proportions for non-Puerto Rican Hispanic renter households were 13.8 percent and 19.1 percent.

As household income goes up, the proportion of households living in physically poor rental units goes down. In 1996, households with incomes of less than \$15,000 a year occupied 44.0 percent of physically poor rental units, while such low-income households occupied only 35.2 percent of rental units overall. On the other hand, households with incomes of \$40,000-\$49,999 occupied 6.3 percent of physically poor rental units. Those with incomes of \$70,000 or more occupied only 5.3 percent of physically poor rental units, while such high-income households represented 9.9 percent of renter households overall.

Neighborhood Conditions of Occupied Rental Housing

Neighborhood conditions in New York City improved between 1993 and 1996. The proportion of renter-occupied units on the same street as a building with broken or boarded-up windows (boarded-up buildings) declined from 13.7 percent to 11.4 percent over the three years.

The decidedly preponderant improvement in neighborhood condition was made in Manhattan, where the proportion of units on streets with boarded-up buildings declined from 22.0 percent in 1993 to 12.6 percent in 1996. This remarkable improvement in neighborhood condition in this borough was clustered in two particular groups of sub-borough areas, sub-borough areas 2 and 3 in the southern part of the borough and sub-borough areas 7, 8, and 9 in the northern part. In 1993, the proportions of renter-occupied units on streets with boarded-

up buildings in sub-borough areas 2 and 3 were 47.4 percent and 28.5 percent respectively, while the equivalent proportions for sub-boroughs 7, 8, and 9 were 44.0 percent, 63.5 percent, and 44.5 percent respectively. These high proportions declined dramatically in the following three years to 10.1 percent and 16.3 percent for sub-borough areas 2 and 3 and to 19.6 percent, 50.8 percent, and 18.9 percent for sub-borough areas 7, 8, and 9. These groups of sub-borough areas represent two areas in Manhattan where significant rehabilitation activities were undertaken with public and private resources during the three-year period. During the three-year period between May 1993, when the field work for the 1993 HVS was roughly completed, and June 1996, when the field work for the 1996 HVS was completed, a total of 2,611 units were either moderately rehabilitated (841 units), gut-rehabilitated (1,585 units), or newly constructed (185 units) through construction programs funded by the City in Manhattan Community Districts 3, 4, and 5, which cover sub-borough areas 2 and 3. During the same three-year period, a total of 7,181 units were moderately rehabilitated (2,652 units), gut-rehabilitated (3,852 units), or newly constructed (677 units) through programs funded by the City in Manhattan Community Districts 9-11, which cover sub-borough areas 7, 8 and 9. With the City's major contribution in these two areas, the physical housing conditions and neighborhood conditions of the areas improved remarkably.

Ratings of Physical Condition of Neighborhood Residential Structures

The improvement in neighborhood physical condition between 1993 and 1996 observed by the Census Bureau's interviewers is supported by residents' ratings of the residential structures in their neighborhoods. The proportion of renter households that rated the condition of their neighborhood's residential structures as "good" or "excellent" increased slightly from 61.8 percent to 63.9 percent between 1993 and 1996.

Between 1993 and 1996, neighborhood physical condition in Manhattan improved significantly, according to renters' views of their neighborhood. In the borough, the proportion of renters who rated the physical condition of their neighborhood as "good" or "excellent" increased markedly from 62.5 percent in 1993 to 66.8 percent in 1996. Ratings also increased in Brooklyn, going from 57.1 percent to 60.1 percent.

Renters' ratings of the physical condition of residential structures in their neighborhood moved up as the rent scale moved up. In 1996, only 48.8 percent of renters whose rents were less than \$400 a month rated their neighborhood as "good" or "excellent." However, of renters whose rents were \$400-\$599, 57.6 percent gave the condition of their neighborhood such high ratings. Of renters with rents of \$600-\$699 and \$700-\$899, 65.9 percent and 73.7 percent respectively also gave the condition of their neighborhood such high ratings. The corresponding rates for renters with higher rents of \$900-\$1,249 and of \$1,250 or more were consequently higher: 78.6 percent and 88.9 percent respectively.

Physical Condition and Neighborhood Condition and City-Sponsored Rehabilitation and New Construction

Between May 1993 and June 1996, the three-year period between the 1993 HVS and the 1996 HVS, a total of 35,250 units were rehabilitated or newly constructed through various housing programs funded by the City. Of these units, 16,577 were moderately rehabilitated, 11,540 were gut-rehabilitated, and 7,133 were newly constructed. In addition, the City made another remarkable contribution to maintaining very good housing conditions and further improving neighborhood conditions by approving J-51 tax abatements in the amount of \$356,339,700 for improving the physical conditions of buildings containing 229,704 housing units in the City. Additionally, the City supported and/or worked with quasi-public agencies (such as HDC, which creates new housing with financial support from the City and private financial institutions) and non-profit and private groups in their efforts to preserve and create affordable new housing.

Crowded Renter Households

New York City's serious crowding situation in 1991 and 1993 did not improve in 1996. The proportion of renter households that were crowded (more than 1 person per room) in 1996 was 10.3 percent, identical with the rate in 1993. At the same time, 3.5 percent of renter households were seriously crowded (more than 1.5 persons per room) in 1996; in 1993, the figure was 3.4 percent.

The persistent crowding situation in the City as a whole was repeated in each borough. The situation was most

serious in the Bronx, where 12.3 percent of renters were crowded. The rate in the borough in 1996 was an increase of 1.1 percentage points from the rate of 11.2 percent in 1993. The crowding rate in Queens was 11.8 percent, an increase of 1.2 percentage points over the rate of 10.6 percent in 1993. Compared to the City as a whole, the crowding rate of 7.4 percent in Manhattan was substantially lower than the citywide rate and lower than that of any other borough. In Staten Island in 1993, the crowding situation was not serious compared to the citywide situation: the borough's crowding rate for renters was only 4.5 percent, less than half the citywide rate. However, in 1996, Staten Island's rate was 8.3 percent, an increase of 3.8 percentage points in the three years. In Brooklyn, the crowding situation in 1993 was worse than the citywide situation; but, in the following three years, the rate improved somewhat, going down from 12.1 percent in 1993 to 10.9 percent in 1996.

Of the total number of renter households in the City, 8.7 percent were households with five or more persons; of these large households, 62.7 percent were crowded. As a compound effect of these situations, of crowded renter households in the City, 53.3 percent were households with five or more persons.

Crowding is a critical problem for large households. The larger the household, the greater the crowding problem. In 1996, the proportions of crowding in renter households with two and three persons were 4.2 percent and 5.9 percent respectively, substantially lower than the 10.3 percent for all renter households in the City. However, the crowding rate jumped markedly for larger households, to 22.4 percent for four-person households, 51.1 percent for five-person households, and 71.3 percent for six-person households. Almost all households with seven or more persons were crowded.

Rent controlled units in New York City were the least crowded. Only 1.8 percent of these units were crowded, while 10.3 percent of renter-occupied units overall were crowded in 1996. This is mostly because a large proportion of rent controlled units are occupied by small households, many of which are elderly households that have resided in their units for a long period of time, even after their children have grown up and left.

Rent stabilized units in buildings built before 1947 were slightly more crowded than average renter units in the City, while rent stabilized units in buildings built in 1947 or later were slightly less crowded.

As in 1991 and 1993, in rem units were more crowded than any other type of renter units in the City, although the seriousness of the crowding situation in these units was further reduced between 1993 and 1996. Of in rem units, 13.8 percent were crowded in 1996, while 14.9 percent were crowded in 1993 and 18.0 percent in 1991. This high level of crowding in in rem units resulted mostly from the fact that many in rem units housed very poor households which were also large households.

Of the various renter household types, adult households with minor children were the most seriously crowded: 30.2 percent were crowded and 8.0 percent were severely crowded. Again, many of these households were poor and could not afford larger units, the supply of which has not been expanded in recent years. The comparable figures for all renter households were 10.3 percent and 3.5 percent. Single households with minor children were slightly more crowded than all renter households: of these, 12.1 percent were crowded.