

The Rent Guidelines Board 2001 Income & Affordability Study

April 24, 2001

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Introduction

Section 26-510(b) of the Rent Stabilization Law requires the Rent Guidelines Board to consider “relevant data from the current and projected cost of living indices” and permits consideration of other measures of housing affordability in its deliberations. To assist the Board in meeting this obligation, RGB research staff produces an annual *Income & Affordability Study*, which reports on housing affordability and tenant income in New York City’s rental market. The study highlights year-to-year changes in many of the major economic factors affecting New York City’s tenant population and takes into consideration a broad range of market forces and public policies affecting housing affordability. Such factors include New York City’s overall economic condition — unemployment rate, wages, Consumer Price Index and Gross City Product — as well as the number of eviction proceedings and the impact of welfare reform and federal housing policies on rents and incomes.

Summary

The past year reflected a shifting economic outlook, both locally and nationally. The year 2000 started with a strong national economy, but ended with increasing fears of a recession, stimulated primarily by a faltering stock market and higher energy prices. However, New York City’s economic indicators over the past year have remained healthy and do not yet reflect the wavering economy. The performance of the City’s economy during the year 2000 is best illustrated by the growth in the Gross City Product (GCP), which increased by 5.3% in 2000, the highest recorded growth in over a decade. The City also saw an increase in the number of jobs by 100,000, including 99,400 in the private sector, and a significant decrease in the unemployment rate. Inflation remained moderate last year, increasing by 3.1%. But while many sectors of the NYC economy have benefited, others have not, including apartment-hunters and households at the low end of the wage scale, who faced rising rents and fewer vacant apartments.

Economic Condition

The City’s economic well-being has, for the most part, remained strong over the last year, despite fears created by the falling fortunes of Wall Street and the potential of a recession nationwide. New York City’s Gross City Product (GCP), which measures the total value of goods and services produced, grew by 5.3% in 2000, a higher increase than that found in recent years.¹ By comparison, the GCP grew by an average of 3.7% per year over the prior five years. Moreover,

WHAT’S NEW

- ✓ New York City’s economy grew by 5.3% last year.
- ✓ Employment increased by 100,000 jobs last year, including 99,400 private sector jobs.
- ✓ The unemployment rate fell to 5.7% last year, down from 6.7% in 1999. However, it remains substantially higher than the U.S. unemployment rate of 4.0%.
- ✓ Inflation averaged 3.1% in the metro area in 2000, up from 2.0% in the prior year.
- ✓ Average real wages for all NYC workers increased 2.0% in 1999.
- ✓ NYC’s population grew to over 8 million, a record level and a 6% increase since 1990.
- ✓ The average number of single adults in temporary housing increased over the prior year 3.7%, to 6,826 at the beginning of FY 2001.
- ✓ The average number of families temporarily sheltered each night increased 5.6% over the prior year, to 5,291 at the beginning of FY 2001.
- ✓ The number of non-payment filings in Housing Court stayed virtually unchanged in 2000.

the NYC GCP increase in 2000 outpaced the 5.0% increase in the U.S. Gross Domestic Product (GDP) for the second consecutive year.²

The Consumer Price Index (CPI), which measures the change in cost of typical household goods, increased at a higher rate in 2000 (3.1%) than in 1999 (2.0%) in the NYC metropolitan area. However, the NYC CPI increased at a lower rate than the entire nation's CPI for urban consumers (3.4%) in 2000.

The employment situation has significantly improved over the last year. The NYC unemployment rate fell by one percentage point, from 6.7% in 1999 to 5.7% in 2000. NYC's 5.7% unemployment rate in 2000 is almost half of the rate measured in 1992: 11%. While still higher than the U.S. unemployment rate, which was 4.0% in 2000, the discrepancy between the NYC and

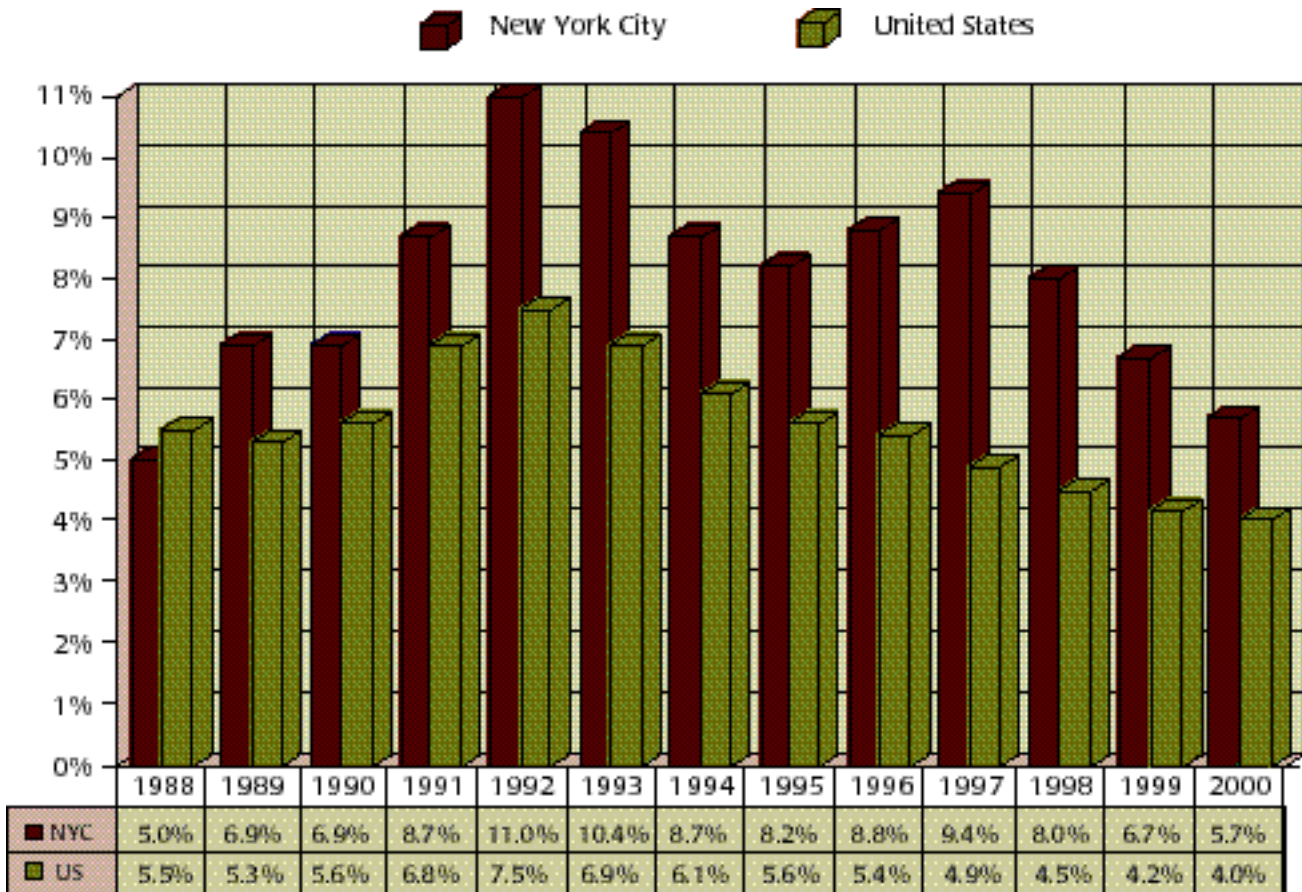
nationwide rates narrowed to the smallest difference since 1990. (See graph below.) (See Appendix A)

The unemployment rates in each borough fell in 2000, though two boroughs (Brooklyn and the Bronx) maintain significantly higher rates than the other three. All boroughs saw their unemployment rates fall about one percentage point from the year before. The Bronx, however, maintained both the highest unemployment rate and saw the smallest decline from the prior year, falling 0.8 percentage points to 7.3%. Queens and Staten Island had the lowest unemployment rates, at 4.8% in 2000. Manhattan's rate fell to 4.9% and Brooklyn fell 1.0 points to 6.8% in 2000.

Two additional employment indices also improved in 2000. The NYC labor force participation rate, which measures the proportion of non-institutionalized people, aged 16 and over,

Lowest New York City Unemployment Rate Since 1988

(NYC and U.S. Unemployment Rates, 1988-2000)



Source: U.S. Bureau of Labor Statistics.

who are employed or actively looking for work, increased in 2000, to 60.0%, up from 58.5% in 1999. This remained lower than the U.S. rate though, which edged up slightly to 67.2% in 2000. In addition, the NYC employment/population ratio, which measures the ratio of those actually employed among the aged 16 and over non-institutionalized population, increased to 56.3% in 2000, up almost two percentage points from 54.6% in 1999.³ The U.S. employment/population ratio, in contrast, was 64.5% in 2000, up slightly from 64.3% in 1999. The continued large gap between the NYC and U.S. employment/population ratios illustrates the higher unemployment rate in NYC, which in 2000 was 1.7 percentage points, or 43% higher, than in the U.S. overall.

The improved employment situation in NYC this past year is further reflected in the increased number of new jobs. NYC gained 100,000 new jobs, a 2.8% increase over 1999. Of these new jobs, virtually all (99,400) were in the private sector. Based on revised figures, this job growth was the greatest absolute increase since the RGB began collecting this data. Most of the job growth in 2000 occurred in the service sector, which grew by 71,700 jobs, or 5.2%. Other sectors gaining jobs in 2000

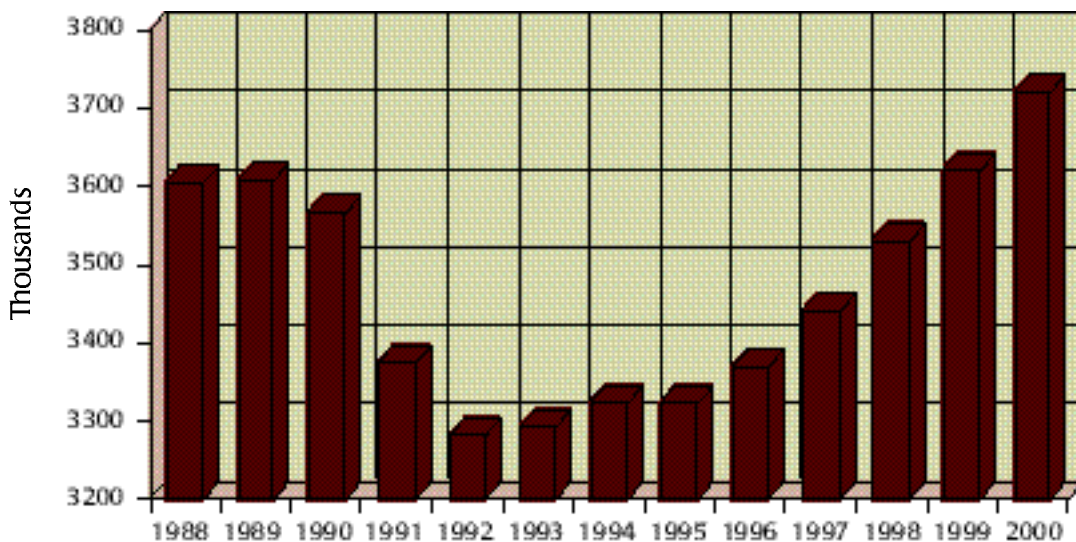
include trade, up 20,700, or 3.4%; construction, up 7,900, or 6.9%; finance, insurance and real estate (FIRE) jobs, up 4,400, or 0.9%; and the transportation and utilities sector, gained 3,300 jobs, for an increase of 1.6%. Government jobs overall increased by just 600 jobs, or 0.1%. However, the manufacturing sector again lost jobs in 2000, decreasing by 8,500, or 3.4%. (See graph below.)(See Appendix B)

In another sign of a strong NYC economy, both nominal and real wages again increased from 1998 to 1999, the most recent year for which figures are available, for those employed in NYC (which also includes those who live outside the City). In 1999, the average annual nominal wage was \$54,083, an increase from \$52,006 in 1998. Adjusted for inflation, real wages increased 2.0% from 1998-99. Average real wages increased in all job sectors. The FIRE sector saw the largest increase in real wages, rising by 3.5%. (See Appendix C)

In addition to receiving the highest increase in real wages, the financial services industry also continued to maintain the highest salaries. In 1999, the FIRE sector continued to pay the highest wages of all sectors, at an average of \$122,121, a real wage increase of 42.4% since 1993. By contrast, the lowest paid job sector

NYC Employment Levels Greatest In History of Study

(Average Annual Payroll Employment, NYC, 1988-2000)



Source: U.S. Bureau of Labor Statistics.

remained trade, whose average wage was \$34,309 in 1999, a real wage increase of 1.2% over the prior year, and a 4.5% increase since 1993. This is a continuation of a trend, where the highest levels in job growth are seen in industries that pay the least, and conversely see the smallest annual increases in wages. The two industries that added the greatest number of jobs in 2000, services and trade, which combined accounted for 92.4% of the job growth, saw only a 2.0% increase in real wages from 1998 to 1999. In contrast, the highest paid sector of the NYC economy (FIRE) added the fewest private-sector jobs (0.9% increase over prior year). (See Appendices C & D)

New York City Renters

Affordability

As reported last year following the release of the 1999 Housing and Vacancy Survey (HVS), housing in NYC is generally less available, especially apartments with rents less than \$500 per month, compared to three years earlier. The citywide vacancy rate fell from 4.01% in 1996 to 3.19% in 1999, indicating that fewer apartments are vacant and available for rent in 1999.

Further data from the 1999 HVS reveals that lower-rent apartments (those under \$600 per month) have become increasingly scarce. The vacancy rate for the most affordable rental apartments fell dramatically: just 1.26% of units with asking rents of under \$400 were vacant, down from 3.21% in 1996, using inflation-adjusted asking rents. The vacancy rate for \$400-\$499 also fell, from 3.31% in 1996 to 2.53% in 1999. Also, the \$500-\$599 unit vacancy rate fell from 3.89% to 2.86%. The vacancy rate for all but the most expensive apartments fell similarly.

Furthermore, the proportion of stabilized apartments renting for less than \$500 decreased substantially, by half from 1993-1999. In 1993, 43% of stabilized apartments rented for less than \$500; in 1999, only 20% did.

Affordability, as measured by the rent-to-income ratio, remained under the 30% benchmark but did not improve during the 1990s for NYC renters. The

median share of income paid by all tenants towards contract rent in 1999 was 27.2% of their incomes, up slightly from 26.5% in 1991. The median contract rent-to-income ratio for stabilized tenants similarly increased, from 25.8% in 1991 to 27.4% in 1999, according to the HVS. The higher ratios in 1999 mean that renters paid more of their income in rent than in 1991.

Further examining the impact of inflation on data gathered in the HVS over this period reveals that rent stabilized tenants' incomes have not kept up with their increases in rent. Tenants have faced housing costs that have risen faster than their incomes in real terms. A comparison of inflation-adjusted income and contract rent levels from the 1991 and 1999 HVS's reveals that while median rent stabilized tenants' incomes have risen 2.8% during the 1990s, their median rent has risen 10.8% in the same period (in 1999 dollars).⁴ Moreover, HVS data on crowding, which is greater in rent stabilized apartments than for all renters, indicates that stabilized households may be doubling up to keep their rent affordable.

Examining renter household's income over the most recent three-year period surveyed reveals similar findings. According to the 1999 HVS, which reflects household income for 1998, the inflation-adjusted median income for renter households increased from 1995 to 1998 by just 1.7%.⁵

By comparison, rent stabilized tenants saw their real median household income decline slightly by 0.5%, falling to \$27,000. These figures are significantly different than for renter and owner NYC households combined, who instead saw an overall 4.2% increase in real average wages. In addition, an even greater increase in wages was found when examining data for all who work in NYC (but don't necessarily live in the City), who saw a 12.0% increase in real average wages over the same three years. This suggests that the recent increases in income (2.0% increase in real income in 1999) earned by workers employed in NYC may have largely gone to suburban residents. When looking at both rent costs and income, statistics indicate that it is increasingly difficult for those households with lower incomes to afford housing without some government assistance.

Since the HVS data was collected in early 1999, reports have indicated that housing costs have continued to climb to record levels in much of the City. One limited study of select brokers' vacant, available units reported that the average rent for rental apartments in lower Manhattan climbed 10.7% during the first six months of 2000, and 46% during the prior six years, to an average of \$2,984.⁶ However, there are signs that the upward trend in prices for housing may have begun to level off in early 2001, as economic indicators locally begin to cool.⁷

Nationally, similar trends have been reported. One study found that, nationwide, the number of families suffering from "critical housing needs," that is, those that pay more than half their household income for housing or live in "severely inadequate housing," rose 64% between 1997 and 1999.⁸ This same study found, of the major U.S. cities studied in the report, that NYC has the most acute shortage of affordable housing, with over 1.5 million families lacking adequate housing.⁹

Middle-Income Stabilized Households

The ability to pay an "affordable" rent varies greatly in New York City among stabilized renters, particularly among the middle or moderate income households. While there is no official definition of the "middle class," there are several measures related to the distribution of income available.¹⁰ Dividing households into five equal groups based on annual income, and studying the three middle groups that surround the median is one method to define middle-income households and evaluate how they are faring in the housing market. Using data from the 1999 Housing and Vacancy Survey (HVS), the median income of all rent stabilized households in 1998 was \$27,000. This is about the same as their inflation-adjusted median income in 1995. In comparison, the inflation-adjusted median income of all nonregulated¹¹ renters in New York City increased by 10% during the same period.¹² The annual incomes of these three middle income groups of stabilized households ranged from \$9,600 to \$56,999 in 1998.

Housing affordability was a varied experience for middle income stabilized renters in 1998, and

remained virtually unchanged since 1995. These households had a median contract rent less than that of middle income nonregulated renters (\$628 and \$735 respectively). After adjusting for inflation, the median contract rent for middle income stabilized renters rose modestly (a 1% increase) from 1995-98. While slightly more than half pay less than 30% of their income in rent, considered by the federal government as having an affordable rent burden,¹³ another third paid 30%-50% of income in rent and almost 18% paid over 50% of income in rent. This distribution is nearly identical to what middle income stabilized renters experienced in 1995. In both years, nearly 50% of middle income stabilized households had rent-to-income ratios in excess of 30%. The median rent-to-income ratio for all middle income stabilized renters was nearly 29% in both 1995 and 1998. In comparison, despite the fact that middle income renters in nonregulated units faced higher rents, their median income was higher than that of middle income stabilized renters, resulting in a lower median rent burden during 1995 and 1998 (26% and 25% respectively) for those households.

Another method to evaluate housing affordability is to determine the prevalence of households experiencing both a low income and a high rent burden (rent-to-income ratio). The U.S. Department of Housing and Urban Development (HUD) defines households as having 'worst case housing needs' if their income is less than 50% of the area median income and they pay more than 50% of their income in rent.¹⁴ A small share, 6.2%, of middle income stabilized households fit this criteria in 1998, with an average rent-to-income ratio of almost 70% and an average annual income of \$13,555. When the same criteria is applied to 1995 data from the 1996 HVS, about the same share of middle income rent stabilized households had worst case housing needs (6.5%). Thus from 1995-98, the share of middle income stabilized households with the most severe housing affordability challenges remained unchanged.

Population Growth

Another key factor contributing to the shortage of affordable housing is the significant increase in the

City's population over recent years, driven largely by immigration. According to the 2000 decennial Census, NYC saw its population increase to its highest recorded level ever, increasing six percent over the last decade to 8.0 million people.¹⁵ Four of the five boroughs saw population increases over the last decade, with the highest percentage increases in Staten Island (15%) and Queens (11%). The smallest increases occurred in Brooklyn (4%) and the Bronx (7%). Manhattan's population remained unchanged.

Indicative of the growth in population and lack of significant new housing creation is the increase in overcrowding in NYC apartments. According to the 1999 HVS, 11.0% of renter households were overcrowded in 1999, a 7% increase over 1996, when 10.3% were overcrowded (that is, have greater than one person per room). Stabilized households are

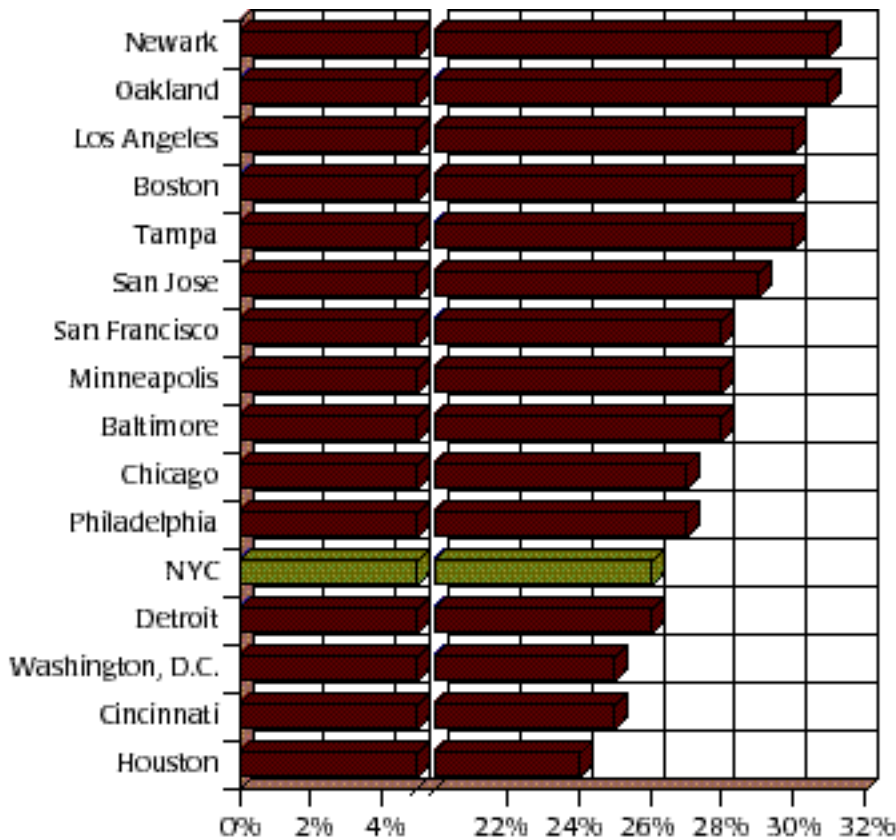
even more crowded: 13.2% in 1999 were overcrowded, versus 11.8% in 1996. In contrast, among non-regulated renter households, 9.2% were overcrowded.

Comparison Between NYC and Other U.S. Cities

Using cross-sectional data from recent U.S. Census Bureau's American Housing Surveys (AHS), RGB staff found that New York City's median gross rent-to-income ratio was slightly below the average. Individual cities were selected for which the Census Bureau completed a survey in the two most recent years for which surveys were conducted (1998 and 1999) and that have at least 50,000 occupied rental units in their inventories. RGB staff narrowed the

New Yorkers Pay Slightly Smaller Share of Income for Housing Costs

(Median Gross Rent-to-Income Ratios for Renter Households in Selected Cities, 1998-1999)



Source: American Housing Survey, U.S. Census Bureau, 1998-1999.

comparison to the central city in each metropolitan area, rather than entire metropolitan areas, to avoid comparability problems that arise when including suburbs with core urban areas. This selection criterion yielded fifteen cities aside from New York City. Due to differences in how the Census Bureau defines variables in the New York City HVS versus the AHS, RGB staff used data from the AHS for all of New York City's variables in this comparison.

The American Housing Survey reveals that the median rental housing cost for all types of renters in New York City is \$671, which is higher than the median rent of \$607 in other cities in this comparison. In terms of median household income, renters in thirteen cities have lower median incomes than New York City, which has a relatively high median income of \$28,616. Renters in Baltimore have the lowest income in the RGB's sample, with a median income of \$14,409. San Francisco has the wealthiest renters, earning a median income of \$38,999 per year.

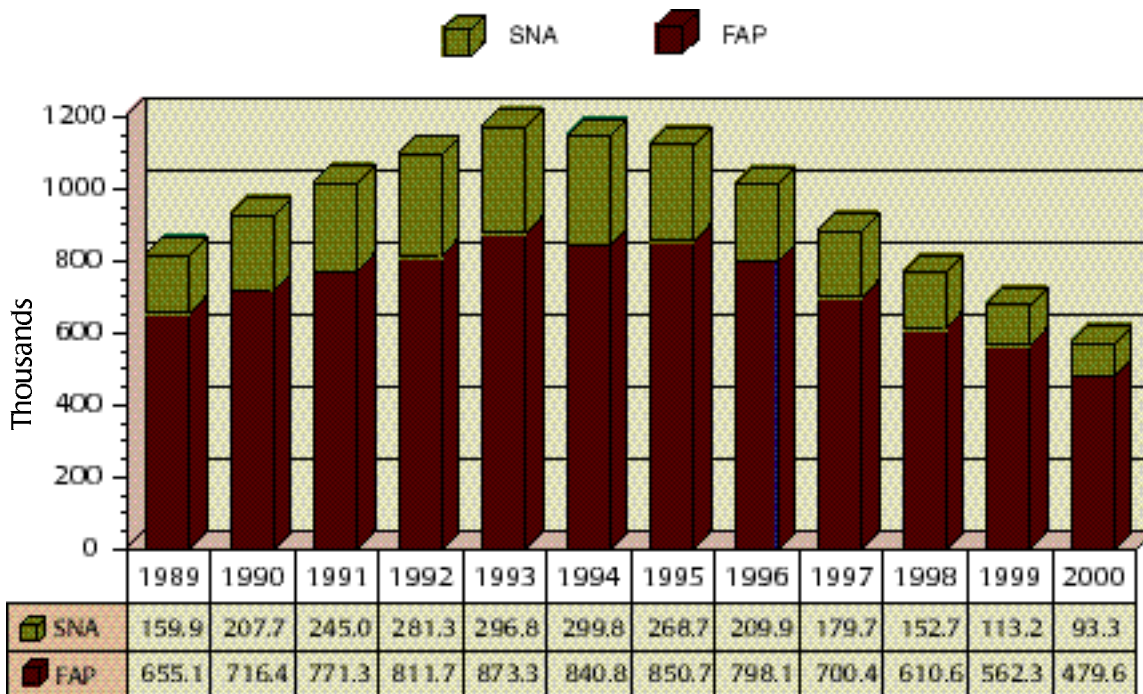
Most urban areas in the RGB comparison pay more of their income in housing costs than New York City. Using median rent-to-income ratios calculated in the AHS, RGB staff found that New Yorkers who rent their apartments pay approximately 26% of their income towards gross rent each month. Three central cities had lower median rent-to-income ratios of 24-25%, and eleven other cities had higher rent-to-income ratios of 27-31%. (See graph on previous page.) Similar to the 1999 HVS, the AHS found that at the median, the rent-to-income ratio for all NYC renters is below the federal affordability standard of 30%. (The AHS does not allow separate analyses of rent stabilized households.)

Welfare Reform

As seen in prior years, public assistance caseloads continued to drop in NYC over the past year. The most recent edition of the *Mayor's Management*

Further Decline in Public Assistance Caseload

(Family Assistance Program (FAP) and Safety Net Assistance (SNA), FY 1989-FY 2000)



Source: *Mayor's Management Reports*, FY's 1989-Preliminary FY 2001.

Report indicates that the number of persons receiving public assistance decreased to 538,000 by December 2000, the lowest level since November 1966 and a decline of 623,000, or 53.7%, since March 1995, when the City's welfare reform initiative began.¹⁶ During the first four months of FY 2001, 37,370 public assistance recipients found employment, 67% more than in the same period in the prior year. An average of 573,000 residents received public assistance in fiscal year 2000 (covering the period July 1, 1999 to June 30, 2000), 15% less than in the previous year and 51% less than 1993's record high of 1,170,000.

Public assistance rolls are made up of two main programs: the Family Assistance Program (FAP) and the Safety Net Assistance (SNA) program. FY 2000 saw a caseload reduction of 82,700, or 14.7%, in the number of participants in FAP (formerly called the Temporary Assistance to Needy Families (TANF) program). The second program, SNA, also saw a drop in its caseload, to 91,600 in October 2000, 8.9% less than at the same time a year earlier and 49% less than in FY1997. However, there was also a slight increase in the number of new public assistance applications during the first four months of FY 2001, with 3,900 more received during this period, compared to the same period in the prior year. (See graph on previous page.)

Along with these changes, the *Mayor's Management Report* also indicates that as of October 2000, 48.7% of FAP families participate in work activities, up from 40.7% a year earlier. Current and former welfare recipients have been able to obtain employment more easily due to the greater availability of jobs evidenced by the declining unemployment rate. This is an indication that the economy is now better able to absorb those welfare recipients seeking work than it had been able to in prior years, especially during the recession of the early 1990's.

While the number of public assistance beneficiaries has dropped significantly in recent years, some families that have continued to receive benefits face losing their federal welfare benefits at the end of 2001. That is when the five-year limit on federal benefits, enacted as part of the 1996

overhaul of the system, first begins to affect those families receiving welfare. It is estimated that about 59,000 families in NYC will be affected by the expiration of benefits. However, state and city benefits will initially make up for at least part of the loss in federal benefits.¹⁷

Housing Policy

For years, one of the primary aspects of the City's housing policy strategy was to sell the City's extensive inventory of occupied and vacant, blighted apartment buildings that the City had taken over due to non-payment of taxes.¹⁸ Additionally, in January 2001, the City administration sought to shift the emphasis by proposing the largest investment in housing in NYC in nearly a decade: a four-year, \$1.2 billion plan to build or renovate over 10,000 apartments.¹⁹ The plans includes the renovation of about 7,000 existing units, including 1,100 vacant ones, the construction of 3,100 new units, and the development of commercial and retail space.

On a Federal level, the most recently approved Department of Housing and Urban Development (HUD) \$32.4 billion budget (for FY 2001) was the largest since 1981, and the allocation for homeless programs the largest ever, increasing \$105 million nationwide over the prior year. In particular, NYC will receive \$85 million for homeless programs.²⁰

A 6.8% increase in the HUD budget has been proposed for FY 2002, including increases of \$197 million nationwide for 34,000 new Section 8 housing vouchers and \$150 million for public housing operating subsidies. However, the proposed budget also includes a \$700 million reduction nationwide in the Public Housing Capital Fund, which would mean a loss of about \$100 million for NYC. The budget also proposes to cancel the Public Housing Drug Elimination program, translating into a \$35 million loss for NYC.

Both local and federal governments continued to lag in the creation of new housing units in NYC. In 2000, no new units of Federal Housing Administration (FHA)-insured multifamily housing were produced in NYC and fourteen other major

U.S. cities.²¹ Local spending on housing has also lagged in recent years: In FY 1991, a total of \$940 million in city money was spent on housing and NYC HPD services, while in FY 2000, only \$535 million was spent, about 43% less.²²

Evictions & Homelessness

Homelessness & Emergency Assistance

Despite strong economic indicators during the year 2000, some New Yorkers have not benefited – in particular, those who remain or have become homeless. Perhaps exacerbated by the limited availability of affordable housing, the situation for the homeless has not improved over the past year. The average number of single adults lodged in temporary housing increased slightly over the first four months of FY 2001 to 6,826, compared to the same period the prior year (6,580), a 3.7% increase. The situation was the same for families: the average number of families staying in temporary housing each night during the same four-month comparison period increased 5.6%, from 5,011 to 5,291. The average number of days that families spent in temporary housing also increased by 10.3%, from 272 to 300 days. In addition, the number of families relocated to permanent housing decreased during the first four months of FY 2001, from 1,323 to 1,269, a 4.1% decline. Furthermore, the number of families found ineligible for temporary housing increased by 20.4% to 3,303 during the first four months of FY 2001 compared to the same four-month period in FY 2000.

Reports indicate that this past winter saw an increase in the number of homeless people lodging in shelters. During the 2000-01 winter, the number of homeless rose above 25,000, including 10,200 children and their 8,000 adult guardians, as well as 7,500 single adults. Furthermore, according to a recent study, more than 333,000 New Yorkers (4.6% of the City's 1990 population) stayed in shelters for at least one day between 1987 and 1996.²³

The number of recipients in other areas of emergency assistance this year fell as well, following a similar decline seen the year before. There was an

8.1% drop in the number of persons receiving food stamps, dropping to 869,200 by October 2000, compared to a year earlier. The continued reduction in demand for many areas of emergency assistance is probably due to a combination of the improving area economy as well as tougher standards that have been implemented for receiving assistance.

However, a recent report, derived from U.S. Department of Agriculture figures, indicates that nationwide, at least twelve million people are not receiving food stamps, even though they are eligible. Simultaneously, the number of people on food stamp rolls has fallen almost a third since welfare laws were overhauled in 1996. This has strained food banks: the principal nonprofit source for food banks has doubled the amount of food it distributes nationwide, to two billion pounds over the last two years.²⁴

Housing Court

Another useful tool the RGB uses to understand the effect of varying economic conditions on New York City's renters is housing court data. Specifically, Housing Court actions are reviewed to determine the proportion of tenants who are unable to meet their rental payments. Similarly, evictions are tracked to measure the number of households experiencing the most severe affordability problems.

Perhaps reflecting recent Housing and Vacancy Survey data showing the rent-to-income ratio declining slightly over the three-year period from 1996 to 1999, the number of non-payment filings in Housing Court has stayed virtually unchanged in 2000. When the RGB first began to collect this data in the mid-1980s, non-payment filings averaged 323,000 between 1983 and 1989. But since the mid-1990s, filing rates over the last six years have declined to an average of 275,000.

While court filings have declined in recent years, the proportion of cases resulting in an actual court appointment has steadily risen in the same period. During the mid-to-late 1980s, an average of 27.1% of non-payment filings were "calendared" (resulting in a court appearance). But since the early 1990's, that figure has climbed steadily, so that in 2000, 45.5% of filings were calendared. (See Appendix G.)

An examination of the number and proportion of evictions is another useful measure of tenants' ability to afford rents. Of the 123,399 non-payment proceedings that reached the point of trial, 22,676 court decisions ruled in favor of landlords and for the tenant's eviction, according to 1999 data, which is the most recent for which eviction data is available at the time of this report. As a proportion of cases noticed for trial that resulted in an eviction/possession ruling, this virtually the same, up from 18.3% in 1998 to 18.4% in 1999. But the proportion remains a great deal lower than that found in the mid to late-1980s, when typically a quarter to a third of cases reaching court resulted in an order of eviction or possession.

Conclusion

New York City's major economic indicators remained strong in 2000, showing no signs of the nationwide economic slowdown that began later in the year. The City's economy, as measured by the Gross City Product, increased by 5.3%, the highest rate of growth in over a decade, the City gained 100,000 jobs and the unemployment rate fell significantly. Furthermore, the median rent-to-income ratio for stabilized households remained below the affordable level in 1999. However, the situation for apartment-hunting New Yorkers remained difficult, with a diminishing availability of moderately-priced apartments due to an increasing population and an anemic rate of affordable housing creation.

Endnotes

1. 1999 GCP was revised from 5.3% to 4.8%
2. NYC Comptroller's Office, Economic Notes, Feb. 2001.
3. The NYC labor force participation rate and employment/population ratio are derived from unpublished data from the U.S. Bureau of Labor Statistics.
4. Data provided by the U.S. Census Bureau from the 1991 HVS is unimputed, but from the 1999 HVS is imputed, which must be taken into account when comparing data from these two years.
5. The HVS defines total household income as including wages, salaries, and tips; self-employment income; interest dividends; pensions; and other transfer and in-kind payments.
6. "Manhattan Rents Go Ever Upward," by Dennis Hevesi, *New York Times*, Nov. 10, 2000.
7. "Manhattan Rents Starting To Drop After Long Climb," by Tracie Rozhon, *New York Times*, Jan. 16, 2001.
8. "More Middle-Income Families Are Facing Lack of Affordable Homes, Study Finds," by Patrick Barta, *The Wall Street Journal*, Feb. 6, 2001.
9. "City Is Tops in Lack of Affordable Housing," by Tania Padgett, *Newsday*, March 14, 2001.
10. U.S. Census Bureau. "Income Inequality – Middle Class Narrative", August 3, 2000. World Wide Web page <<http://www.census.gov/hhes/income/midclass/midclsan.html>>
11. Nonregulated consists of units which were never rent controlled or rent stabilized, units which were decontrolled, including those in buildings with five or fewer units, and unregulated rentals in cooperative or condominium buildings. Middle income nonregulated were defined with the same methodology – dividing all renters by annual income into five equal groups and analyzing the three middle groups.
12. NYC Department of Housing Preservation and Development "Selected Findings of the 1999 New York City Housing and Vacancy Survey. World Wide Web page <<http://www.nyc.gov/html/hpd/html/data/research-data.html>>
13. FY1998 Income Limits and Fair Market Rent, U.S. Department of Housing and Urban Development. World Wide Web page <<http://www.huduser.org/datasets/il/fmr98/hud98ny.txt>>
14. Affordable Housing Shortage in Metro New York City, December 5, 2000. U.S. Department of Housing and Urban Development. World Wide Web page <<http://www.hud.gov/worsfact/newyork.cfm>>
15. "City Population Tops Eight Million in Census Count for First Time," by Susan Sachs, *New York Times*, March 16, 2001. Note: Population changes described here reflect adjusted 1990 figures, not yet shown in our appendix, because exact figures have not yet been released.
16. *Mayor's Management Report*, Prelim FY 2001.
17. "State's Poorest Facing Loss of U.S. Aid," by Somini Sengupta, *New York Times*, Feb. 10, 2001.
18. "Housing Proposal Reflects Policy Shift," by Eric Lipton, *New York Times*, Feb. 28, 2001.
19. "Inside the Budget Office," NYC Independent Budget Office report, No. 78, Feb. 28, 2001.
20. "New York To Get Millions in Federal Aid to Find Permanent Housing for Homeless," by Dean Murphy, *New York Times*, Dec. 24, 2000.
21. "City Is Tops in Lack of Affordable Housing," by Tania Padgett, *Newsday*, March 14, 2001.
22. "Battery Park Is Success, Except for Pledge to the Poor," by Eric Lipton, *New York Times*, Jan. 2, 2001.
23. "Homeless Shelters in New York Fill to Highest Level Since 80's," by Nina Bernstein, *New York Times*, Feb. 8, 2001.
24. "Millions Eligible for Food Stamps Aren't Applying," by Elizabeth Becker, *New York Times*, Feb. 26, 2001.

Appendix

A. Average Annual Employment Statistics by Area, 1989-2000

Unemployment Rate	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Bronx	7.0%	8.2%	10.1%	12.5%	11.9%	10.0%	9.6%	10.6%	11.6%	10.0%	8.1%	7.3%
Brooklyn	6.7%	7.9%	9.5%	12.0%	11.2%	9.7%	9.2%	10.0%	10.7%	9.4%	7.8%	6.8%
Manhattan	5.0%	5.8%	7.3%	9.0%	8.8%	7.6%	7.0%	7.4%	7.8%	6.8%	5.7%	4.9%
Queens	5.0%	6.0%	8.0%	10.5%	9.5%	8.2%	7.6%	8.1%	8.5%	7.0%	5.9%	4.8%
Staten Island	4.8%	6.4%	8.3%	10.4%	9.2%	7.8%	7.4%	7.8%	8.4%	6.9%	5.8%	4.8%
NYC	6.9%	6.9%	8.7%	11.0%	10.4%	8.7%	8.2%	8.8%	9.4%	8.0%	6.7%	5.7%
U.S.	5.3%	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%
Labor Force Participation Rate												
NYC	57.6%	57.1%	56.4%	56.4%	56.0%	55.5%	55.2%	56.7%	58.5%	58.9%	58.5%	60.0%
U.S.	66.5%	66.5%	66.2%	66.4%	66.3%	66.6%	66.6%	66.8%	67.1%	67.1%	67.1%	67.2%
Employment-Population Ratio												
NYC	53.6%	53.1%	51.5%	50.2%	50.2%	50.7%	50.7%	51.7%	53.0%	54.2%	54.6%	56.3%
U.S.	63.0%	62.8%	61.7%	61.5%	61.7%	62.5%	62.9%	63.2%	63.8%	64.1%	64.3%	64.5%
Gross City Product (NYC)												
(thousands,\$1996)	268.6	272.7	267.5	270.3	276.2	276.8	282.2	292.7	304.8	316.2	331.3	349.0
% Change	3.6%	1.5%	-1.9%	1.0%	2.2%	0.2%	2.0%	3.7%	4.1%	3.7%	4.8%	5.3%
Gross Domestic Product (U.S.)												
(thousands,\$1996)	\$6,591.8	6,707.9	6,676.4	6,880.0	7,062.6	7,347.7	7,543.8	7,813.2	8,159.5	8,515.7	8,875.8	9,318.5
% Change	3.5%	1.8%	-0.5%	3.0%	2.7%	4.0%	2.7%	3.6%	4.4%	4.4%	4.2%	5.0%

Note: The New York City Comptroller's Office revises the Gross City Product periodically. The GCP & GDP figures presented here may not be the same as those reported in prior years. Note that GCP and GDP figures are preliminary.

Sources: U.S.Bureau of Labor Statistics; U.S.Bureau of Economic Analysis, U.S.Dept.of Commerce; NYS Dept.of Labor; NYC Comptroller's Office.

B. Average Payroll Employment by Industry for NYC, 1990-2000 (in thousands)

Industry Employment	1990-2000											
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Change
Construction	114.9	99.8	87.1	85.8	89.3	90.2	91.4	93.8	102.4	114.1	122.0	6.9%
Manufacturing	337.5	307.8	292.8	288.8	280.4	273.5	266.4	264.8	259.1	250.7	242.2	-3.4%
Transportation	229.1	218.4	204.8	203.4	201.5	202.9	204.9	205.5	206.2	207.9	211.2	1.6%
Trade	608.3	565.3	545.6	537.9	544.1	555.4	565.0	577.7	589.80	609.9	630.6	3.4%
FIRE	519.6	493.6	473.5	471.6	480.3	473.4	468.5	473.4	483.4	486.0	490.4	0.9%
Services	1,149.0	1,096.9	1,093.1	1,115.8	1,148.1	1,183.6	1,226.7	1,274.9	1,325.5	1,384.2	1,455.9	5.2%
Mining	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	-33.3%
Total Private Sector	2,958.7	2,782.1	2,697.3	2,703.6	2,744.0	2,779.3	2,823.7	2,890.4	2,967.7	3,053.1	3,152.5	3.3%
Government	607.6	592.6	584.5	587.6	578.3	560.1	546.0	551.50	561.5	567.4	568.0	0.1%
New York City	--	--	--	223.8	252.3	237.3	235.0	237.0	242.4	246.6	250.8	1.7%
Total	3,566.3	3,374.7	3,281.8	3,291.2	3,322.3	3,322.9	3,369.7	3,411.9	3,529.2	3,620.5	3,720.5	2.8%

Note: Totals may not add up due to rounding. The Bureau of Labor Statistics revises the statistics periodically. The employment figures reported here may not be the same as those reported in prior years.

Sources: U.S.Bureau of Labor Statistics; NYC Comptroller's Office; NYC employment figures from the NYC Office of Management and Budget.

C. Average Real Wage Rates by Industry for NYC, 1992-99 (1989 dollars)

Industry	1992	1993	1994	1995	1996	1997	1998	1999	1998-1999 % Change
Construction	\$34,861	\$34,305	\$34,399	\$34,023	\$34,166	\$33,547	\$34,761	\$35,516	2.2%
Manufacturing	\$32,137	\$31,151	\$31,838	\$32,838	\$34,678	\$35,502	\$39,027	\$38,998	-0.1%
Transportation	\$36,046	\$34,945	\$35,311	\$35,733	\$36,626	\$36,534	\$38,136	\$38,234	0.3%
Trade	\$24,974	\$24,234	\$24,303	\$24,031	\$23,851	\$24,359	\$25,019	\$25,315	1.2%
FIRE	\$63,917	\$63,290	\$59,290	\$65,902	\$74,258	\$81,100	\$87,038	\$90,108	3.5%
Services	\$29,576	\$29,210	\$29,108	\$29,422	\$29,340	\$29,873	\$31,272	\$32,097	2.6%
Private Sector	\$35,658	\$34,981	\$34,306	\$35,533	\$36,839	\$38,333	\$40,481	\$41,244	1.9%
Government	\$29,843	\$29,936	\$30,693	\$31,851	\$32,144	\$32,615	\$31,822	\$32,622	2.5%
Total Industries	\$34,641	\$34,107	\$33,745	\$34,942	\$36,193	\$37,464	\$39,125	\$39,905	2.0%

Note: The New York State Department of Labor revises these statistics annually. The wage figures reported here may not be the same as those reported in prior years.

Source: New York State Department of Labor, Research and Statistics Division.

D. Average Nominal Wage Rates by Industry for NYC, 1992-99

Industry	1992	1993	1994	1995	1996	1997	1998	1999	1998-1999 % Change
Construction	\$40,040	\$40,583	\$41,669	\$42,255	\$43,663	\$43,873	\$46,207	\$48,134	4.2%
Manufacturing	\$36,911	\$36,851	\$38,567	\$40,784	\$44,317	\$46,430	\$51,876	\$52,853	1.9%
Transportation	\$41,401	\$41,340	\$42,773	\$44,379	\$46,806	\$47,779	\$50,693	\$51,817	2.2%
Trade	\$28,684	\$28,669	\$29,439	\$29,846	\$30,480	\$31,857	\$33,256	\$34,309	3.2%
FIRE	\$73,412	\$74,873	\$71,820	\$81,848	\$94,898	\$106,064	\$115,695	\$122,121	5.6%
Services	\$33,970	\$34,556	\$35,259	\$36,541	\$37,495	\$39,068	\$41,569	\$43,500	4.6%
Private Sector	\$40,955	\$41,383	\$41,556	\$44,130	\$47,078	\$50,132	\$53,810	\$55,898	3.9%
Government	\$34,276	\$35,415	\$37,179	\$39,558	\$41,078	\$42,654	\$42,300	\$44,212	4.5%
Total Industries	\$39,787	\$40,349	\$40,876	\$43,397	\$46,253	\$48,996	\$52,006	\$54,083	4.0%

Note: The New York State Department of Labor revises the statistics annually. The wage figures reported here may not be the same as those reported in prior years.

Source: New York State Department of Labor, Research and Statistics Division.

E. New York City Population Statistics, 1900-2000

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Citywide	Citywide Change from prior decade
1900	200,507	1,166,582	1,850,093	152,999	67,021	3,437,202	--
1910	430,980	1,634,351	2,331,542	284,041	85,969	4,766,883	38.7%
1920	732,016	2,018,356	2,284,103	469,042	116,531	5,620,048	17.9%
1930	1,265,258	2,560,401	1,867,312	1,079,129	158,346	6,930,446	23.3%
1940	1,394,711	2,698,285	1,889,924	1,297,634	174,441	7,454,995	7.6%
1950	1,451,277	2,738,175	1,960,101	1,550,849	191,555	7,891,957	5.9%
1960	1,424,815	2,627,319	1,698,281	1,809,578	221,991	7,781,984	-1.4%
1970	1,471,701	2,602,012	1,539,233	1,986,473	295,443	7,894,862	1.5%
1980	1,168,972	2,230,936	1,428,285	1,891,325	352,121	7,071,639	-10.4%
1990	1,203,789	2,300,664	1,487,536	1,951,598	378,977	7,322,564	3.5% (See Note)
2000	1,332,650	2,465,326	1,537,195	2,229,379	443,728	8,008,278	9.4% (See Note)

Note: Percent population change between 1990 and 2000 differs from that reported in the text (6%) because the 1990 figures above have not yet been adjusted to take into account the increased number of households surveyed for the 2000 Census. See Endnote 15.

Source: U.S. Census Bureau, Population Division.

F. Consumer Price Index for All Urban Consumers, New York-Northeastern New Jersey, 1990-2000

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
March	136.6	143.4	149.1	154.1	157.9	160.9	166.5	170.7	173.0	175.5	181.5
June	137.1	144.6	149.5	154.2	157.8	162.2	166.5	170.3	173.1	176.8	182.0
September	140.8	145.8	151.4	155.3	159.0	163.2	168.2	171.7	174.4	178.2	184.4
December	141.6	146.6	151.9	155.6	158.9	163.7	168.5	171.9	174.7	178.6	184.2
Quarterly Average	139.0	145.1	150.5	154.8	158.4	162.5	167.4	171.2	173.8	177.3	183.0
Yearly Average	138.5	144.8	150.0	154.5	158.2	162.2	166.9	170.8	173.6	177.0	182.5

12-month percentage change in the CPI

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
March	6.0%	5.0%	4.0%	3.4%	2.5%	1.9%	3.5%	2.5%	1.3%	1.4%	3.4%
June	5.1%	5.5%	3.4%	3.1%	2.3%	2.8%	2.7%	2.3%	1.6%	2.1%	2.9%
September	6.5%	3.6%	3.8%	2.6%	2.4%	2.6%	3.1%	2.1%	1.6%	2.2%	3.5%
December	6.2%	3.5%	3.6%	2.4%	2.1%	3.0%	2.9%	2.0%	1.6%	2.2%	3.1%
Quarterly Average	5.9%	4.4%	3.7%	2.9%	2.3%	2.6%	3.0%	2.2%	1.5%	2.0%	3.2%
Yearly Average	6.0%	4.5%	3.6%	3.0%	2.4%	2.5%	2.9%	2.3%	1.6%	2.0%	3.1%

Source: U.S.Bureau of Labor Statistics.

G. Housing Court Actions, 1983-2000

<u>Year</u>	<u>Filings</u>	<u>Calendar ed</u>	<u>Evictions & Possessions</u>
1983	373,000	93,000	26,665
1984	343,000	85,000	23,058
1985	335,000	82,000	20,283
1986	312,000	81,000	23,318
1987	301,000	77,000	25,761
1988	299,000	92,000	24,230
1989	299,000	99,000	25,188
1990	297,000	101,000	23,578
1991	302,000	114,000	20,432
1992	289,000	122,000	22,098
1993	295,000	124,000	21,937
1994	294,000	123,000	23,970
1995	266,000	112,000	22,806
1996	278,000	113,000	24,370
1997	274,000	111,000	24,995
1998	278,156	127,851	23,454
1999	276,142	123,399	22,676
2000	276,159	125,787	

Note: "Filings" reflect non-payment proceedings initiated by rental property owners, while "Calendar ed" (previously labeled "Intakes") reflect those non-payment proceedings resulting in a court appearance.

Sources: New York City Civil Court, First Deputy Chief Clerk for Housing; New York City Department of Investigations, Bureau of City Marshals.

Statistic not yet available.

H. Housing and Vacancy Survey Data, Rent Stabilized Apartments, 1996 and 1999

	1996 ¹		1999 ²	
	Number	Percent	Number	Percent
Household Income				
<\$5,000/Loss/No Income	89,893	8.9%	87,972	8.6%
\$5,000 to \$9,999	145,235	14.3%	119,961	11.8%
\$10,000 to \$14,999	87,960	8.7%	96,096	9.4%
\$15,000 to \$19,999	81,025	8.0%	83,572	8.2%
\$20,000 to \$24,999	85,367	8.4%	83,382	8.2%
\$25,000 to \$29,999	75,694	7.5%	71,311	7.0%
\$30,000 to \$34,999	71,695	7.1%	62,402	6.1%
\$35,000 to \$39,999	57,521	5.7%	59,447	5.8%
\$40,000 to \$49,999	89,571	8.8%	95,306	9.3%
\$50,000 to \$59,999	66,957	6.6%	70,391	6.9%
\$60,000 to \$69,999	47,346	4.7%	51,800	5.1%
\$70,000 to \$79,999	30,646	3.0%	37,205	3.6%
\$80,000 to \$89,999	18,261	1.8%	25,748	2.5%
\$90,000 to \$99,999	13,989	1.4%	17,045	1.7%
\$100,000 to \$124,999	53,590	5.3%	28,932	2.8%
\$125,000 or More			30,017	2.9%
Not Reported	0	--	0	--
Median	\$25,300	--	\$27,000	--
Mean	\$35,725	--	\$36,968	--
Contract Rent				
<\$100	3,379	0.3%	1,693	0.2%
\$100 to \$199	21,250	2.1%	17,578	1.7%
\$200 to \$299	31,519	3.2%	23,600	2.3%
\$300 to \$399	75,037	7.5%	45,629	4.5%
\$400 to \$499	155,700	15.6%	117,972	11.7%
\$500 to \$599	207,237	20.7%	193,016	19.1%
\$600 to \$699	173,327	17.3%	187,148	18.5%
\$700 to \$799	104,259	10.4%	129,755	12.8%
\$800 to \$899	67,628	6.8%	84,499	8.4%
\$900 to \$999	38,605	3.9%	54,687	5.4%
\$1,000 to \$1,249	52,071	5.2%	72,136	7.1%
\$1,250 to \$1,499	22,719	2.3%	31,638	3.1%
\$1,500 to \$1,749	19,325	1.9%	26,570	2.6%
\$1,750 or More	28,427	2.8%	25,025	2.5%
No Cash Rent	14,267	--	9,642	--
Not Reported	0	--	0	--
Median	\$600	--	\$650	--
Mean	\$680	--	\$731	--
Contract-Rent-to-Income Ratio				
<10%	78,604	8.1%	73,845	7.6%
10% to 14%	117,880	12.2%	122,515	12.6%
15% to 19%	131,084	13.6%	123,446	12.7%
20% to 24%	105,155	10.9%	117,829	12.1%
25% to 29%	85,350	8.8%	81,645	8.4%
30% to 34%	72,353	7.5%	71,259	7.3%
35% to 39%	49,192	5.1%	49,937	5.1%
40% to 49%	66,939	6.9%	72,447	7.4%
50% to 59%	46,767	4.8%	47,285	4.9%
60% to 69%	36,189	3.7%	38,718	4.0%
70% to 79%	32,787	3.4%	31,010	3.2%
80% or More	145,282	15.0%	142,613	14.7%
Not Computed	47,169	--	48,039	--
Not Reported	0	--	0	--
Median	27.6%	--	27.4%	--
Mean	38.8%	--	37.0%	--

The highest household income category used by Census in the 1996 HVS was \$100,000 or more.

1. 1996 HVS reflects 1995 incomes.

2. 1999 HVS reflects 1998 incomes.

Source: 1996 and 1999 New York City Housing and Vacancy Survey, U.S. Bureau of the Census.

Note: 1996 and 1999 data values are imputed.