

DAILY NEWS

LOCAL

Nearly one third of New Yorkers are "severely burdened" by housing costs: study

The economic downturn brought no relief to city's renters who faced declining income and limited inventory

BY [PHYLLIS FURMAN](#) / NEW YORK DAILY NEWS

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MARK LENNIHAN/AP

Residential construction plummeted when the recession hit, but has seen modest growth recently.

If you thought the recession and the downturn in the city's real estate biz brought any relief to renters, you'd be dead wrong.

In fact, not only is the rent still too damn high, it's eating into a bigger share of New Yorkers' incomes, according to the State of New York City's Housing and Neighborhoods 2012, a study released on Monday by NYU's Furman Center for Real Estate and Urban Policy.

The city is more unaffordable than ever, with nearly one-third of New Yorkers considered severely rent burdened in 2011, meaning that 50% or more of their income was spent on rent and utilities, the study found.

About a quarter were moderately rent burdened, spending between 30% and 50% of their income on housing costs.

Two-thirds of the city's dwellers are renters.

"We are seeing this squeeze on renters," Max Weselcouch, a research analyst at the Furman Center, told the Daily News. "Incomes have declined. Rents continue to increase and there has been very little housing development."

Between 2007 and 2011, even as home prices fell, the median monthly gross rent in New York City rose 8.6% to \$1,191.

During that same period, median household income dropped 6.8% to \$50,433.

The city's rents dipped slightly in 2008 but have come roaring back ever since.

The reason: The Big Apple's population has continued to grow, while very little new housing stock has come into the market in recent years.

Home construction plummeted when the recession hit. Between 2008 and 2009, the number of residential units authorized by new building permits fell by nearly 90% from more than 33,000 to fewer than 3,600, the study showed.

In 2010, granted permits fell to 1,700, the lowest level in at least 20 years.

Since then, the numbers have rebounded modestly. In 2012, residential units authorized by new building permits more than tripled to close to 8,700.

That could mean some bit of relief for renters ahead. "This growth in permitting activity could signal a return to more robust development," the study said.

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