

State of Renters and Their Homes

As rents rose and renters' incomes remained stagnant from 2012 to 2013, many New Yorkers continued to face heavy rent burdens. In 2013, roughly 30 percent of the city's renter households faced rental costs of 50 percent or more of their income.

1. Renters make up a majority of households.

In 2013, 2.1 million households in New York City rented their homes. Figure 4.1 shows that renters made up 68.0 percent of all city households in 2013. This share was far higher than in the United States as a whole, where 36.5 percent of households rented their homes in 2013.

New York City has always had a large share of renters, but this share has fluctuated somewhat in recent years. Figure 4.2 shows that the share of renters in New York City fell by 11 percentage points, from 76.6 percent to 65.6 percent, between 1980 and 2006. From 2006 to 2011, the rental share crept up to 68.7 percent, and then dropped slightly to 68.0 percent by 2013. In contrast, the national share of renters grew consistently between 2007 and 2013.

2. Rents continued to rise.

Renting an apartment in New York City is expensive and may be out of reach for many. The American Community Survey reports that the median monthly gross rent¹ paid by rental households in New York City in 2013 was \$1,244, about \$300 more than the median rent in the United States as a whole. Figure 4.3 shows that the median rent in New York City increased by 12 percent in real terms between 2005 and 2013.

Because many renters live in rent-stabilized apartments, receive rent subsidies, or simply get favorable terms as a result of long-term tenancy, the median gross rent paid by all New Yorkers may not reflect the experience of those looking for an apartment on the open market. The median asking rent of apartments advertised for rent on StreetEasy in 2013 was \$2,900—more than double the median rent paid by all renters in the city.²

There is tremendous variation in asking rents across the city's neighborhoods. Figure 4.4 shows the median asking rent by community district in 2013. Median asking rents were highest in Manhattan and the neighborhoods closest to Manhattan. A home is commonly considered affordable if its occupants spend 30 percent or less of their income on rent. Table 4.1 shows that, in eight neighborhoods, the median asking rent met or exceeded \$3,000 a month, a level that would be unaffordable to any household that earned less than \$120,000 per year. Still, in 19 neighborhoods, the median asking rent for apartments on the market was \$1,500 or below.

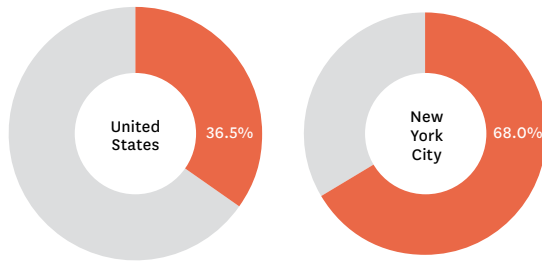
3. Rents levels have increased faster than income.

Over the past nine years, rent increases have far surpassed income growth. Figure 4.5 shows that between 2005 and 2013, the median rent increased by nearly 12 percent while the median income of renter households increased by only 2.3 percent, as measured in real terms. Further, while rents steadily increased during this period, incomes were more volatile. After rising from 2005 to 2008, median renter household income fell during the Great Recession, recovered slightly from 2011 to 2012, and then remained stagnant through 2013.

¹ Gross rent includes the rent charges specified on a lease as well as any additional utility payments. Unless otherwise specified, all references to rent in this report refer to gross rent. For more information, see the definition of *median rent* in the Indicator Definitions and Rankings chapter.

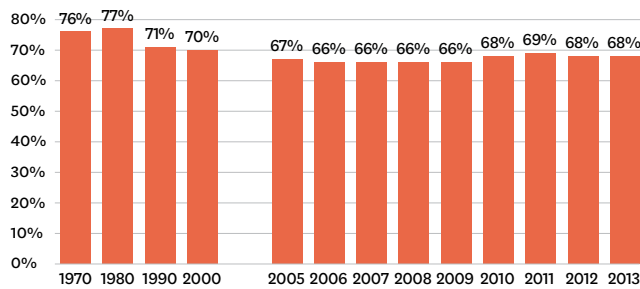
² This only reflects advertised rent levels, not the actual terms of leases.

Figure 4.1: Renter Share of Households, 2013



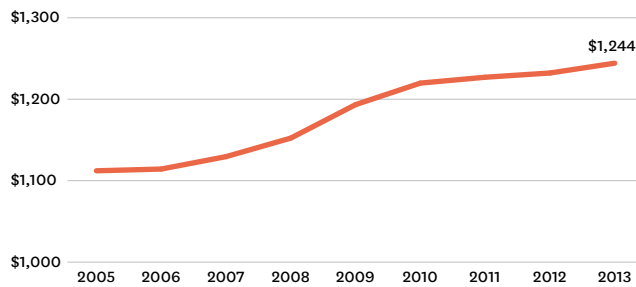
Sources: American Community Survey, NYU Furman Center

Figure 4.2: Renter Share of Households, New York City



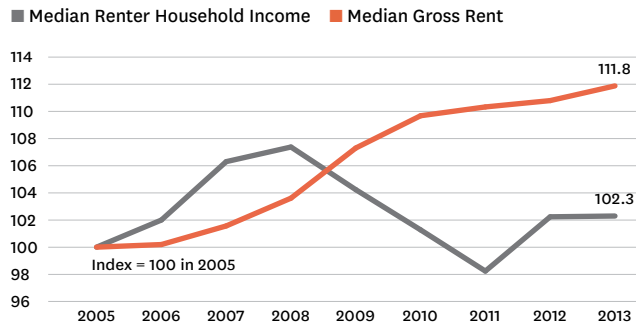
Sources: American Community Survey, NYU Furman Center

Figure 4.3: Median Gross Rent (2014\$), New York City



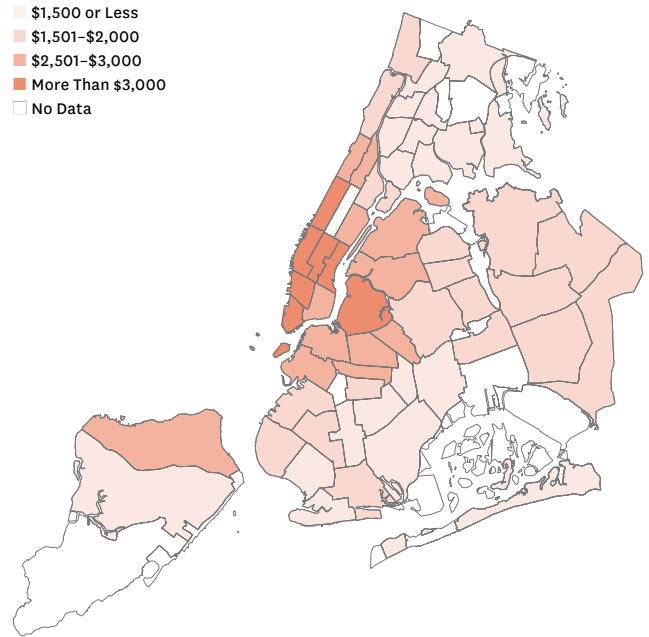
Sources: American Community Survey, NYU Furman Center

Figure 4.5: Index of Median Gross Rent and Median Renter Household Income (2014\$), New York City



Sources: American Community Survey, NYU Furman Center

Figure 4.4: Median Asking Rent by Community District, 2013



Sources: StreetEasy, NYU Furman Center

Table 4.1: Top and Bottom 10 Median Asking Rent by Community District (Ranked by Rent Level), 2013

Rank	Community District	Name	Median Asking Rent
Top 10			
1	MN 01	Financial District	\$3,750
2	MN 05	Midtown	\$3,655
3	MN 04	Clinton/Chelsea	\$3,468
4	MN 02	Greenwich Village/Soho	\$3,400
5	MN 06	Stuyvesant Town/Turtle Bay	\$3,195
6	BK 01	Greenpoint/Williamsburg	\$3,100
6	MN 07	Upper West Side	\$3,100
8	MN 03	Lower East Side/Chinatown	\$3,000
9	BK 02	Fort Greene/Brooklyn Heights	\$2,995
10	BK 06	Park Slope/Carroll Gardens	\$2,750
Bottom 10			
47	BX 10	Throgs Neck/Co-op City	\$1,350
48	BX 04	Belmont/East Tremont	\$1,325
49	BX 09	Parkchester/Soundview	\$1,313
50	BX 12	Williamsbridge/Baychester	\$1,300
51	QN 14	Rockaway/Broad Channel	\$1,218
52	BX 05	Highbridge/Concourse	\$1,185
53	BX 07	Kingsbridge Heights/Bedford	\$1,175
53	SI 02	South Beach/Willowbrook	\$1,175
55	BX 06	Fordham/University Heights	\$1,150
55	BX 02	Hunts Point/Longwood	\$1,150

Sources: StreetEasy, NYU Furman Center

Note: Three community districts, Morris Park/Bronxdale (BX 11), South Ozone Park/Howard Beach (QN 10), and Tottenville/Great Kills (SI 03), were excluded from this analysis because there were fewer than 30 rental listings in 2013. Only the 10 community districts with the highest and lowest median asking rents are shown here. Data for all 56 community districts with available data can be found on the community district data pages.

A household earning the median renter income of about \$41,450 in 2013 would be able to afford an apartment renting for \$1,036 or less if paying less than 30 percent of their income on rent. In 2013, 54 percent of renter households were rent burdened, facing housing costs equal to at least 30 percent or more of their income. Figure 4.6 suggests that this share has stopped rising in recent years. The 2013 rate was slightly lower than the rate in 2011,³ but it remained high compared to historical trends. As recently as 2000, just 43.2 percent of renters were rent burdened.

4. Compared to higher-income renters, a much larger share of low-income renters are rent burdened.

A larger share of renters at all income levels faced rent burdens in 2013 than in 2000. However, not all renter households in New York City are equally likely to be burdened by high rents. Low-income renters are especially hard hit. Figure 4.7 shows that in 2013, more than 80 percent of very low-income renters were rent burdened, with about 42 percent of households making between 30 percent and 50 percent of the area median income (AMI) being severely rent burdened, or facing housing costs equal to half or more of their income. In 2013, nearly 55 percent of renter households earning between 51 percent and 80 percent of AMI (\$47,451–\$61,850 for a three-person household) were rent burdened, with nearly 10 percent facing a severe rent burden.

Compared to other household sizes, single-person households are the most likely to be rent burdened—61 percent faced rental housing costs equal to at least 30 percent of their income in 2013. Yet, Figure 4.8 shows that the rent-burdened share increased for households of all sizes since 2000, with the largest households seeing the greatest increases. The share of four-person households facing rental housing costs equal to 30 percent or more of their income increased from 39.6 percent in 2000 to 52.7 percent in 2013.

5. New York City continues to face a shortage of affordable rental housing.

Another potential indicator of housing affordability challenges is the number of rental units recently on the rental market that were affordable to households at different income

levels. Of rental units that were *recently available* (occupied units whose tenants moved in less than five years before their survey date) in 2013, only about 476,700 units (51.7%) would be affordable to an appropriately-sized⁴ household earning 80 percent of AMI. As Figure 4.9 shows, the share of available units affordable at this income level fell substantially since 2000, when just short of 70 percent of recently available units were affordable to an appropriately-sized household.

Households with income less than 50 percent of AMI may be eligible to use a housing choice voucher, although the total number of vouchers is limited. In 2013, about 122,000 low-income renter households (6.4% of all households in privately owned rental units) used federal housing choice vouchers⁵ to supplement their rent. A household using a housing choice voucher in New York City may choose to live in any privately owned rental unit in the city that rents at a level less than or equal to the maximum payment standard, which is \$1,555 for a two-bedroom unit in 2015. The voucher holder has their rent payment capped at 30 percent of their income, and the federal government pays the remainder of the contract rent directly to the landlord. Households with a housing choice voucher may rent an apartment with a contract rent above the maximum payment standard if the household pays the difference between the payment standard and the contract rent, but pays no more than 40 percent of their income on rent.

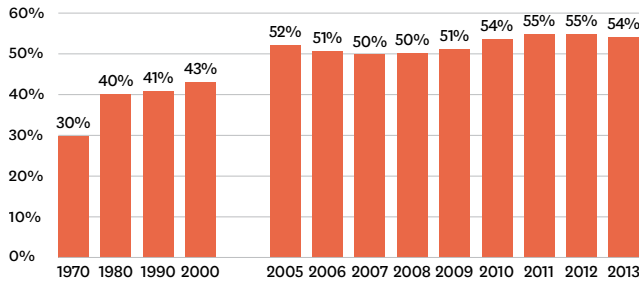
Although the housing choice voucher program allows a household to live in any apartment renting at the prices described above, these lower-rent apartments are not distributed evenly across the city, resulting in concentrations of voucher holders in some neighborhoods. Figure 4.10 and Table 4.2 illustrate the share of households in privately owned rental units using a housing choice voucher by sub-borough area. In four Bronx neighborhoods, more than 15 percent of all renter households used a housing choice voucher in 2013, while in five other neighborhoods across the city, less than one percent of households in privately owned rental units used a voucher.

⁴ Our analysis of the affordability of recently available units is based in part on household size, because the income guidelines used by the U.S. Department of Housing and Urban Development's (HUD) subsidy programs differ by household size. In this affordability analysis, we determine the affordability of studio apartments (no bedrooms) for one-person households, one-bedroom units for two-person households, two-bedroom units for three-person households, and units with three or more bedrooms for four-person households. In the *State of New York City's Housing and Neighborhoods in 2013*, for this indicator, we determined affordability for recently available rental units using the three-person income limits. Because of these differences, Figure 4.9 in this edition of the report should not be compared to similar figures in previous editions. For more information on HUD's income guidelines, please see the Methods chapter.

⁵ These are sometimes known as Section 8 vouchers.

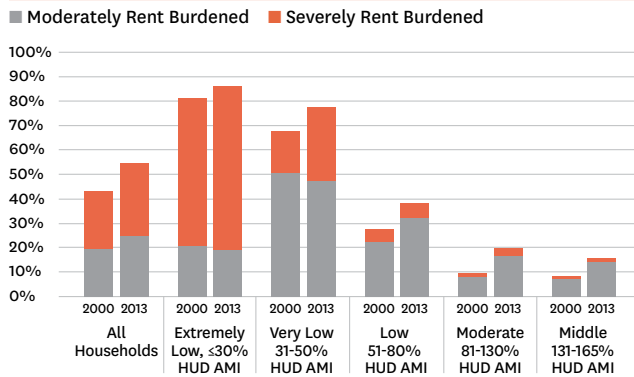
³ The difference between the 2012 rate and the 2013 rate is within the margin of error for this data set, so these rates are not statistically significantly different from one another.

Figure 4.6: Rent-Burdened Share of Households, New York City



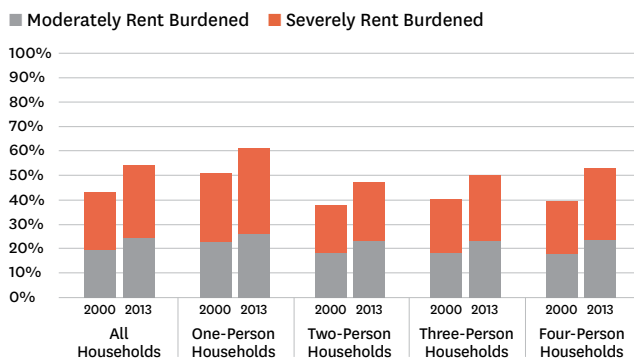
Sources: U.S. Census (1970-2000), American Community Survey (2005-2013), NYU Furman Center

Figure 4.7: Rent-Burdened Households by Income, New York City



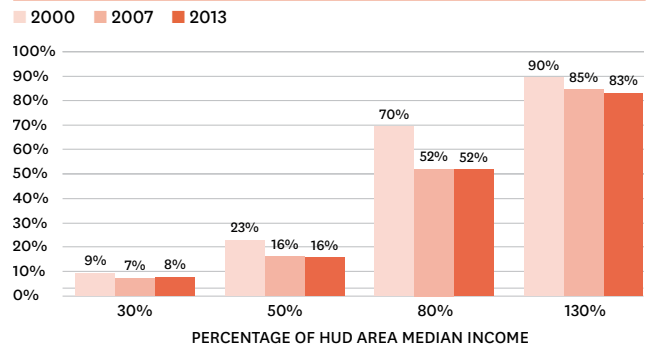
Sources: U.S. Census (2000), American Community Survey (2013), U.S. Department of Housing and Urban Development Section 8/HOME Program Income Guidelines, NYU Furman Center

Figure 4.8: Rent-Burdened Share by Household Size, New York City



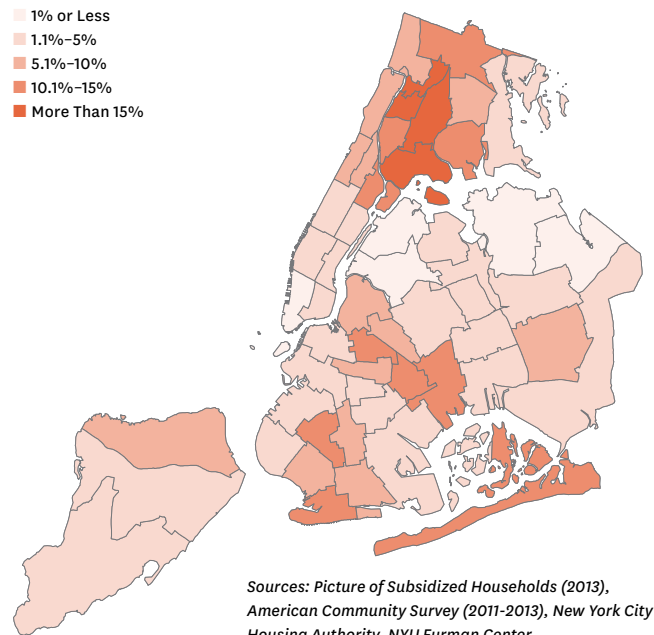
Sources: U.S. Census (2000), American Community Survey (2013), NYU Furman Center

Figure 4.9: Recently Available Rental Units Affordable to Appropriately-Sized Households, New York City



Sources: U.S. Census (2000), American Community Survey (2007, 2013), U.S. Department of Housing and Urban Development Section 8/HOME Program Income Guidelines, NYU Furman Center

Figure 4.10: Housing Choice Vouchers (Percent of Occupied, Privately Owned Rental Units) by Sub-Borough Area, 2013



Sources: Picture of Subsidized Households (2013), American Community Survey (2011-2013), New York City Housing Authority, NYU Furman Center

Table 4.2: Neighborhoods With the Highest Percentages of Housing Choice Voucher Holders (Percent of Occupied, Privately Owned Rental Units) by Sub-Borough Area, 2013

Rank	Sub-Borough Area	Name	Voucher Share
1	BX 03, BX 06	Morrisania/Belmont	20.6%
3	BX 05	University Heights/Fordham	20.1%
4	BX 01, BX 02	Mott Haven/Hunts Point	16.4%
6	BX 05	Kingsbridge Heights/Mosholu	16.1%
7	BK 13	Coney Island	15.0%
8	BK 05	East New York/Starrett City	14.7%
9	BX 04	Highbridge/South Concourse	13.8%
10	BX 09	Soundview/Parkchester	13.7%
11	BK 16	Brownsville/Ocean Hill	13.0%
12	BX 12	Williamsbridge/Baychester	12.9%

Sources: Picture of Subsidized Households (2013), American Community Survey (2011-2013), New York City Housing Authority, NYU Furman Center

6. Vacancy rates remain low.

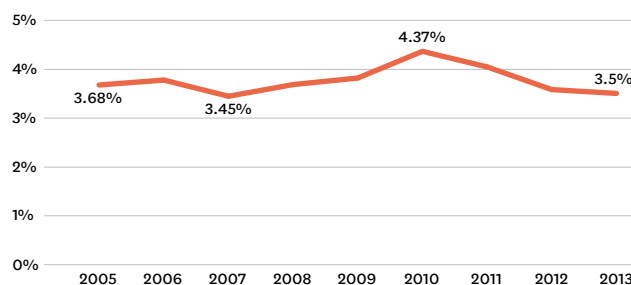
Despite new market-rate and subsidized rental housing construction, the rental vacancy rate remained low. Figure 4.11 shows that just 3.5 percent of New York City’s rental units were vacant in 2013, the lowest rate since 2007.

Some households may respond to the lack of affordable housing by doubling up in the same unit with other households. Figure 4.12 shows that, in 2013, 4.4 percent of rental units in New York City were severely overcrowded, with more than 1.5 people per room. For example, a two-bedroom apartment with a living room and a kitchen is considered severely overcrowded if seven or more people are living there. The severe crowding rate increased slightly in 2013, indicating that households appear to be coping with increasing rents in the city in part by sharing space.

7. The housing code violation rate increased slightly between 2013 and 2014.

Although affordability has been declining in recent years, housing quality as measured by housing code violations may be slowly improving. Figure 4.13 shows that, in 2014, the city issued about 210.8 housing code violations per 1,000 rental housing units. This was a slight increase from 2013, but still lower than any other year since 2004, the first full year during which the city’s 311 hotline was fully operational.⁶ Part of the 2014 increase may be due to a spike in heating complaints during January 2014, an abnormally cold month.

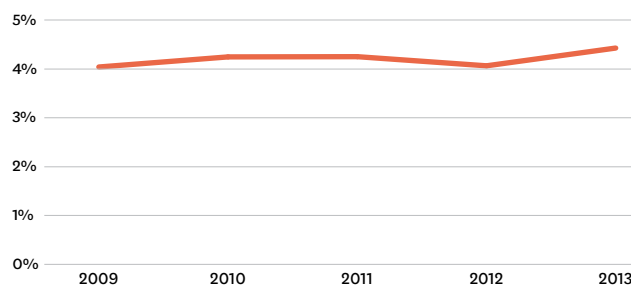
Figure 4.11: Rental Vacancy Rate, New York City



Note: The figures presented here are from the American Community Survey and are presented to illustrate annual changes in the rental vacancy rate. Please see this indicator’s entry in the Indicator Definitions and Rankings chapter for a discussion of the difference between this rate and the official rate derived from the New York City Housing and Vacancy Survey used by the city.

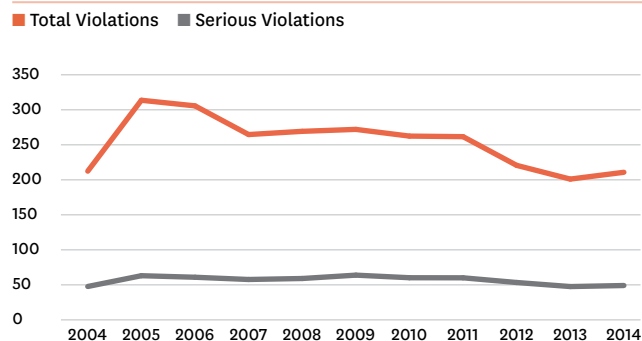
Sources: American Community Survey, NYU Furman Center

Figure 4.12: Severe Crowding Rate, New York City



Sources: American Community Survey, NYU Furman Center

Figure 4.13: New Housing Code Violations (per 1,000 Privately Owned Rental Units), New York City



Sources: New York City Department of Housing Preservation and Development, New York City Housing Authority, NYU Furman Center

⁶ The 311 system is the source of most complaints that lead to housing code violations.