

Chapter 3. Housing Values and Rents

This chapter provides information on levels of and trends in housing values and rents in New York City. Information on New York City housing values in this section comes from repeat sales indices created with data from actual sales transactions. Data on sales transactions are provided by the New York City Department of Finance¹.

Repeat sales indices are constructed by applying statistical modeling techniques to data on properties that have sold more than once during the observation period. The repeat sales method is superior to other methods of calculating average changes in housing prices because it eliminates possible bias resulting from the sales of properties of different quality at different points in time². A repeat sales price index is a relative measure of the market value of properties over time; housing value is expressed relative to a baseline point in time. Sales prices are adjusted for inflation and thus reflect constant dollars. In the indices presented here, market values are expressed relative to 1986, so a 2003 price index of 96 indicates that, on average, properties in 2003 were worth 96% of the value they had in 1986, indicating a slight decline in average value. A 2003 price index of 212 indicates that, on average, properties in 2003 were worth 212% of the value they had in 1986 (in constant dollars), indicating that market value more than doubled during that period.

The reference year for the repeat sales price indices is 1986, which is the earliest year for which sufficient data exists to estimate the price indices for all 59 community districts in New York City. For many community districts there is sufficient data to estimate the price indices as far back

Borough Table 3-1 Repeat Sales Indices, 2002 & 2003 (Reference Year=1986)

| | Bronx | Brooklyn | Manhattan | Queens | Staten Island | Total |
|--------------------------------------|-------|----------|-----------|--------|---------------|-------|
| Condominiums | | | | | | |
| 2002 | 77.8 | 110.1 | 137.9 | 90.3 | 95.6 | 116.6 |
| 2003 | 77.9 | 120.8 | 138.4 | 113.8 | 105.2 | 121.2 |
| Single Family Homes | | | | | | |
| 2002 | 128.0 | 119.6 | 177.3 | 114.1 | 126.5 | 120.1 |
| 2003 | 148.1 | 149.0 | 224.1 | 143.3 | 129.3 | 142.1 |
| 2-4 Family Homes | | | | | | |
| 2002 | 135.9 | 132.7 | 181.8 | 105.5 | 119.7 | 120.6 |
| 2003 | 162.6 | 164.8 | 280.6 | 135.6 | 129.1 | 149.0 |
| 5+ Unit Residential Buildings | | | | | | |
| 2002 | 192.4 | 172.7 | 207.0 | 94.8 | N/A | 166.5 |
| 2003 | 263.8 | 213.0 | 255.3 | 138.4 | N/A | 217.9 |

Source: Authors' calculations based on Department of Finance data

¹ Sales of cooperative apartments are not considered to be sales of real property and, thus, are not included in the DOF's database of real estate sales transactions.

² See the Data and Methods section for more detailed information on the repeat sales methodology used in this report.

as 1974. Where possible, these earlier price indices are presented in the following graphs using 1986 still as a baseline.

Most of the housing price indices on the following pages show increases in price levels between 1994 and 2003. Consistent with the recent discussion of rapidly rising real estate prices in the City, the housing price indices demonstrate that as of the end of 2003, prices for the most part had regained almost all of the ground they lost since the last peak in values in the late 1980s (at least in inflation-adjusted dollars). For the City as a whole, in 2003, single family and two-to-four family homes once again reached and exceeded their 1988 peak values.

Because different neighborhoods in the City have varying types of housing stock (e.g., single family homes predominate in parts of Queens; multifamily housing is most common in Manhattan), the price index for each community district represents changes in price levels for the most prevalent housing type. Because cooperative apartment prices are not publicly recorded, the housing type selected for several community districts in Manhattan is condominium apartments.

As the graphs on the following pages show, most residential properties appreciated in value from 1994 to 2003. Residential properties of all types appreciated in the Bronx over the period 1994 to 2003. In terms of geography, residential properties of all types appreciated most in Manhattan over the period 1994 to 2003. Single family 2-4 family properties in the Bronx also increased in value, but condominiums gained very little over this period. In Brooklyn, properties with 5 units or more had a substantial rate of price appreciation, but condominiums, single family homes and 2-4 family homes exhibited a more modest price appreciation. Prices in Queens and Staten Island had relatively low appreciation rates over the five year period.

Insufficient sales made it difficult to compute precise price indices for every community district in the City. However, especially rapid run-ups in prices appear to have occurred in Morrisania/Crotona and Hunts Point/Longwood in the Bronx (2-4 family properties), Highbridge/Concourse in the Bronx (5+ unit buildings), Bedford Stuyvesant, Fort Greene/Brooklyn Heights, Bushwick and Brownsville in Brooklyn (2-4 family properties), Greenwich Village in Manhattan (condominiums), and Morningside Heights/Hamilton, Central Harlem, and East Harlem in Manhattan (5+ unit buildings).

Data on monthly rents are derived from the New York City Housing and Vacancy Survey (HVS)³. According to the HVS, median monthly rents averaged \$700 per month per unit in New York City for 2002. Median is used as a measure of central tendency because, unlike average, it is not sensitive to abnormally high or low values. The borough with the highest median monthly rent was Manhattan (\$800 per month per unit), followed by Queens (\$797), Staten Island (\$700), Brooklyn (\$690), and the Bronx (\$615) (Borough Table 3-2). Because the HVS employed a different sampling frame in 2002 from the one it used in 1999, direct comparisons of rent across years are somewhat perilous. Nevertheless, the data suggest that median rent increased slightly between 1999 and 2002. For the City as a whole, the median rent raised by 1.6%. The highest increases were recorded in Brooklyn (6.8%) and Queens (5.8%). (Note that 1999 data on median rents has been adjusted for inflation.)

Among the sub-boroughs, the highest median monthly rents were primarily found in Man-

Borough Table 3-2 Median Monthly Rent, 1999 and 2002

| | Bronx | Brooklyn | Manhattan | Queens | Staten Island | Total |
|--------------------------------------|-------|----------|-----------|--------|---------------|-------|
| Median Monthly Rent for 1999* | \$592 | \$646 | \$773 | \$753 | \$687 | \$689 |
| Median Monthly Rent for 2002 | \$615 | \$690 | \$800 | \$797 | \$700 | \$700 |

Source: New York City Housing and Vacancy Survey
 * 1999 data has been adjusted for inflation.

³ Note that all data from the HVS are estimates based on a sample and are subject to potential sampling errors, particularly for small areas and changes over time. See the Data and Methods section for more details.

hattan's Upper East Side (\$1,300 per month per unit), Greenwich Village /Financial District (\$1,297), Chelsea/Clinton/Midtown (\$1,200) and Stuyvesant Town/Turtle Bay (\$1,187). Bayside/Little Neck in Queens also exhibited a relatively high monthly median rent at \$1,000. The lowest median monthly rents spanned three boroughs. Mott Haven/Hunts Point in the Bronx demonstrated the lowest median monthly rent at \$448, followed by Manhattan's East Harlem (\$495) and Central Harlem (\$500), Morrisania/Belmont in the Bronx (\$500) and Brooklyn's Bedford/Stuyvesant (\$500) (Exhibit 3-1)

Exhibit 3-1 Highest and Lowest Median Monthly Rent, 2002

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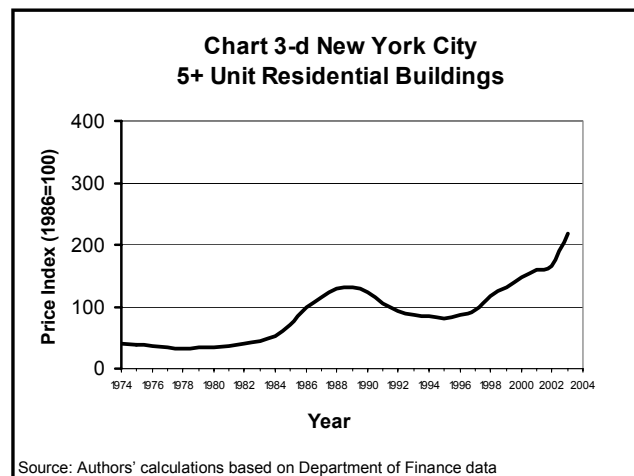
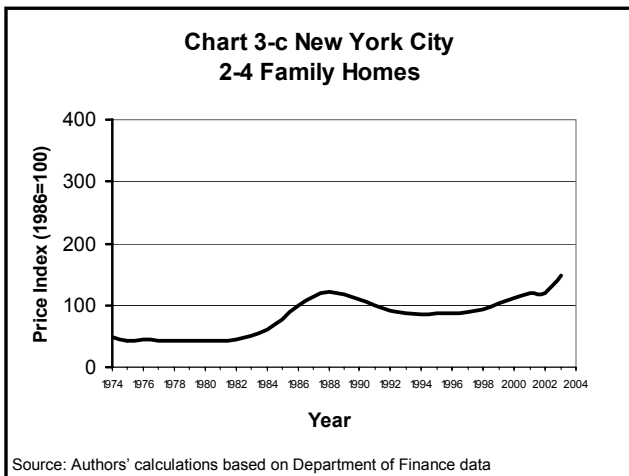
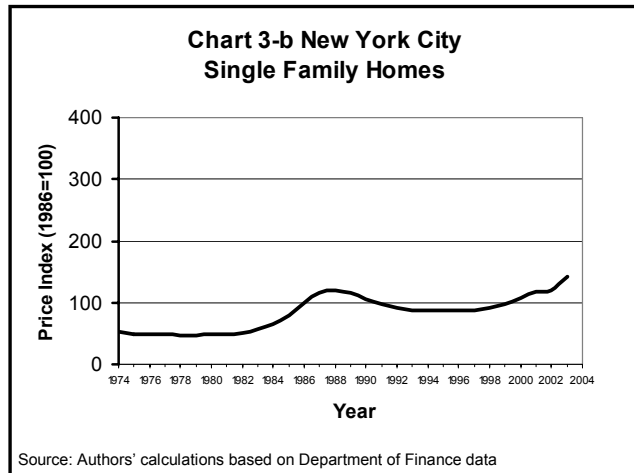
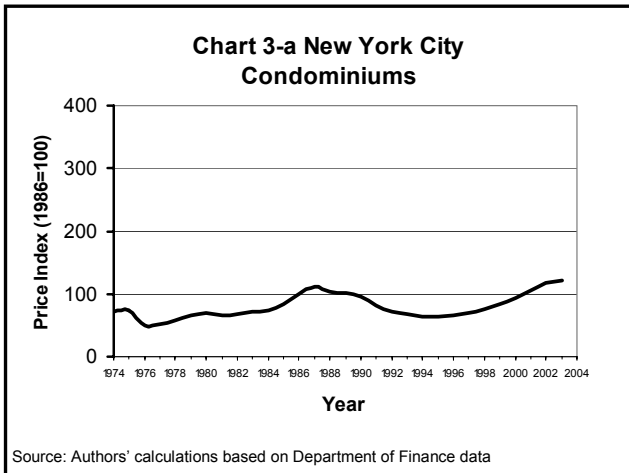
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|-----------|--------------------------------------|---------|
| Manhattan | Upper East Side | \$1,300 |
| Manhattan | Greenwich Village/Financial District | \$1,297 |
| Manhattan | Chelsea/Clinton/Midtown | \$1,200 |
| Manhattan | Stuyvesant Town/Turtle-Bay | \$1,187 |
| Queens | Bayside/Little Neck | \$1,000 |

Lowest:

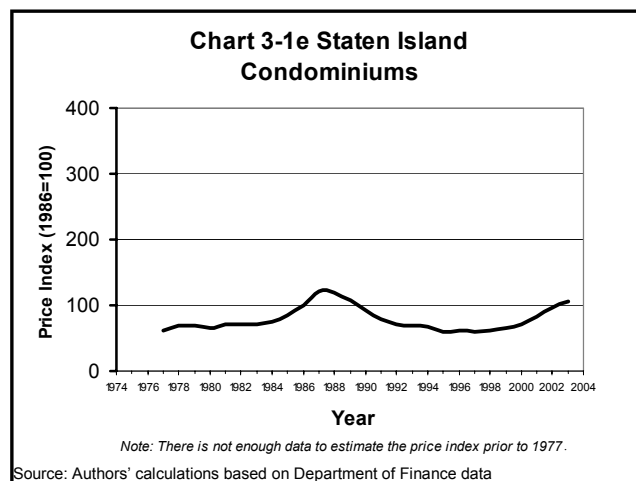
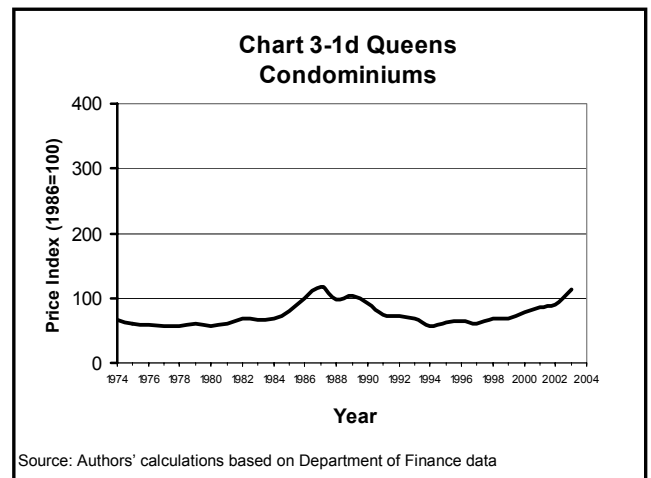
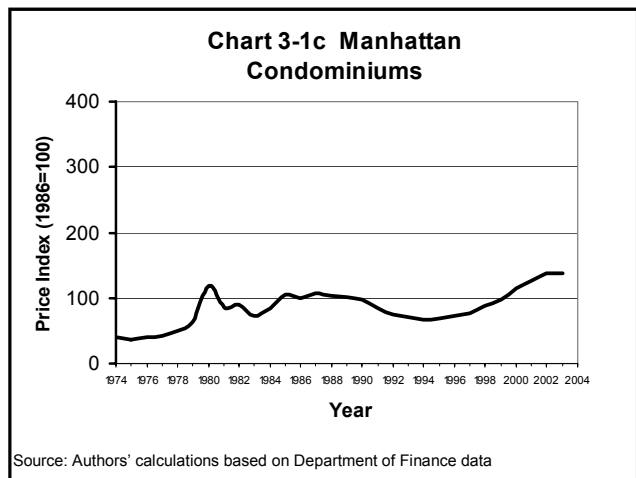
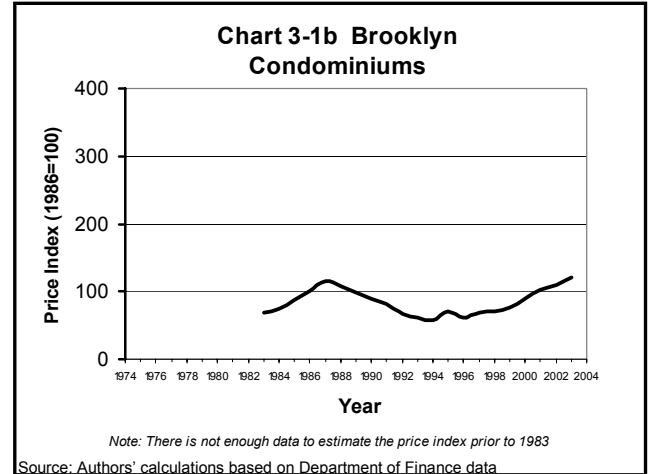
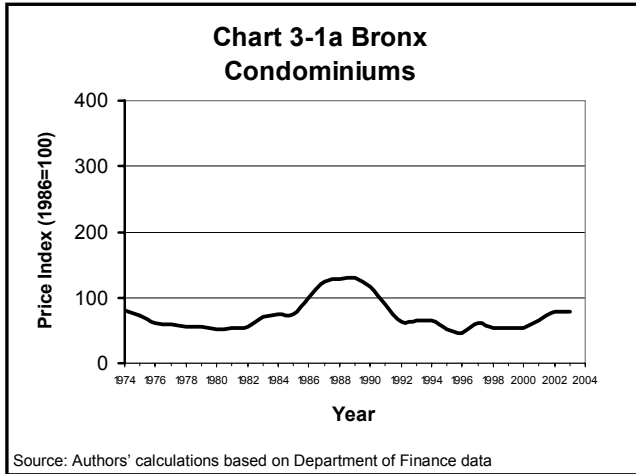
| | | |
|-----------|------------------------|-------|
| Bronx | Mott Haven/Hunts Point | \$448 |
| Manhattan | East Harlem | \$495 |
| Manhattan | Central Harlem | \$500 |
| Bronx | Morrisania/Belmont | \$500 |
| Brooklyn | Bedford Stuyvesant | \$500 |

Source: New York City Housing and Vacancy Survey

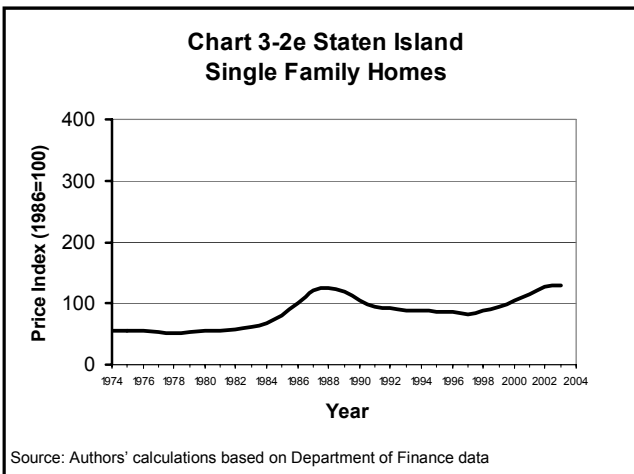
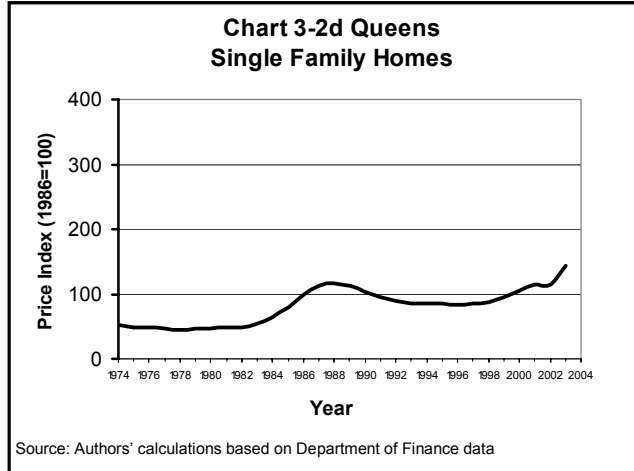
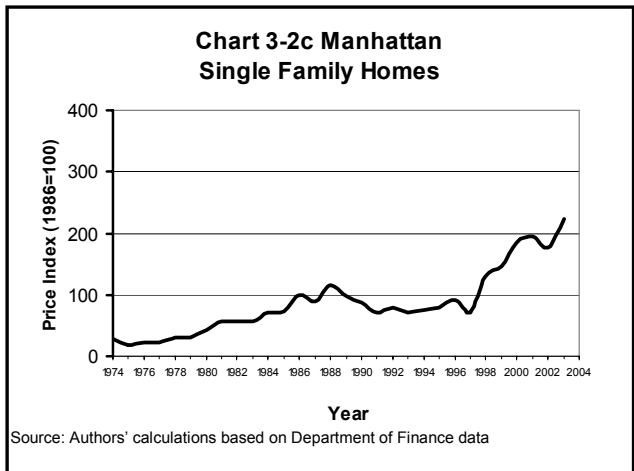
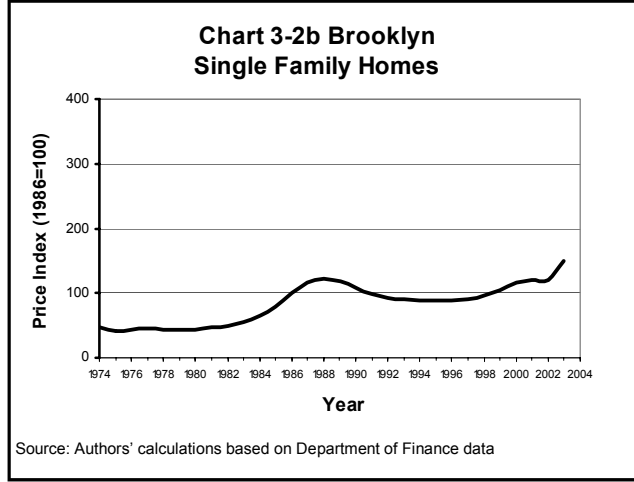
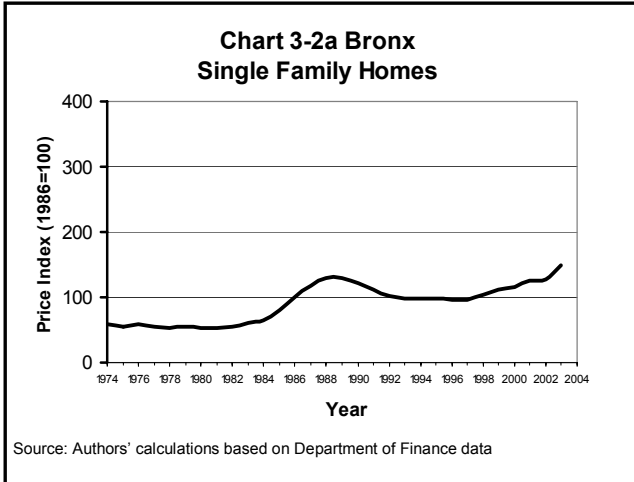
Repeat Sales Indices for Condominiums, Single Family Homes, 2-4 Family Homes and 5+ Unit Residential Buildings New York City



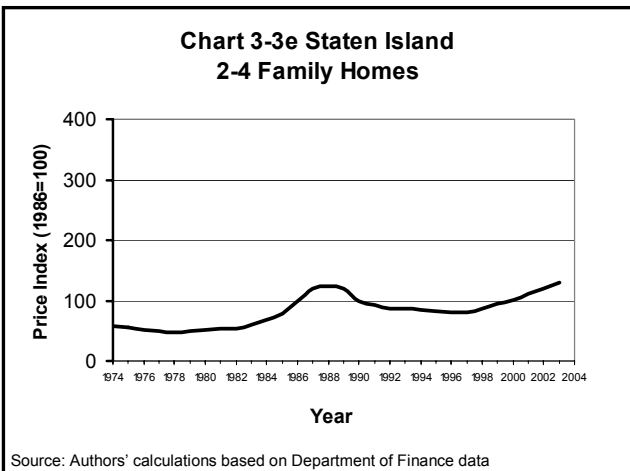
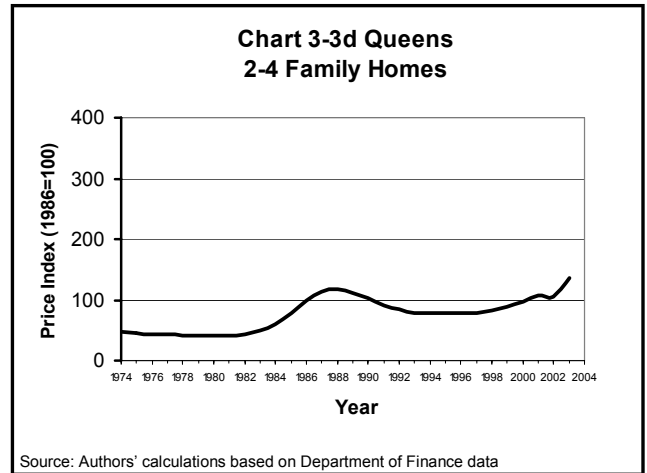
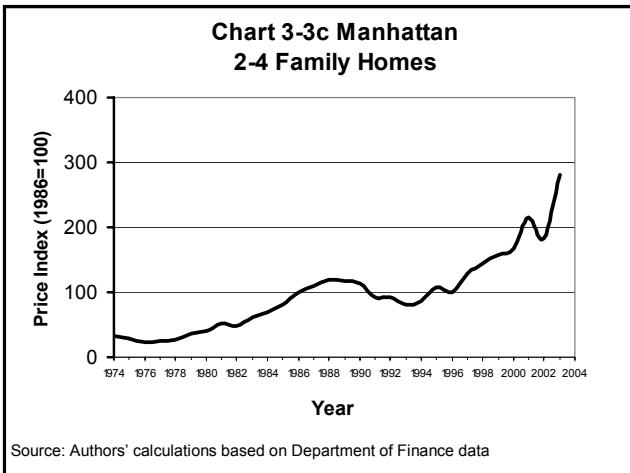
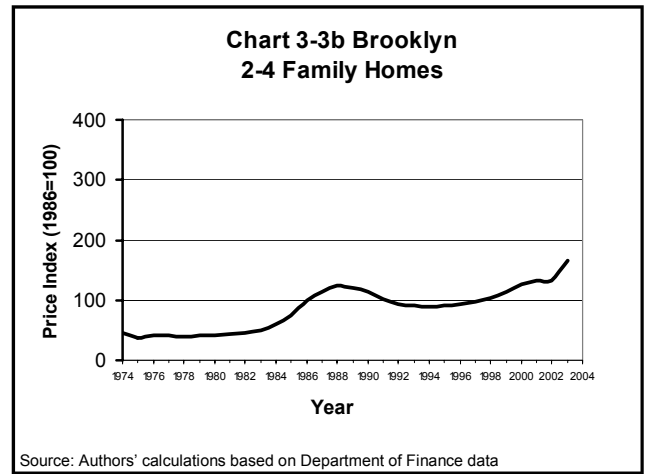
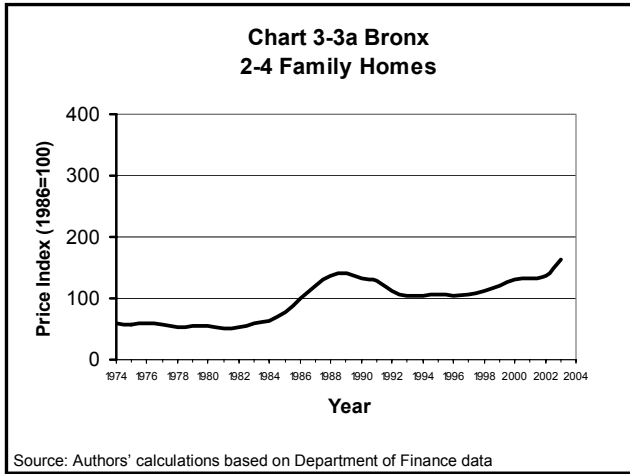
Repeat Sales Indices for Condominiums The Five Boroughs



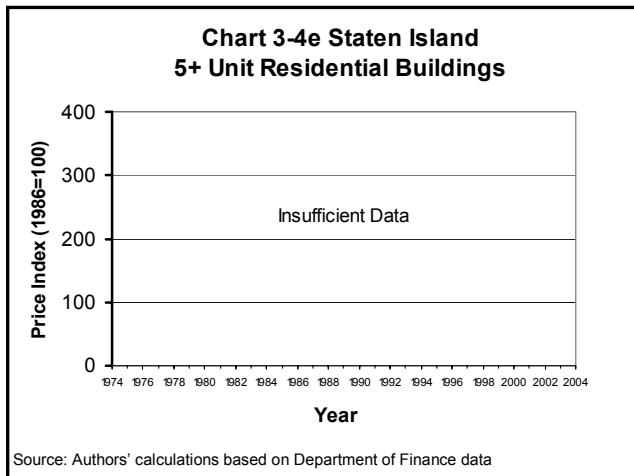
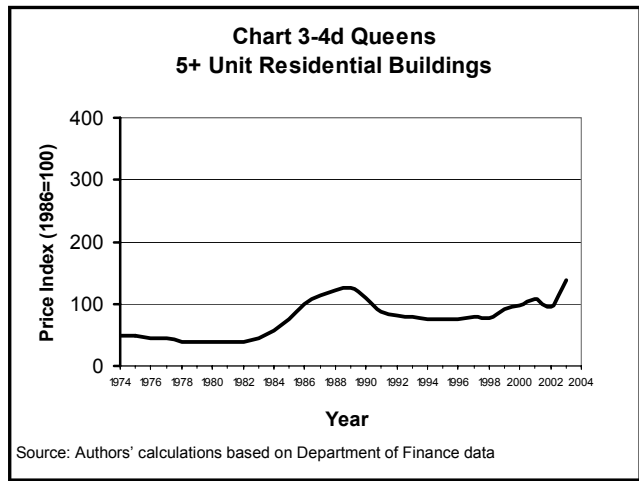
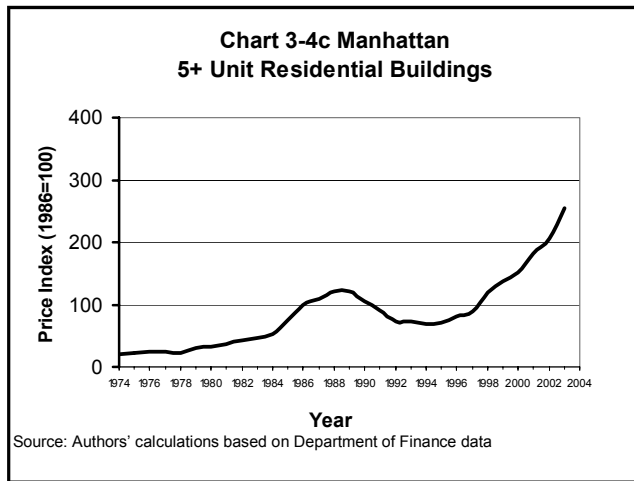
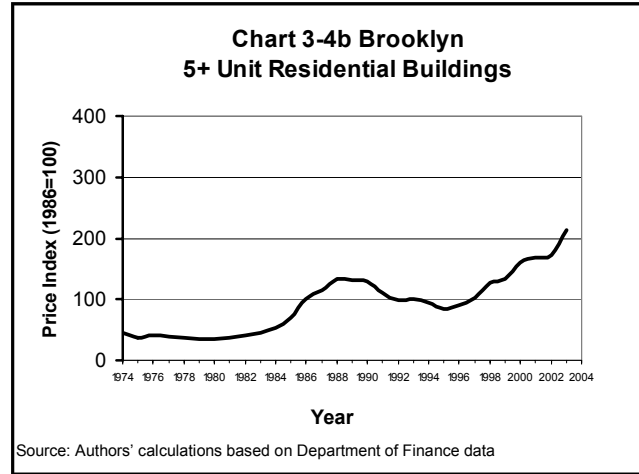
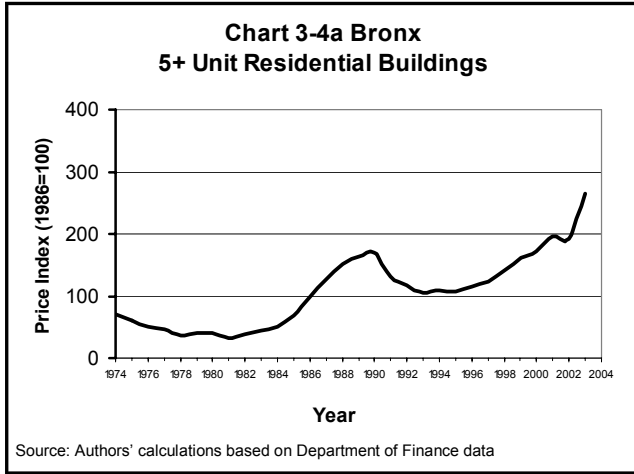
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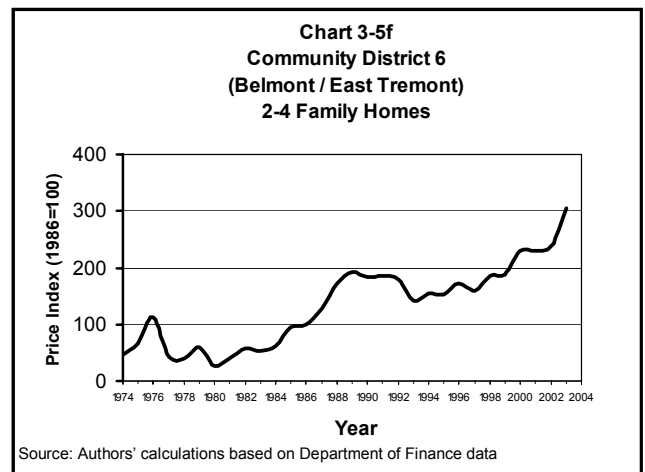
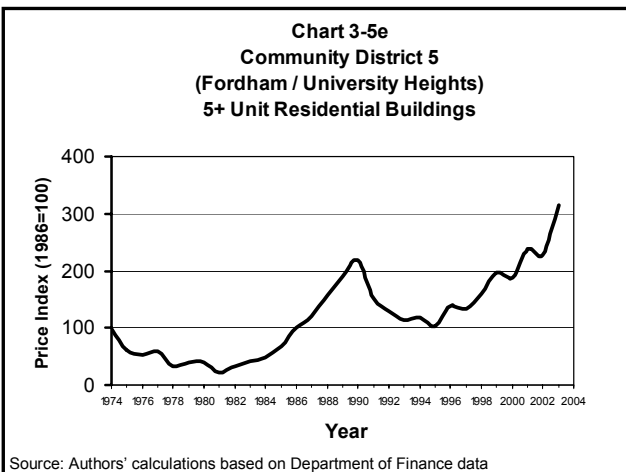
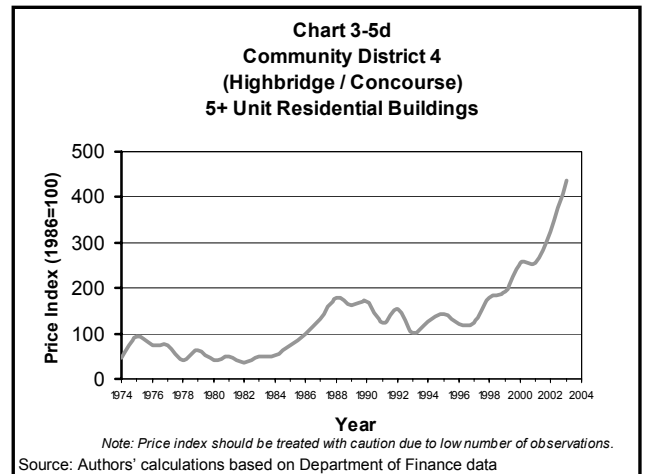
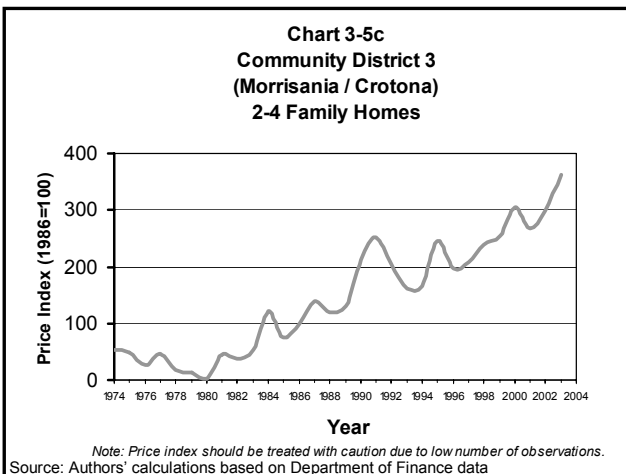
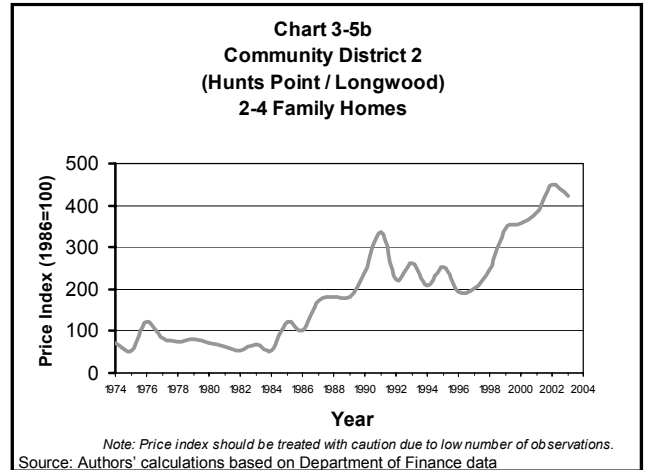
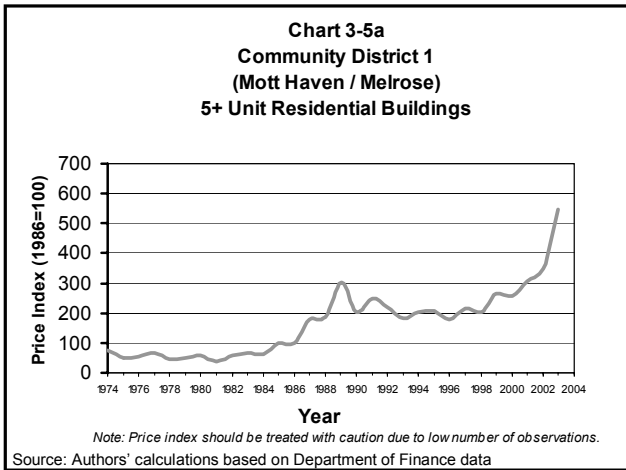
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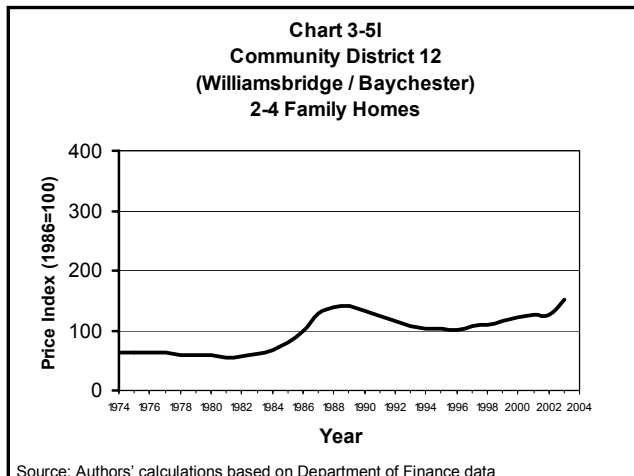
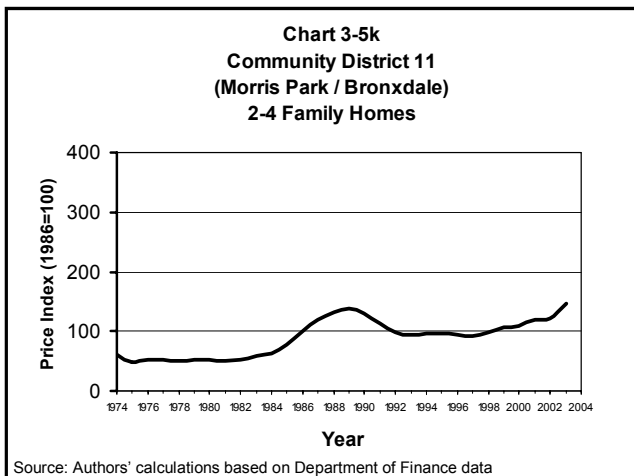
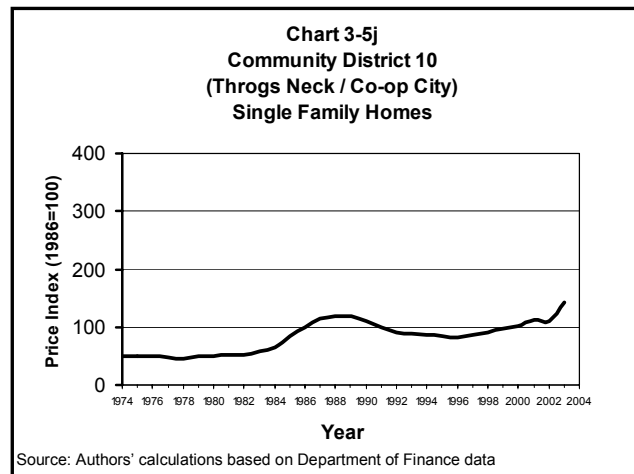
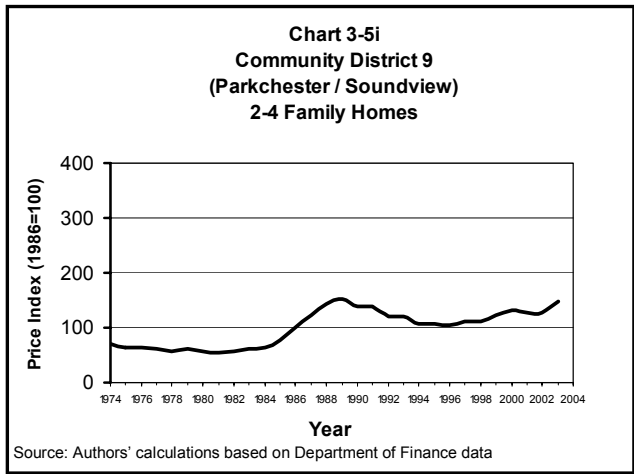
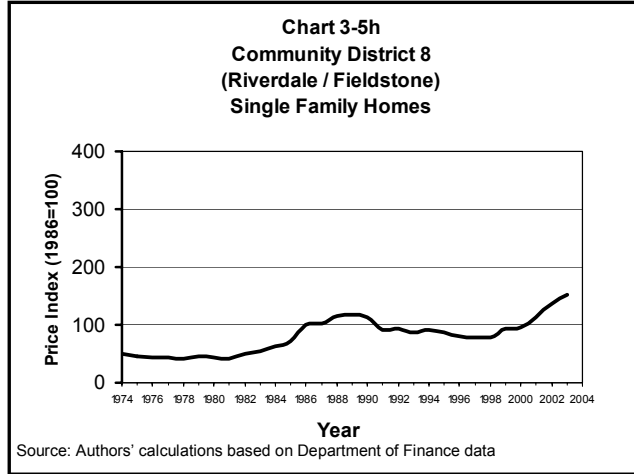
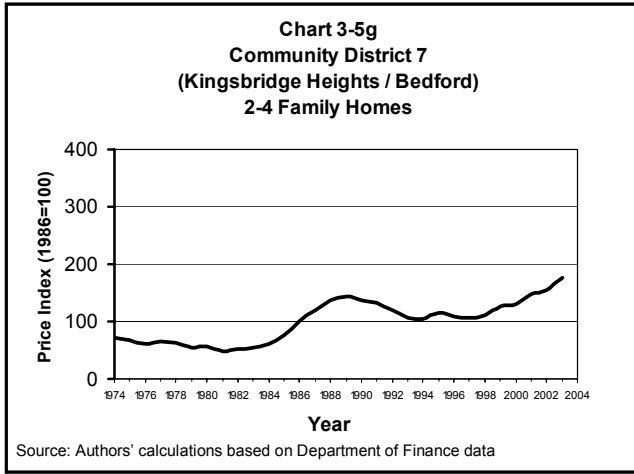
Repeat Sales Indices for 5+ Unit Residential Buildings The Five Boroughs



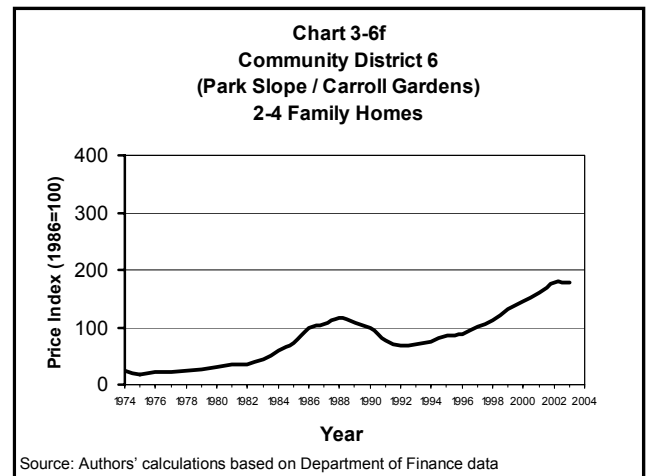
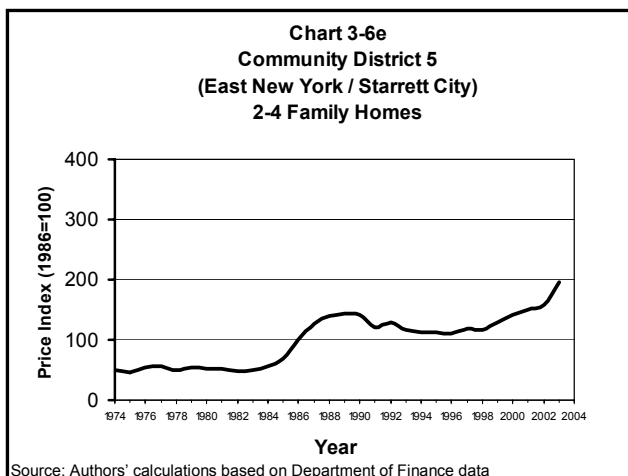
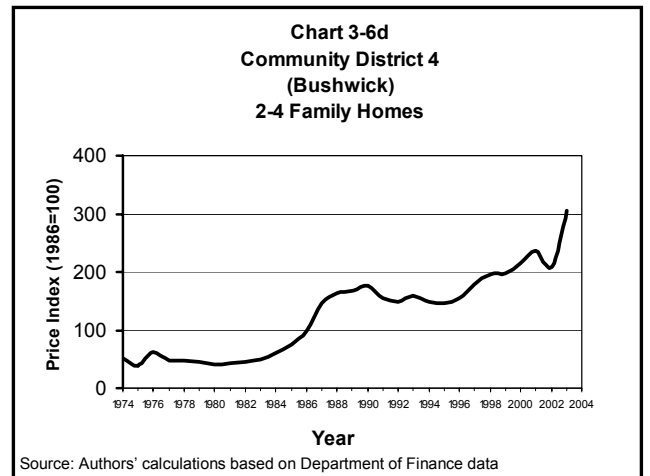
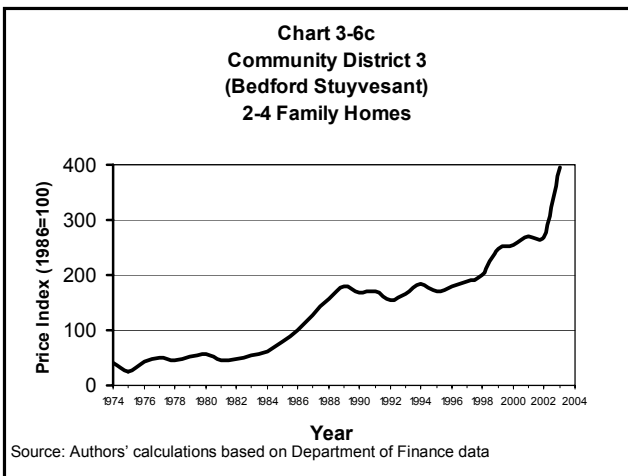
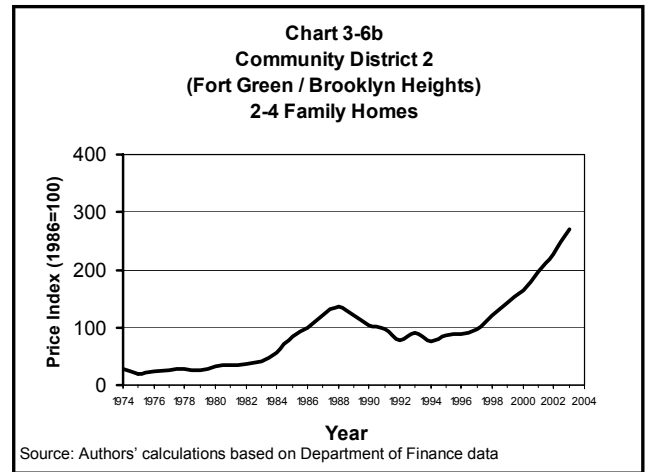
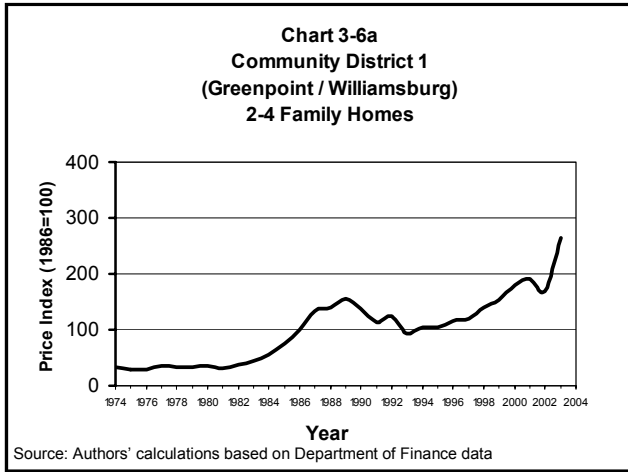
Repeat Sales Indices for Bronx Community Districts (continued on next page)



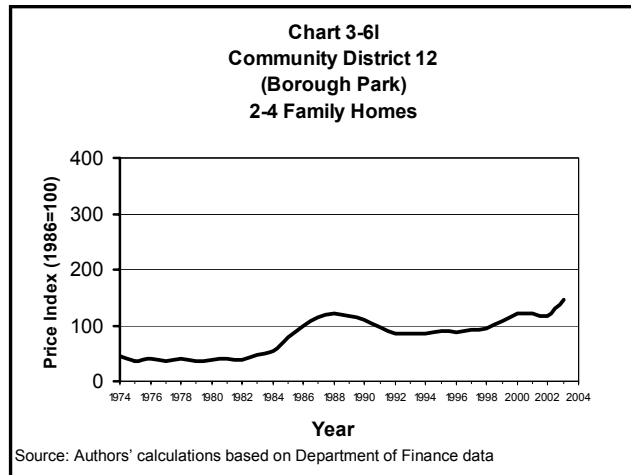
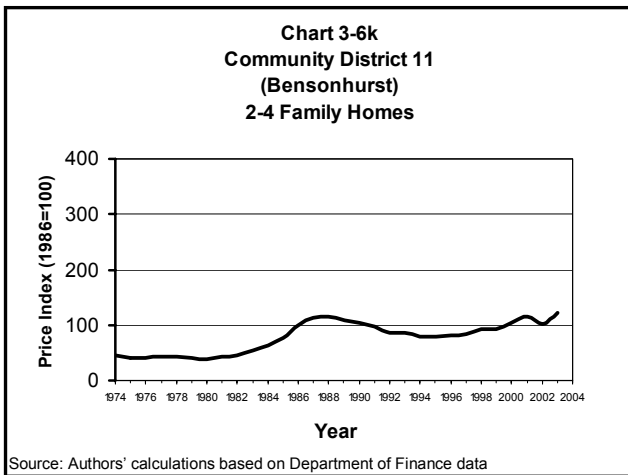
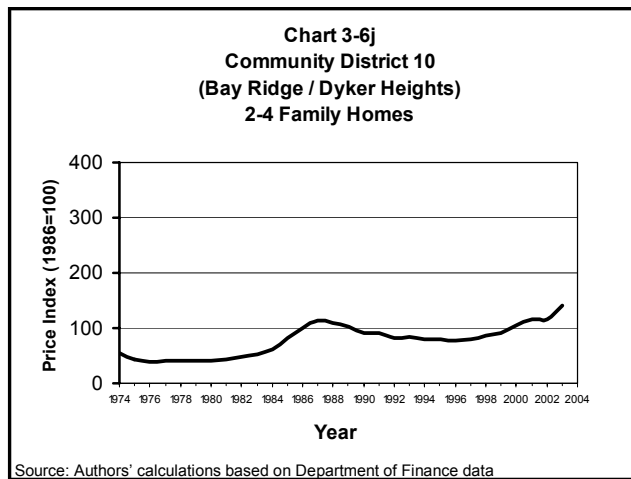
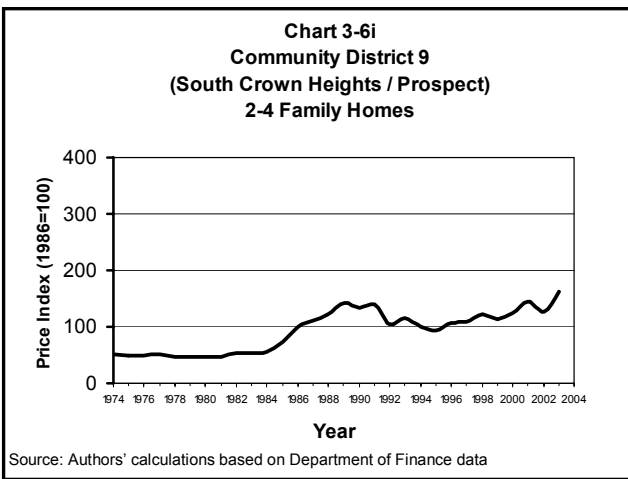
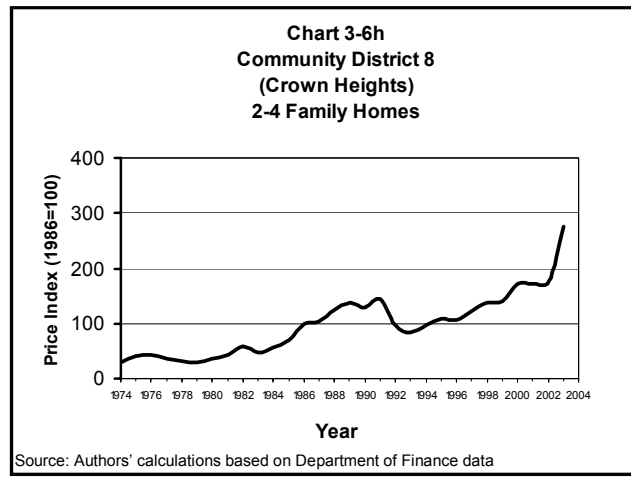
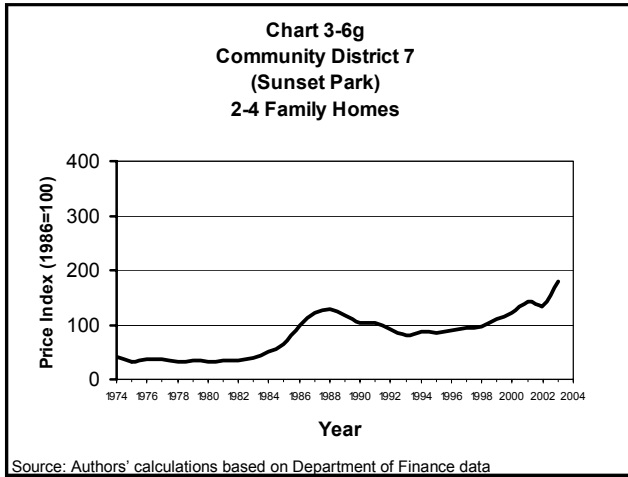
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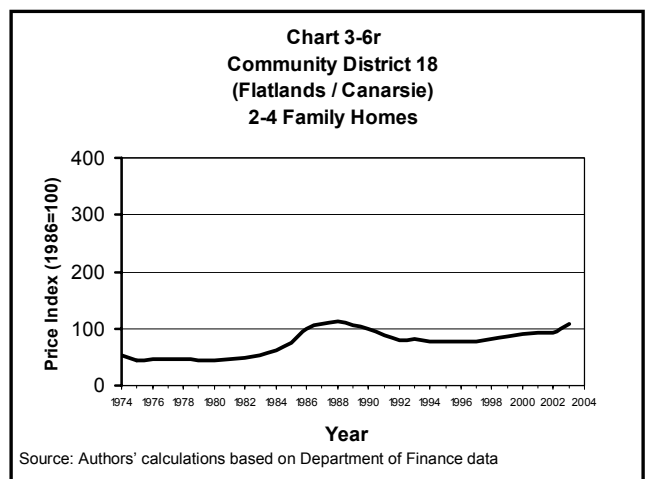
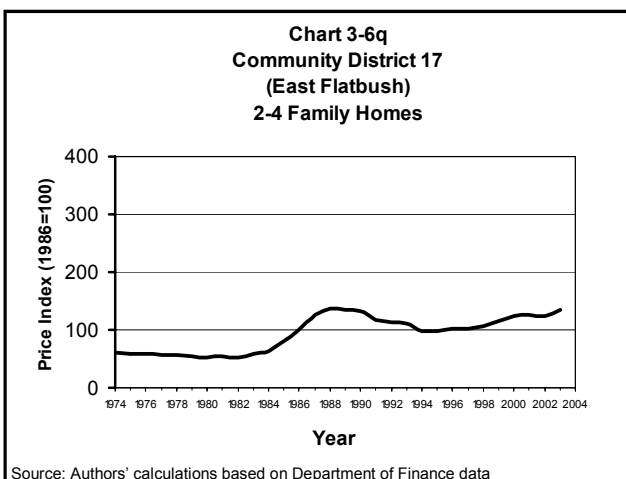
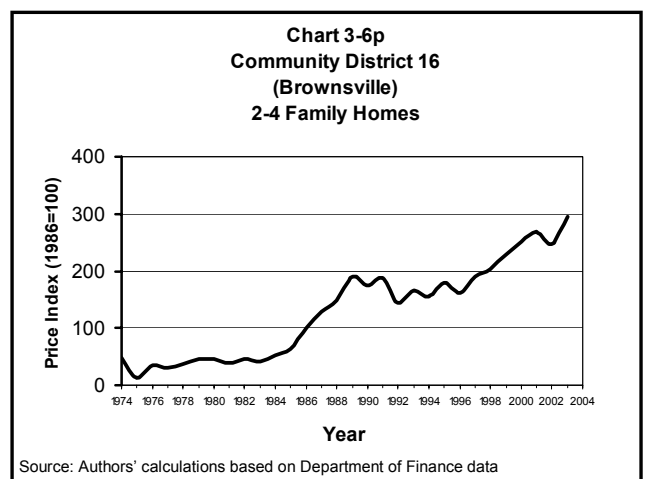
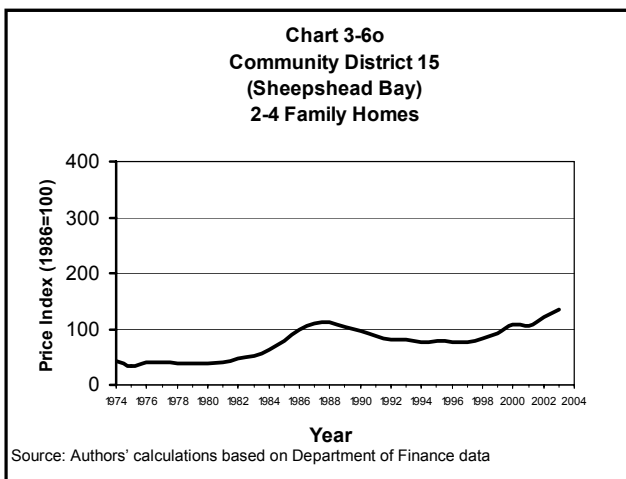
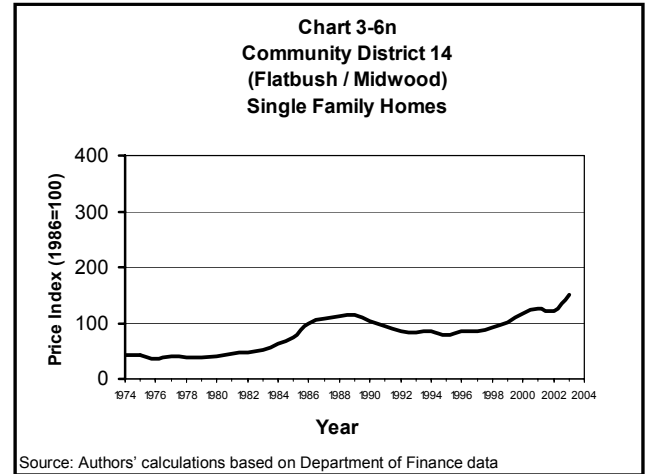
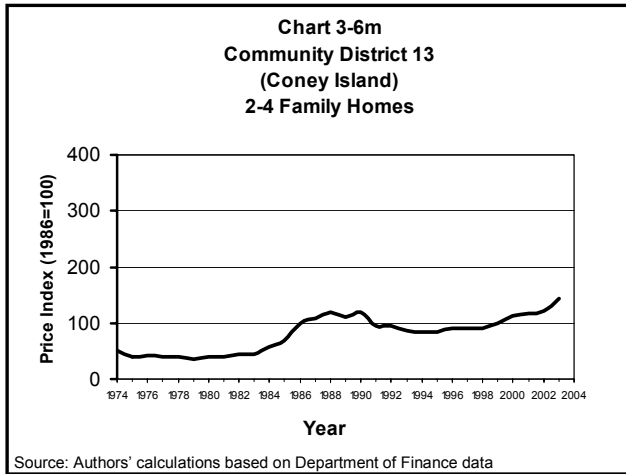
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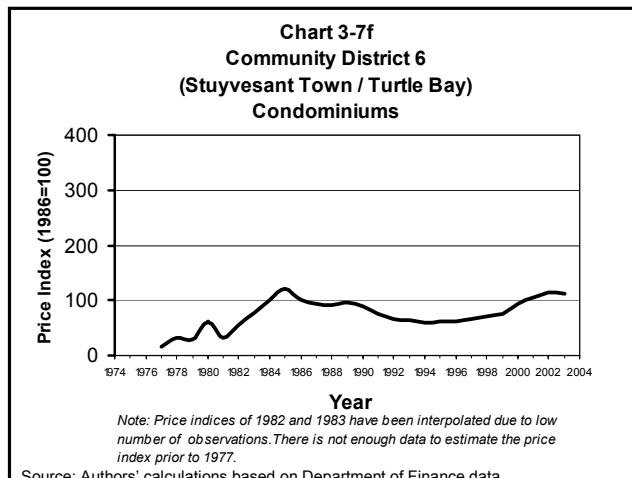
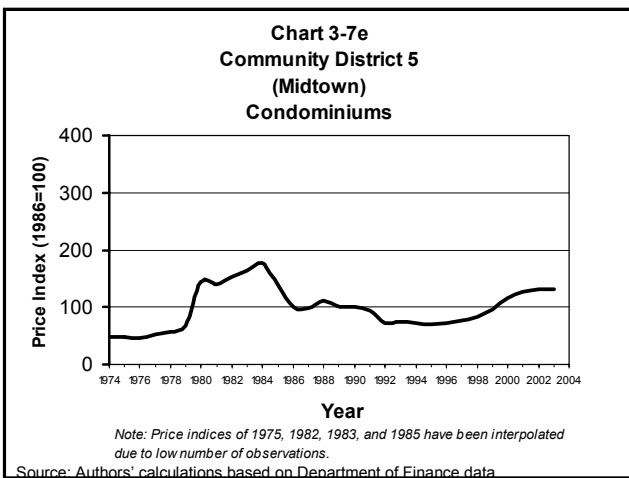
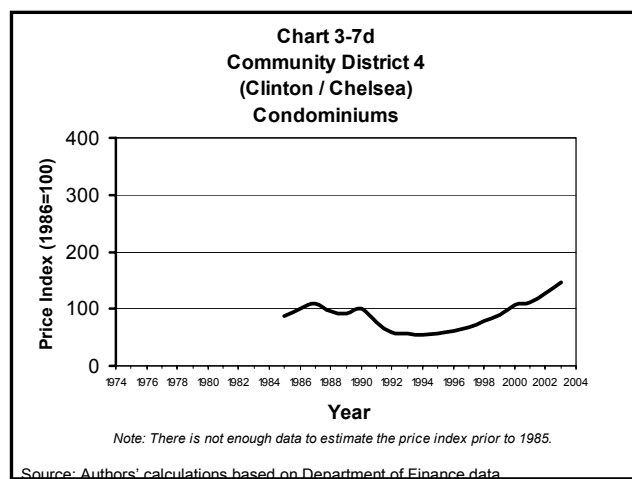
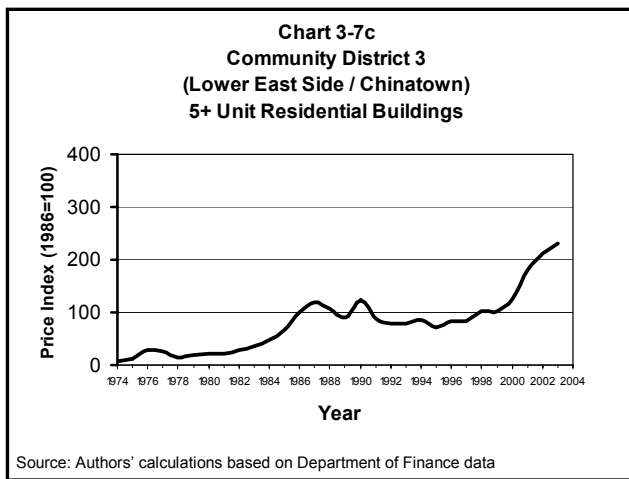
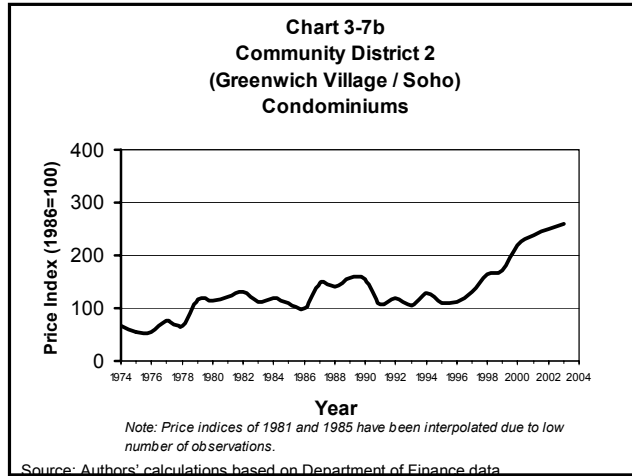
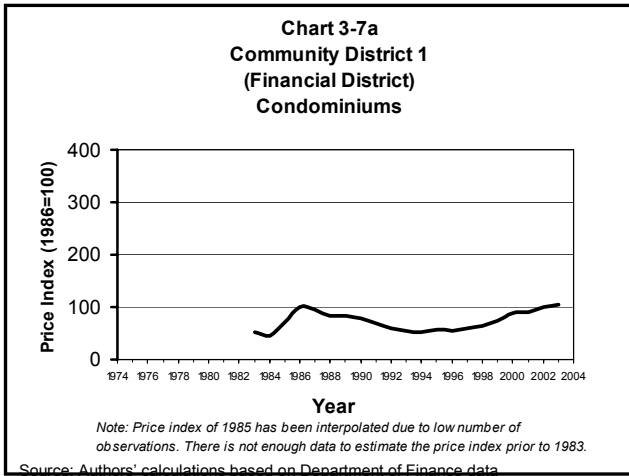
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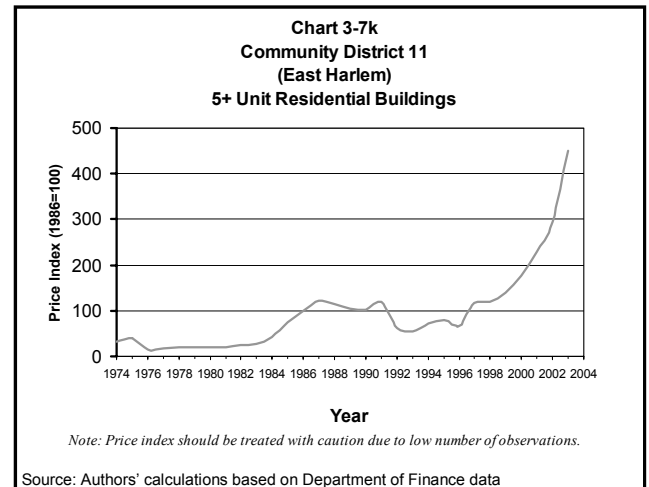
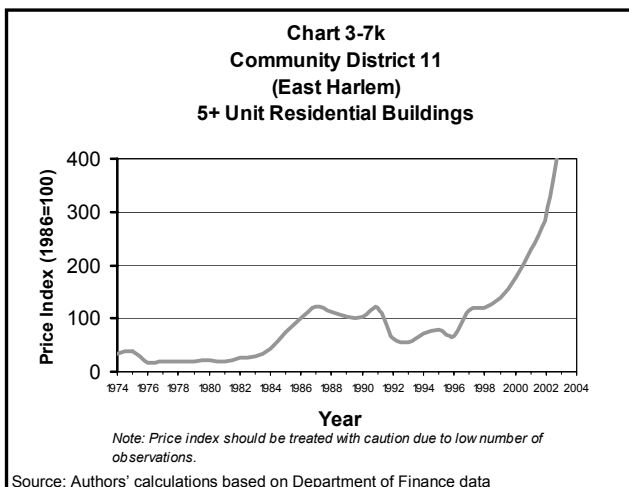
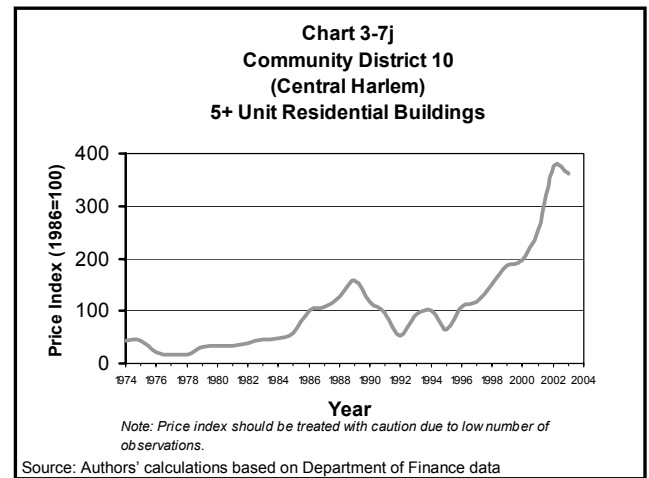
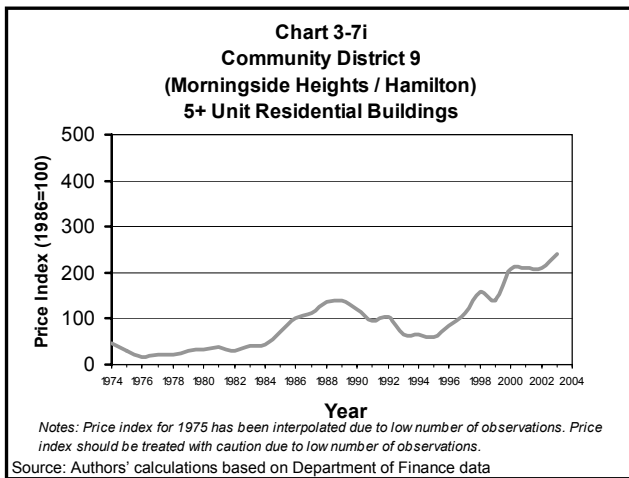
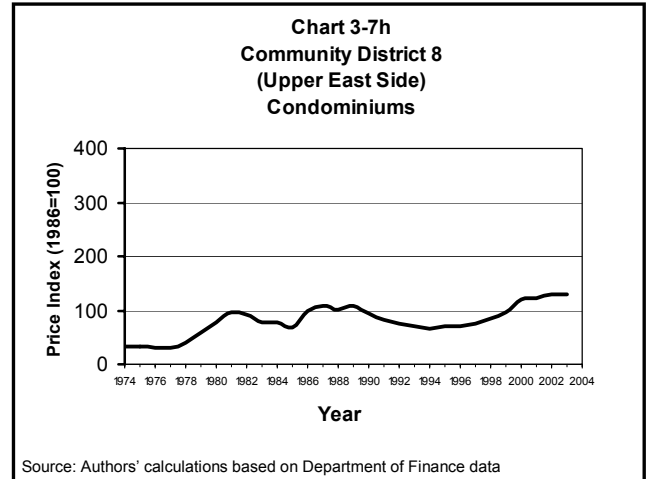
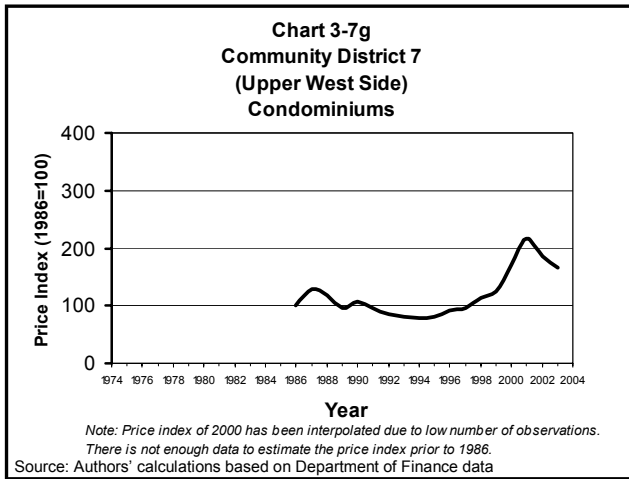
Repeat Sales Indices for Brooklyn Community Districts (continued)



Repeat Sales Indices for Manhattan Community Districts (continued on next page)

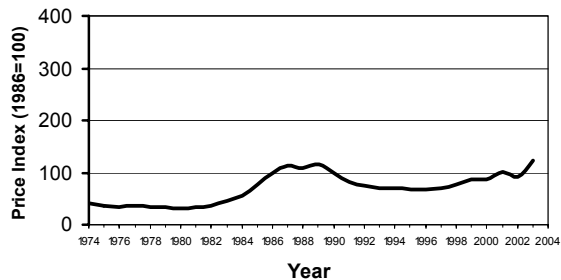


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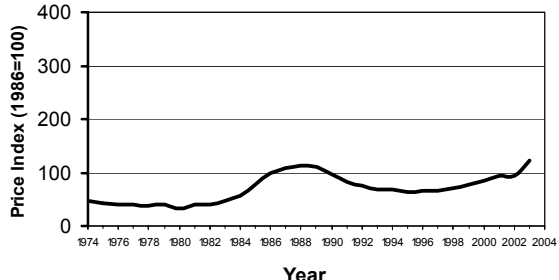
Repeat Sales Indices for Queens Community Districts (continued on next page)

Chart 3-8a
Community District 1
(Astoria)
2-4 Family Homes



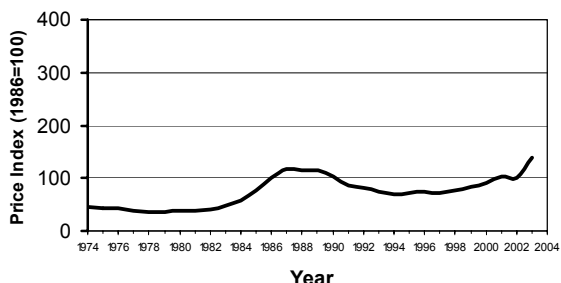
Source: Authors' calculations based on Department of Finance data

Chart 3-8b
Community District 2
(Woodside / Sunnyside)
2-4 Family Homes



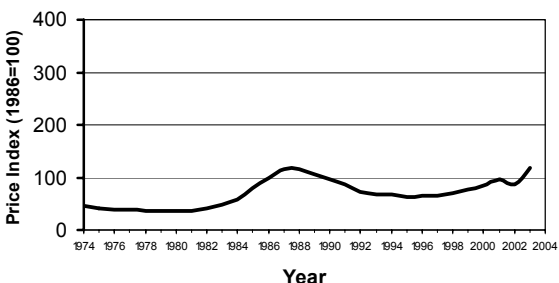
Source: Authors' calculations based on Department of Finance data

Chart 3-8c
Community District 3
(Jackson Heights)
2-4 Family Homes



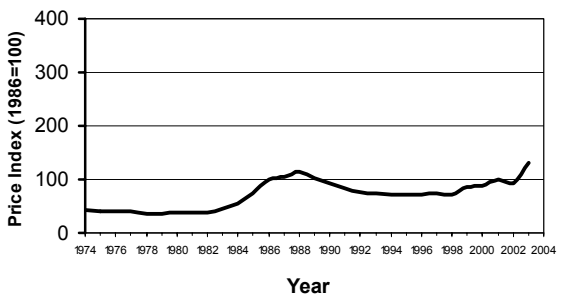
Source: Authors' calculations based on Department of Finance data

Chart 3-8d
Community District 4
(Elmhurst / Crotona)
2-4 Family Homes



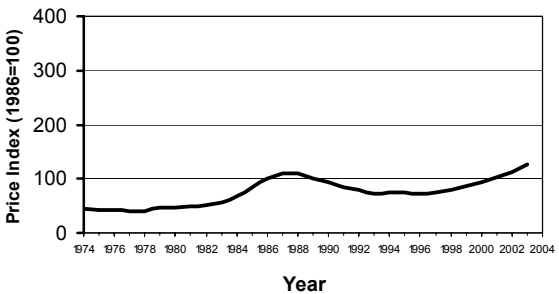
Source: Authors' calculations based on Department of Finance data

Chart 3-8e
Community District 5
(Ridgewood / Maspeth)
2-4 Family Homes



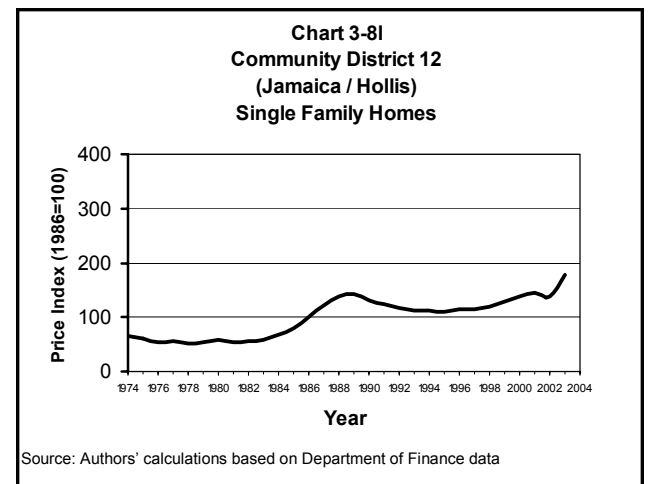
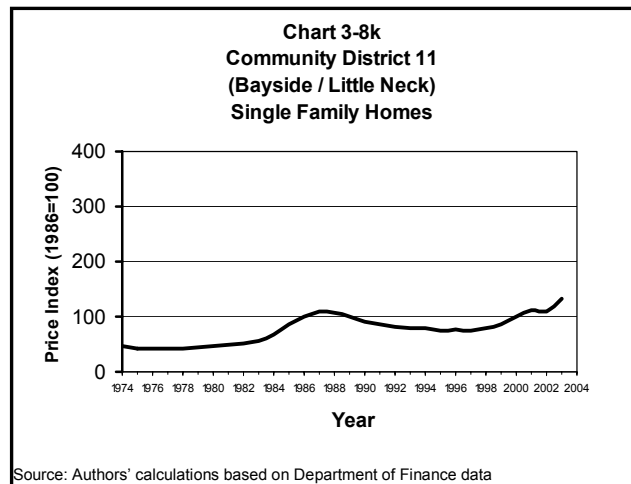
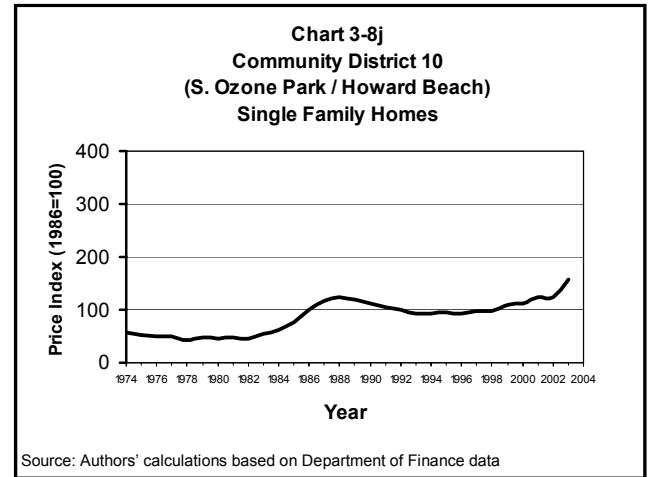
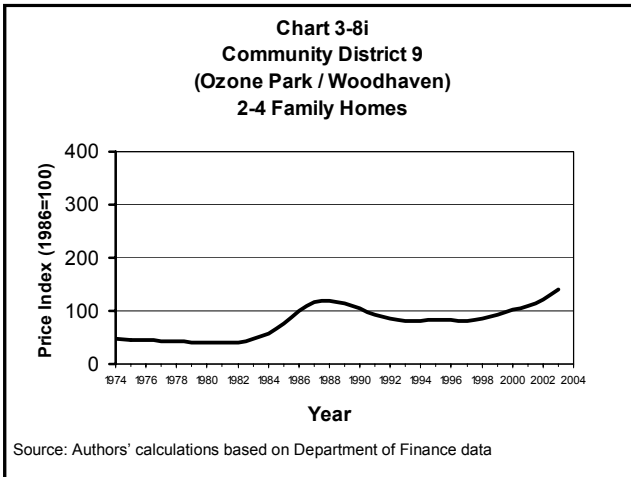
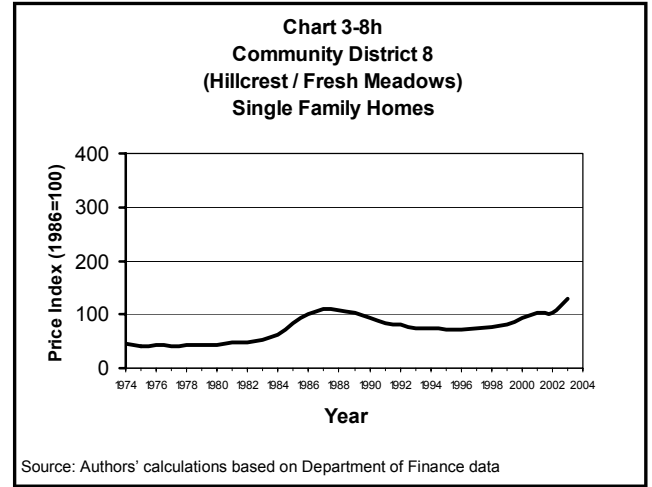
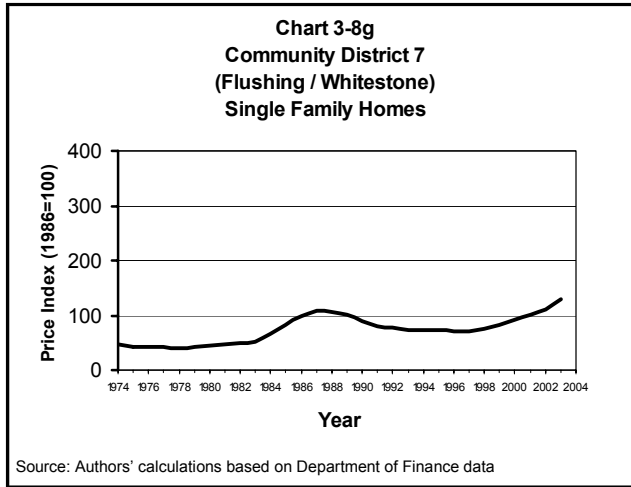
Source: Authors' calculations based on Department of Finance data

Chart 3-8f
Community District 6
(Rego Park / Forest Hills)
Single Family Homes

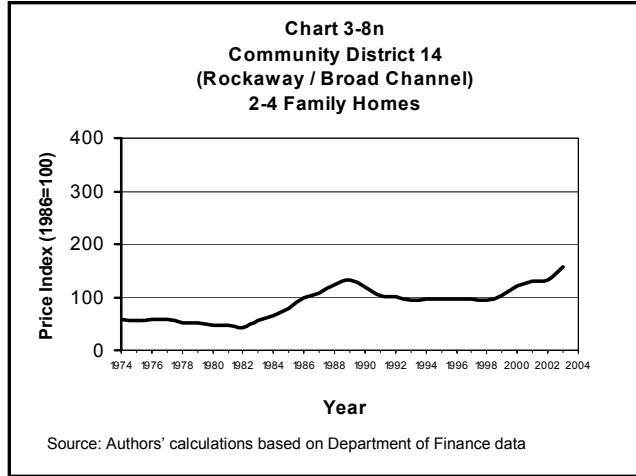
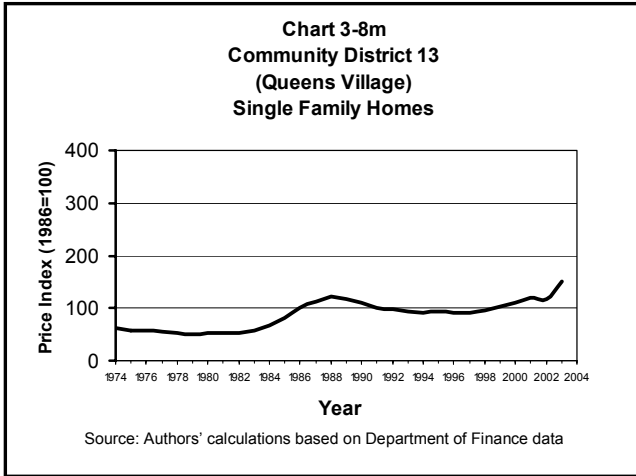


Source: Authors' calculations based on Department of Finance data

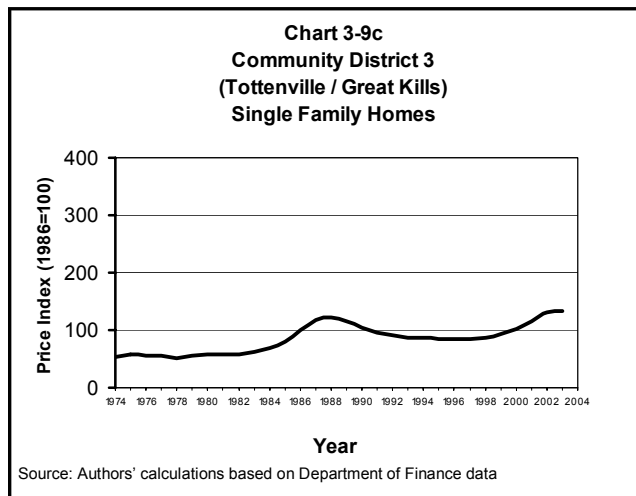
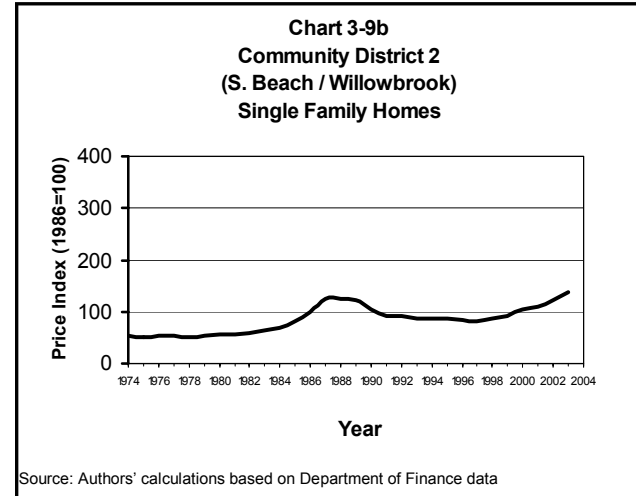
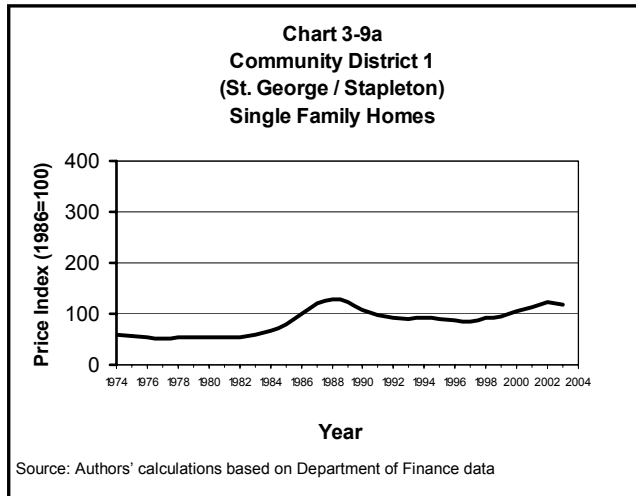
Repeat Sales Indices for Queens Community Districts (continued on next page)



Repeat Sales Indices for Queens Community Districts (continued)



Repeat Sales Indices for Staten Island Community Districts



Neighborhood Table 3-1

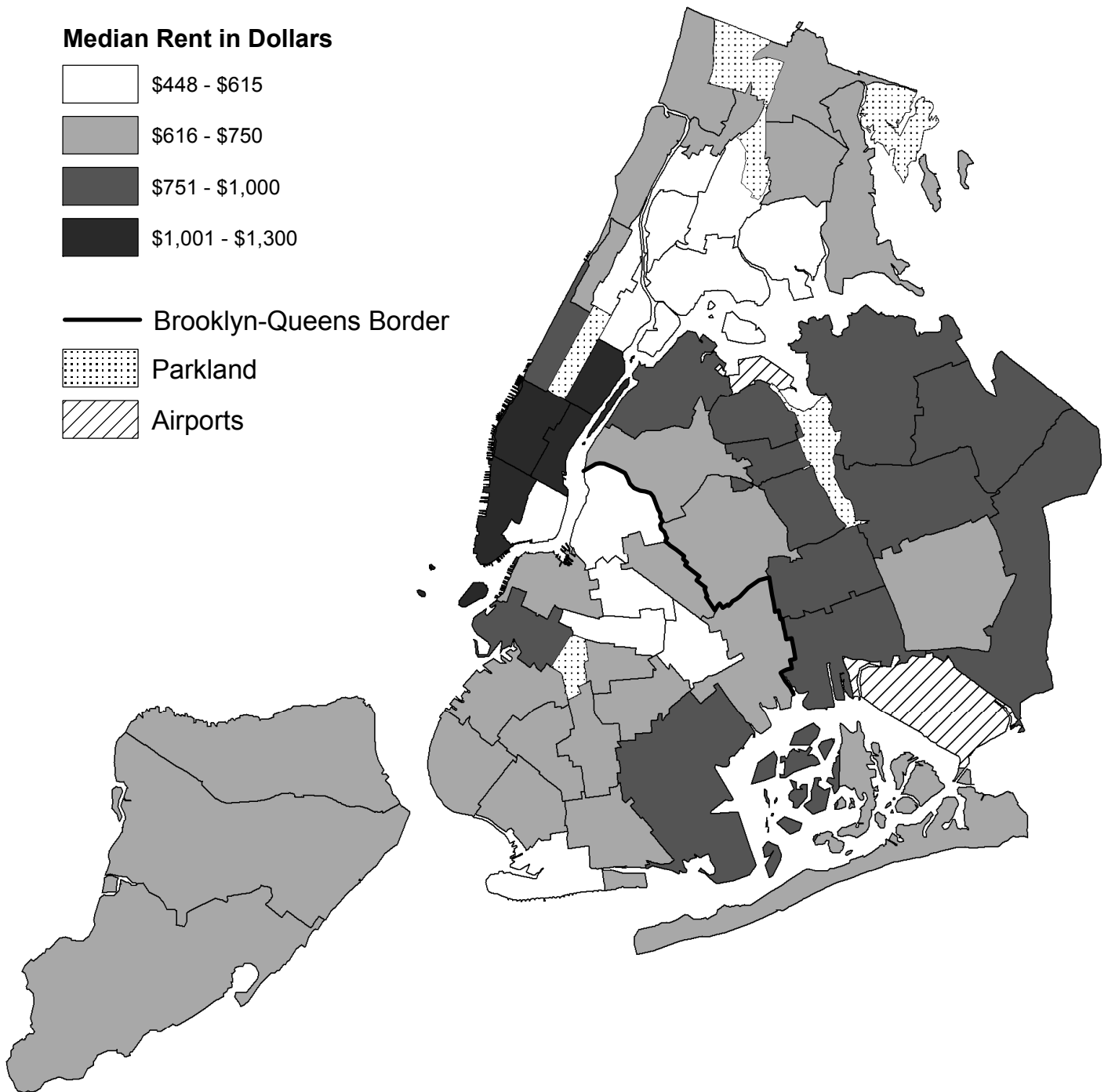
Median Monthly Rent in New York City Sub-borough Areas, 1999 and 2002

| Borough | Sub-borough Area | 1999* | 2002 |
|----------------|--|--------------|--------------|
| Bronx | 101 Mott Haven/Hunts Point | \$395 | \$448 |
| Bronx | 102 Morrisania/Belmont | \$511 | \$500 |
| Bronx | 103 Highbridge/South Concourse | \$565 | \$615 |
| Bronx | 104 University Heights/Fordham | \$592 | \$578 |
| Bronx | 105 Kingsbridge Heights/Mosholu | \$603 | \$675 |
| Bronx | 106 Riverdale/Kingsbridge | \$646 | \$716 |
| Bronx | 107 Soundview/Parkchester | \$619 | \$600 |
| Bronx | 108 Throgs Neck/Co-op City | \$646 | \$650 |
| Bronx | 109 Pelham Parkway | \$610 | \$676 |
| Bronx | 110 Williamsbridge/Baychester | \$700 | \$691 |
| Brooklyn | 201 Williamsburg/Greenpoint | \$570 | \$568 |
| Brooklyn | 202 Brooklyn Heights/Fort Greene | \$688 | \$736 |
| Brooklyn | 203 Bedford Stuyvesant | \$533 | \$500 |
| Brooklyn | 204 Bushwick | \$538 | \$650 |
| Brooklyn | 205 East New York/Starrett City | \$646 | \$630 |
| Brooklyn | 206 Park Slope/Carroll Gardens | \$700 | \$900 |
| Brooklyn | 207 Sunset Park | \$700 | \$750 |
| Brooklyn | 208 North Crown Heights/Prospect Heights | \$592 | \$600 |
| Brooklyn | 209 South Crown Heights | \$644 | \$700 |
| Brooklyn | 210 Bay Ridge | \$727 | \$750 |
| Brooklyn | 211 Bensonhurst | \$721 | \$700 |
| Brooklyn | 212 Borough Park | \$753 | \$725 |
| Brooklyn | 213 Coney Island | \$625 | \$525 |
| Brooklyn | 214 Flatbush | \$700 | \$700 |
| Brooklyn | 215 Sheepshead Bay/Gravesend | \$673 | \$750 |
| Brooklyn | 216 Brownsville/Ocean Hill | \$527 | \$555 |
| Brooklyn | 217 East Flatbush | \$700 | \$700 |
| Brooklyn | 218 Flatlands/Canarsie | \$753 | \$800 |
| Manhattan | 301 Greenwich Village/Financial District | \$1,079 | \$1,297 |
| Manhattan | 302 Lower East Side/Chinatown | \$484 | \$600 |
| Manhattan | 303 Chelsea/Clinton/Midtown | \$1,076 | \$1,200 |
| Manhattan | 304 Stuyvesant Town/Turtle-Bay | \$1,184 | \$1,187 |
| Manhattan | 305 Upper West Side | \$861 | \$950 |
| Manhattan | 306 Upper East Side | \$1,254 | \$1,300 |
| Manhattan | 307 Morningside Heights/Hamilton Heights | \$646 | \$660 |
| Manhattan | 308 Central Harlem | \$443 | \$500 |
| Manhattan | 309 East Harlem | \$441 | \$495 |
| Manhattan | 310 Washington Heights/Inwood | \$646 | \$625 |
| Queens | 401 Astoria | \$721 | \$775 |
| Queens | 402 Sunnyside/Woodside | \$727 | \$705 |
| Queens | 403 Jackson Heights | \$797 | \$800 |
| Queens | 404 Elmhurst/Corona | \$742 | \$800 |
| Queens | 405 Middle Village/Ridgewood | \$646 | \$750 |
| Queens | 406 Rego Park/Forest Hills | \$809 | \$850 |
| Queens | 407 Flushing/Whitestone | \$807 | \$820 |
| Queens | 408 Hillcrest/Fresh Meadows | \$753 | \$790 |
| Queens | 409 Kew Gardens/Woodhaven | \$780 | \$800 |
| Queens | 410 South Ozone Park/Howard Beach | \$807 | \$800 |
| Queens | 411 Bayside/Little Neck | \$807 | \$1,000 |
| Queens | 412 Jamaica | \$666 | \$695 |
| Queens | 413 Queens Village | \$807 | \$800 |
| Queens | 414 Rockaways | \$591 | \$650 |
| Staten Island | 501 North Shore | \$646 | \$750 |
| Staten Island | 502 Mid-Island | \$700 | \$650 |
| Staten Island | 503 South Shore | \$673 | \$725 |
| Total | New York City | \$689 | \$700 |

Source: New York City Housing and Vacancy Survey

* 1999 Data has been adjusted for inflation.

Map 3-1 Median Monthly Rent in New York City Sub-borough Areas, 2002



Source: NYC Housing and Vacancy Survey