

NEWS

From the Office of the New York State Comptroller

Thomas P. DiNapoli

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For release: Immediately, March 10, 2014

DiNAPOLI: RISING COSTS HITTING HOMEOWNERS & RENTERS STATEWIDE Report Details Impact on Affordability by County

Housing costs in New York rose sharply relative to income from 2000 to 2012, with more than half of renters and more than a third of homeowners paying at least 30 percent of their 2012 income for a place to live, according to a [report](#) released today by State Comptroller Thomas P. DiNapoli.

“Regardless of where they live, more New Yorkers are feeling pinched by rising housing costs,” DiNapoli said. “When half your income goes to pay for a place to live, you are going to be stretched thin on other every day purchases. This unfortunate trend has troubling implications for our economic growth and for New Yorkers’ quality of life.”

DiNapoli’s report evaluates New York state housing affordability trends from 2000 to 2012 using U.S. Census Bureau data. The federal government describes affordable housing costs as being below 30 percent of household income. Statewide, more than 3 million households are at or above the affordability threshold of 30 percent of household income.

The percentage of households with rents above the affordability level increased from 40.5 percent in 2000 to 50.6 percent in 2012, while the percentage of homeowners above the affordability level rose from 26.4 in 2000 to 33.9 percent in 2012.

For some New Yorkers, the affordability challenge is even more difficult. As of 2012, nearly 28 percent of renters and 15 percent of homeowners paid housing costs that were at least half of their household income – a level the U.S. Census Bureau describes as “severely cost-burdened.”

Housing affordability is affected by both housing costs and income levels. After adjusting for inflation, median monthly housing costs in New York rose by 18.6 percent for renters and 9.9 percent for homeowners from 2000 to 2012. During that time, homeowners’ median household income declined 1.6 percent and renters’ median household income dropped 7.1 percent in constant dollars. Property taxes, one factor in overall housing costs, rose 12.3 percent statewide after adjusting for inflation.

Incomes and housing costs vary regionally statewide and are generally higher in the New York City metropolitan area, although housing affordability is a statewide challenge. Bronx County, for example, had the highest proportion of renters with housing costs of 30 percent or more of income in 2012, at nearly 58 percent. The second-highest was in rural Greene County, at 57.5 percent. Counties with the lowest percentages of renters paying more than 30 percent of income for housing were farther north and west.

The proportion of incomes devoted to housing rose from 2000 to 2012 in almost all of the state’s 62 counties. For example, in 2000, 12.2 percent of homeowners in Suffolk County and 6.3 percent of those

in Essex County paid more than half of household income for housing costs. In 2012, those figures rose to 19.1 percent and 11.2 percent.

The report found that many New Yorkers are feeling pressure from a combination of stagnant or declining real income, as well as increasing housing costs. A combination of factors including comparatively slow economic growth over time, a rising property tax burden, and limited housing supply in many areas of the state contribute to the increasing challenge New Yorkers face in finding affordable housing.

Senator Catharine Young (R,C,I - Olean): “Growing the economy and job opportunities for all New Yorkers is a top priority for the Senate so we can reverse the trend of declining household incomes. People want and need affordable housing, and by reducing the suffocating property tax burden, creating jobs and strengthening existing state programs that promote home ownership and affordability, we can turn the tide. I thank Comptroller DiNapoli for examining the issue of affordable housing.”

Assemblyman Keith Wright (D-Brooklyn): “New Yorkers across the state are fighting to free themselves of the hardships they face because of the shortage of suitable and affordable housing. As chairman of the Assembly Housing Committee, I remain committed to working with residents, my colleagues in the Legislature and stakeholders on all sides of the affordable housing conversation to reach a solution that will bring meaningful relief and sustainable growth - not just for right now – but for the needs of our future New Yorkers and their families. State Comptroller Tom DiNapoli has been a true ally in this effort and I am greatly encouraged by the emphatic commitments of Mayor Bill de Blasio. I am confident that in working together, we will bring affordable housing beyond the conversation and into our communities.”

Buffalo Mayor Byron W. Brown: “Increasing the availability of affordable housing in Buffalo is a priority because the benefits extend far beyond city residents, their families and the neighborhoods immediately impacted. During my tenure, Buffalo leveraged \$27 million to generate over \$214 million worth of affordable housing development, resulting in 1,400 new housing units. With Buffalo’s recent surge in economic activity, affordable housing is a critical component - increasing spending and employment opportunities, while boosting revenue for local governments. State Comptroller DiNapoli’s report brings greatly needed attention to this important issue and I look forward to working with him in the future on policies and programs that address this matter.”

Jessica F. Vasquez, executive director, Neighborhood Preservation Coalition of NYS Inc.: “We thank State Comptroller DiNapoli for continuing to provide the affordable housing sector with important analysis and research. This report demonstrates that the cost burden faced by New York state renters and homeowners is significant and has only increased over the past decade. Half of renters spend more than 30 percent of their monthly income on housing, meaning that they have very little to spend on other essentials. This report only emphasizes the need for more affordable home choices in our state.”

Marge Rogatz, president, Community Advocates Inc.: “Municipal and state officials and other decision-makers must respond to the increasingly severe affordable housing crisis documented in this valuable report. The answer to this crisis obviously lies in the construction of many thousands of urgently needed multi-family and single-family affordable and nondiscriminatory homes, with particular emphasis on rental homes. As Comptroller DiNapoli’s report reveals, more than one in four renting households across New York state are spending more than half of their household income on the cost of their housing, jeopardizing the quality of life and future not only of these households, but of the entire state.”

Mitchell Pally, chief executive officer, Long Island Builders’ Institute: “The Long Island Builders Institute strongly concurs with the assessment of affordability contained in the report prepared by State Comptroller DiNapoli’s office. The lack of affordable housing, especially on Long Island, reduces our ability to attract young people and families, which significantly impacts the ability of our employers to find the employees they need to grow their businesses in New York state. In addition, the lack of affordable housing for our seniors deprives them of the ability to downsize when appropriate, leaving many of them in houses which are too large and too expensive for them to live in.”

Blair W. Sebastian, executive director, New York State Rural Housing Coalition: “As advocates for affordable housing in rural communities, we are pleased that Comptroller DiNapoli has undertaken this study and documented so well what we are experiencing in our communities. The affordable housing crisis in upstate rural New York is complex and confounding. Comptroller DiNapoli has done us a great service by looking closely at the challenges faced by homeowners and renters alike in these challenging times. This study makes clear that safe, decent and affordable housing is an important prerequisite for so many things in our lives, yet it remains an unrealized promise for hundreds of thousands of New Yorkers.”

Katie Goldstein, executive director, Tenants & Neighbors: “We commend the Comptroller for shining a spotlight on the important issue of affordable housing. Low and moderate income tenants in New York City regularly experience the pressures of displacement. Their frustrations mount as their rents rise, and their options shrink – they don’t earn enough to qualify for newly developed affordable housing, while existing subsidized and regulated units continue to disappear. The loss of regulated and subsidized housing across the state has deeply hurt individual households, and threatens the viability of our diverse and livable communities.”

Alison Badgett, executive director, NYS Association for Affordable Housing: “We commend the Comptroller for shedding light on the obstacles that New Yorkers face when it comes to accessing affordable housing. As an organization whose members are on the front lines when it comes to building affordable housing, we find it unacceptable that more than 50 percent of New Yorkers pay rents over the affordability level. We are committed to working with the Comptroller, elected officials, housing advocates and the real estate community to use every tool we have to expand access to affordable housing for all.”

Eric Alexander, executive director, Vision Long Island: “Comptroller DiNapoli has produced data that shows us the challenges facing housing affordability in our region. His insightful report provides backing to policies that will reduce the brain drain in on Long Island.”

For a copy of the report, visit:

http://www.osc.state.ny.us/reports/housing/affordable_housing_ny_2014.pdf

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