

# Financial 411: The Future of Rent in New York City

Tuesday, April 12, 2011

## **NYU Report: More Foreclosures for Multi-Family Rentals**

The last two years saw more foreclosure notices for multi-family rental buildings in New York City than at any time since the early 90s. According to a report from NYU's Furman Center for Real Estate and Urban Policy, nearly 1,400 multi-family buildings went into foreclosure. The report also looked at commuting patterns in the city, and particularly, which neighborhoods bring in more workers each day than they have living there.

Vicki Been helped produce the report. She said she was surprised to learn that workers commuting to downtown Brooklyn and the Sunnyside and Woodside areas of Queens now outnumber workers who commute out of those neighborhoods.

"So much of the emphasis on where jobs are has been Manhattan," she said, "and this certainly tells us no, there are, you know, business nodes all around the five boroughs that need to be paid attention to."

## **U.S. Deficit Headed Toward Record High**

Legislators have agreed to \$38 billion in cuts to this year's budget, but that won't help prevent the deficit from hitting a record high this year. The Treasury Department said the government has already run up a tab of more than \$829 billion in the first half of this fiscal year.

## **Markets**

The Dow Jones lost 118 points to close at 12,264.

The S and P lost 10 points, ending at 1,314.

The NASDAQ dropped 27 points, to finish the day at 2,745.

## **Albany Debates City Rent Regulations**

The future of New York City rents is being debated in Albany. State limits on how much landlords can charge their tenants are due to expire in June. The limits affect more than one million apartments in and around the city.

The largely Democratic Assembly passed a bill yesterday that would not only extend these regulations, but also make them stronger. But it's getting push-back from real estate lobbyists, and it's unlikely the current bill will pass the Republican-controlled Senate. The bill would extend the current rent regulations until 2016.

Charles Bagli of the *New York Times* explained how the bill would make the current rules stronger, and whether Governor Andrew Cuomo is making tighter rent controls a priority. He said the legislation could "roll back" gains landlords have made, and what real-estate owners have to say about it.