
WHO LIVES IN RENT STABILIZED HOUSING?

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This statistical brief provides an overview of New York City's one million rent stabilized households and contrasts stabilized tenants with those living in the City's half million unregulated rentals. Data for this brief comes from the New York City Housing and Vacancy Survey (HVS) compiled by the U.S. Census Bureau in 1993.

The 1993 HVS, the ninth comprehensive survey of New York City's housing stock since 1965, queried a sample of the City's three million households from January to May. Occupants of more than 16,000 housing units (both renter- and owner-occupied) provided detailed information about their family members and about the dwelling units in which they live.

The average rent stabilized household earns \$20,000.

According to the 1993 HVS, the median household income of New York City's stabilized tenants is just over \$20,000. This means that almost half of all stabilized occupants, or nearly half a million households, earn annual incomes of less than \$20,000.

Only a small segment of stabilized renters have high annual earnings. Four percent of stabilized tenants bring in \$100,000 or more per year, and less than 1% earn \$200,000 or more. Even stabilized tenants in Manhattan—where the preponderance of affluent tenants live—earn modest livings. The median household income for stabilized Manhattan renters is \$28,000.

Though rent stabilized housing does not require means testing (certification that tenants' incomes fall below a specified level), a large percent of stabilized renters have very low incomes. This is partly because many stabilized apartments are occupied by single elderly people and single-parent households who tend to have much lower incomes. (Refer to pie chart, next page.)

Given their low household incomes, it is not surprising that many stabilized renters are living in poverty. Over one-quarter (27%) of stabilized households have incomes below the poverty threshold. Furthermore, nearly one-quarter of rent stabilized households (22%) receive some form of public assistance.

Unregulated tenants have higher incomes than stabilized households.

By comparison, tenants living in unregulated rentals Citywide earn \$25,000, or about one-quarter more than stabilized tenants. Manhattan's unregulated renters, however, have significantly higher incomes. With a median income of \$48,000, unregulated households in Manhattan earn close to twice as much as this borough's stabilized renters. In addition, a smaller percent of unregulated tenants throughout the City have incomes below the poverty threshold (21% compared with 27% in stabilized units).

Income differences between tenants living in regulated and unregulated units are even more pronounced

when viewing incomes by race and ethnicity and by household composition. Stabilized tenants from Puerto Rico earn just \$10,500 at the median, or less than half of all stabilized tenants. Unregulated tenants from Puerto Rico earn \$20,000 each year, or about the same as stabilized tenants and \$5,000 less than unregulated households.

The income divide for single-parent households is equally disparate. Single-parent families in rent stabilized housing make about \$7,500 each year compared with \$12,000 for similar households in unregulated dwellings.

The majority of regulated tenants are non-white.

Much like the racial makeup of New York City as a whole, the majority of rent stabilized tenants are non-white. Forty-four percent of stabilized households are white, non-Hispanic; while more than one-quarter of stabilized households are Hispanic, one-fifth are black, non-Hispanic and 8% are Asian or other. The racial and ethnic makeup of unregulated units is very similar, except that a slightly higher percent of unregulated households are black, non-Hispanic, while a lower percent are Hispanic.

Stabilized tenants pay \$525 per month for their apartments.

The median contract rent for stabilized apartments is \$525 per month. Stabilized tenants in Manhattan pay somewhat higher rents (\$620), because most of Manhattan's regulated apartments

are in high-rent neighborhoods. A large segment (38%) of stabilized rentals, however, are located in the Lower East Side and Northern Manhattan where regulated rents average about \$450 per month.

Unregulated apartment rents average \$640 Citywide, while unregulated housing in Manhattan (\$1,030) is significantly more pricey. Manhattan rents are costly, because the bulk of unregulated dwellings are concentrated in high-rent areas such as Greenwich Village and the Upper East and West Sides. Only 10% of this borough's unregulated apartments are located in low-income neighborhoods.

Stabilized tenants pay less than one-third of their income on housing costs.

Contract rent comprises 28% of stabilized tenants' household income. When adding utilities and fuel expenses to contract rent, stabilized tenants pay 31% of their annual earnings on housing. This is very similar to the rent-to-income ratio for public housing residents who, according to HUD guidelines, contribute 30% of their household income towards rent. Rent-to-income ratios for unregulated tenants are about the same as stabilized households.

Median rent-to-income ratios, however, mask the heavy burdens borne by certain households. Single elderly people and single-parent families living in stabilized apartments pay a substantial portion of their small annual earnings toward rent—39% and 57%, respectively. After rental costs and utilities, single-parent households are left with about \$2,400 per year to cover all other needs.

Some groups occupying unregulated rentals likewise face severe affordability problems. Single elderly people, in particular, spend more than half of their meager incomes on rent. When factoring in utilities, these seniors have less than \$3,500 for annual expenses apart from housing.

Stabilized apartments are small and house a diverse population.

The 1993 HVS data shows that rent stabilized apartments are scattered throughout New York City's diverse neighborhoods and that the overwhelming majority of rent stabilized tenants are of modest means.

By comparing rent stabilized and unregulated households, we can see that stabilized tenants have lower annual incomes and occupy apart-

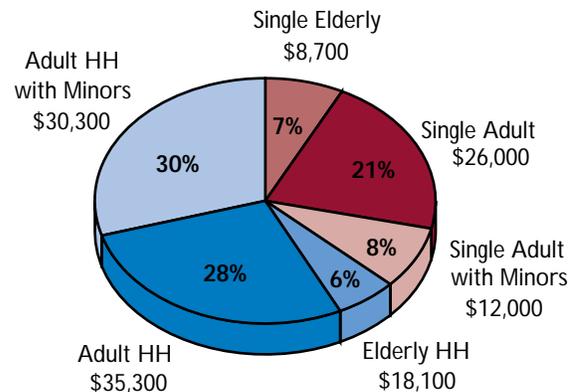
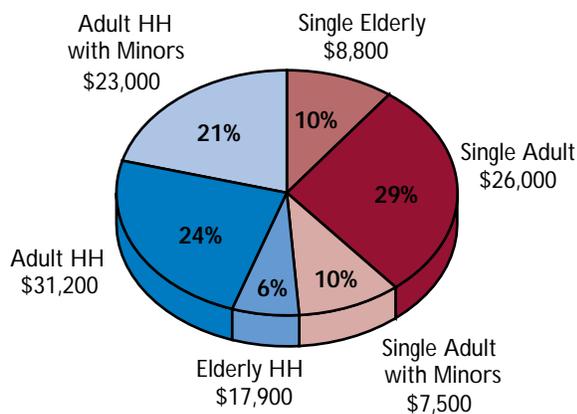
ments with lower rents. Regulated units rent for less partly because of their location and partly because they are smaller than unregulated dwellings. Only 8% of stabilized apartments have three or more bedrooms compared with almost one-quarter of unregulated units. The outcome is that the majority of both stabilized and unregulated renters pay less than one-third of their annual incomes on rent.

Still, over one-quarter of all stabilized households pay more than half of their annual earnings on rental payments. Clearly, living in a rent stabilized apartment does not guarantee households an "affordable" rent. However, New York City's stabilized apartments, which house a more vulnerable population of renters than do unregulated dwellings, provide some relief from unpredictable rent increases and from unwarranted evictions which many stabilized tenants can ill afford. □

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Note: Additional HVS data tables are available on the Rent Guidelines Board's web site: www.nycrgb.com. The 1996 HVS is due for release in the spring of 1997.

Stabilized Tenants are More Likely to be Single Elderly People or One-Parent Households.



Rent Stabilized Apartments (979,000)

Unregulated Rentals (552,000)

Source: Occupied Rental Housing Units, 1993 New York City Housing and Vacancy Survey, U.S. Bureau of the Census.

Occupants of Rent Stabilized and Unregulated Rental Housing

| | <u>Rent Stabilized Households</u> | | <u>Unregulated Households</u> | |
|---|-----------------------------------|----------------|-------------------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Households by Borough | | | | |
| Bronx | 177,338 | 18% | 56,703 | 10% |
| Brooklyn | 254,743 | 26% | 214,560 | 39% |
| Manhattan | 355,310 | 36% | 60,985 | 11% |
| Queens | 182,180 | 19% | 186,545 | 34% |
| Staten Island | 9,455 | 1% | 33,333 | 6% |
| <i>Total</i> | <i>979,026</i> | <i>100%</i> | <i>552,126</i> | <i>100%</i> |
| Bedrooms Per Apartment | | | | |
| Studio | 110,333 | 11% | 33,733 | 6% |
| One Bedroom | 485,314 | 50% | 183,680 | 34% |
| Two Bedrooms | 307,957 | 32% | 207,603 | 38% |
| Three Bedrooms | 63,306 | 7% | 105,899 | 19% |
| Four or More Bedrooms | 6,289 | 1% | 15,355 | 3% |
| Household Type | | | | |
| Single Elderly ^Ω | 95,974 | 10% | 39,349 | 7% |
| Single Adult | 269,614 | 29% | 112,178 | 21% |
| Single Adult with Minors | 92,431 | 10% | 43,722 | 8% |
| Elderly Household ^Ω | 59,521 | 6% | 30,982 | 6% |
| Adult Household | 225,356 | 24% | 146,414 | 28% |
| Adult Household with Minors | 194,852 | 21% | 156,442 | 30% |
| Race/Ethnicity | | | | |
| White, non-Hispanic | 420,083 | 44% | 250,526 | 46% |
| Black, non-Hispanic | 190,214 | 20% | 129,402 | 24% |
| Puerto Rican | 114,063 | 12% | 50,176 | 9% |
| Non-Puerto Rican Hispanic | 157,218 | 16% | 59,500 | 11% |
| Asian | 58,400 | 6% | 43,896 | 8% |
| Other | 18,190 | 2% | 10,376 | 2% |
| Households in Poverty | 194,846 | 27% | 79,124 | 21% |
| Households Receiving Public Assistance | 189,195 | 22% | 69,981 | 14% |
| Total Household Income | | | | |
| Loss / No Income or <\$5,000 | 63,010 | 9% | 28,993 | 8% |
| \$5,000-\$9,999 | 140,130 | 20% | 47,151 | 12% |
| \$10,000-\$19,999 | 138,823 | 19% | 72,447 | 19% |
| \$20,000-\$29,999 | 119,295 | 17% | 65,772 | 17% |
| \$30,000-\$49,999 | 138,754 | 19% | 89,963 | 23% |
| \$50,000-\$69,999 | 62,641 | 9% | 45,030 | 12% |
| \$70,000-\$89,999 | 22,512 | 3% | 18,206 | 5% |
| \$90,000-\$99,999 | 3,867 | 1% | 3,557 | 1% |
| \$100,000-\$199,999 | 22,861 | 3% | 8,721 | 2% |
| ≥ \$200,000 | 3,175 | 1% | 3,972 | 1% |
| Not Reported | (263,958) | - | (168,314) | - |
| Contract Rent | | | | |
| < \$200 | 36,881 | 4% | 4,563 | 1% |
| \$200-\$399 | 175,141 | 19% | 44,427 | 9% |
| \$400-\$599 | 367,822 | 40% | 145,115 | 30% |
| \$600-\$799 | 198,913 | 22% | 162,049 | 33% |
| \$800-\$999 | 62,614 | 7% | 80,245 | 16% |
| \$1,000-\$1,249 | 39,209 | 4% | 28,184 | 6% |
| \$1,250-\$1,499 | 16,601 | 2% | 10,478 | 2% |
| ≥\$1,500 | 25,013 | 3% | 15,244 | 3% |
| Not Reported / No Cash Rent | (56,831) | - | (61,823) | - |

(Table continued on next page.)

Occupants of Rent Stabilized and Unregulated Rental Housing (continued)

| | <u>Rent Stabilized Households</u> | | <u>Unregulated Households</u> | |
|--|-----------------------------------|-------------------|-------------------------------|-------------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Contract Rent-to-Income Ratio | | | | |
| < 10% | 44,301 | 7% | 15,717 | 4% |
| 10%-19% | 168,235 | 25% | 88,416 | 25% |
| 20%-29% | 146,089 | 22% | 83,138 | 23% |
| 30%-39% | 83,964 | 12% | 48,302 | 14% |
| 40%-49% | 53,951 | 8% | 30,346 | 9% |
| 50%-59% | 40,912 | 6% | 20,846 | 6% |
| 60%-69% | 30,628 | 5% | 14,199 | 4% |
| ≥70% | 112,762 | 17% | 54,082 | 15% |
| Not Computed / Not Reported | (298,183) | - | (197,080) | - |
| | <u>Median</u> | <u>Mean</u> | <u>Median</u> | <u>Mean</u> |
| Household Income | \$20,160 | \$29,042 | \$25,000 | \$33,967 |
| Manhattan Household Income | \$28,000 | \$39,011 | \$48,000 | \$67,578 |
| Income by Household Type | | | | |
| Single Elderly ^Ω | \$8,808 | \$12,715 | \$8,660 | \$11,507 |
| Single Adult | \$26,000 | \$30,731 | \$26,000 | \$31,275 |
| Single Adult with Minors | \$7,475 | \$12,462 | \$12,000 | \$17,248 |
| Elderly Household ^Ω | \$17,879 | \$27,099 | \$18,080 | \$26,291 |
| Adult Household | \$31,200 | \$40,810 | \$35,340 | \$43,726 |
| Adult Household with Minors | \$23,000 | \$31,498 | \$30,320 | \$39,896 |
| Income by Race/Ethnicity | | | | |
| White, non-Hispanic | \$29,350 | \$38,417 | \$30,760 | \$41,711 |
| Black, non-Hispanic | \$20,020 | \$25,325 | \$22,400 | \$27,617 |
| Puerto Rican | \$10,500 | \$17,558 | \$20,000 | \$24,800 |
| Non-Puerto Rican Hispanic | \$16,000 | \$20,942 | \$21,257 | \$25,573 |
| Asian | \$20,600 | \$30,675 | \$30,052 | \$34,768 |
| Other | \$19,000 | \$24,282 | \$24,000 | \$31,774 |
| | <u>Contract Rent</u> | <u>Gross Rent</u> | <u>Contract Rent</u> | <u>Gross Rent</u> |
| Median Rent | \$525 | \$567 | \$640 | \$700 |
| Median Manhattan Rent | \$620 | \$635 | \$1,030 | \$1,030 |
| Median Rent-to-Income Ratio | 28% | 31% | 28% | 31% |
| Manhattan Median Rent-to-Income Ratio | 26% | 28% | 25% | 25% |
| Median Rent-to-Income Ratio by Race/Ethnicity | | | | |
| White, non-Hispanic | 24% | 26% | 25% | 28% |
| Black, non-Hispanic | 28% | 31% | 31% | 34% |
| Puerto Rican | 36% | 42% | 31% | 34% |
| Non-Puerto Rican Hispanic | 35% | 40% | 36% | 41% |
| Asian | 29% | 31% | 26% | 28% |
| Other | 33% | 36% | 30% | 32% |
| Median Rent-to-Income Ratio by Household Type | | | | |
| Single Elderly ^Ω | 39% | 44% | 52% | 60% |
| Single Adult | 26% | 28% | 27% | 28% |
| Single Adult with Minors | 57% | 68% | 50% | 58% |
| Elderly Household ^Ω | 26% | 30% | 30% | 36% |
| Adult Household | 22% | 24% | 23% | 25% |
| Adult Household with Minors | 28% | 32% | 26% | 29% |

^Ω May or may not have minor children present.

Totals may not add due to rounding.

Source: Occupied rental housing units, 1993 New York City Housing and Vacancy Survey, U.S. Bureau of the Census.