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Housing Vacancies and Vacancy Rates

Introduction

In a big housing market, such as New York City's, the changing needs and the current and evolving demand for housing cannot be satisfied by occupied housing units alone. The change in needs and demand must be accommodated by an adequate reserve of vacancies, a necessity to allow for normal fluctuations in demand and supply and to permit each housing consumer a reasonable level of choice, at least in terms of tenure, price (or rent), size, and location.

The number of housing vacancies that are available for rent or sale is the result of the dynamic interaction of supply, demand, and other market and non-market factors, such as public interventions, in the housing market, and often in the money market as well. In a free housing market in general, housing vacancies rise as the housing supply expands, while demand either remains the same or is reduced; they fall as the supply either remains the same or contracts, while demand grows. Thus, one of the critical elements of the basic functions of the housing market is the number of vacancies.

However, in a free housing market, when insufficient vacancies noticeably limit suitable choices for consumers, housing prices or rents tend to rise and, if the shortage of affordable housing becomes critical, a widely spreading problem that is increasingly felt to be urgent for the public, public intervention is often called on to meet the needs and demands of housing consumers. In fact, it is most commonly through interventions of public policy upon the competitive housing market that the housing need and well-being of the public can be satisfied and/or improved in times of extremely marginal vacancies relative to the total supply of housing.

The vacancy rate is, therefore, one of the key indicators summarizing how a housing market is currently performing in providing an adequate level of vacant, available housing units. For this reason, the State and City rent-regulation laws require the City to determine the existence of a housing emergency, based on the rental vacancy rate, as a condition for the continuation of rent regulations. Thus, the number of vacant units and rental vacancy rates are primary determinants of rent-regulation policies and programs in the City.

The chapter opens with brief highlights of the legal background for rent control and rent stabilization in the City that justify the importance of vacancies and vacancy rates and a review of the definitions and equations used in classifying vacancies and estimating rental vacancy rates, a clear understanding of which is a prerequisite to the proper use and interpretation of the data covered in the chapter.

However, the vacancy rate alone indicates only the aggregate proportion of units that are vacant and available for rent or sale, not the suitable choices of vacant units available for a particular group of households looking for units into which to move, in terms of tenure, types of rental or owner categories, location, price or rent, condition, and size. Therefore, in order to understand what suitable housing options vacant available units provide, in the second part of the chapter, data on the following characteristics of vacant available renter and owner units are analyzed: location, asking price or rent levels, affordability, building and unit characteristics, housing and neighborhood conditions, and length of vacancies and turnovers.

In New York City, as in most large metropolitan cities in the country, there are many different reasons why vacant units are unavailable for sale or rent. In the City, the number of vacant unavailable units has for most survey years, particularly in the 1990s and 2000s, been larger than the number of vacant rental units. Thus, in the last part of the chapter, the number and characteristics of vacant units unavailable for rent or sale, including reasons for unavailability and the previous status of these units, will be discussed.

Statutory Role of the Rental Vacancy Rate in Rent Control and Stabilization in New York City

The New York State and New York City rent-regulation laws permit the City to continue both rent control and rent stabilization if there is a housing emergency, and the laws mandate that the City have a housing market survey to serve as the basis for the City's determination of whether or not a housing emergency exists. Specifically, the Local Emergency Housing Rent Control Act of 1962 requires that the New York City Council determine the existence of a housing emergency based on the findings of a survey of the housing supply, housing condition, and other housing market characteristics necessary for determining the need for continuing rent control and regulation in the City.

Local Law No. 20, 1962, of the New York City Rent Rehabilitation Law¹ mandates that New York City conduct studies and investigations designed to determine if the rental vacancy rate is lower than **5 percent**, as proof of the need for continuing rent regulation and rent control.

The local rent stabilization law of 1969² also permits the local determination of the existence of a housing emergency as a condition of the need for continuing rent stabilization. The Emergency Tenant Protection Act of 1974³ not only again permits the local determination of the existence of a housing emergency but also specifically states that an emergency exists if the rental vacancy rate is **5 percent or less**.

In short, these State and City rent-regulation laws require that the City have a comprehensive housing market survey and that the City Council determine whether or not a housing emergency exists in the City based on the findings of that survey. If the City Council determines that the rental vacancy rate in the City is **5 percent or less**, according to the survey, the laws permit the City to declare that a housing emergency exists and that rent control and rent stabilization can, thus, be continued. For this very reason, the number of vacant units available for rent and the rental vacancy rates are primary determinants of rent-stabilization and rent-control policies and programs in the City.

To fulfill the legally mandated responsibility, the City's Department of Housing Preservation and Development (HPD) has regularly retained the U.S. Census Bureau to conduct a comprehensive survey of the City's housing market. This survey, known as the New York City Housing and Vacancy Survey (HVS), has now been carried out on fourteen separate occasions over the forty-three-year period since 1965, when the first HVS was conducted.

1 Section 1(3) of the Local Emergency Housing Rent Control Law, Section 8603 of the Unconsolidated Laws.

2 Section 26-501 of the Administrative Code of the City of New York.

3 Section 3 of the Emergency Tenant Protection Act, Section 8623 of the Unconsolidated Laws.

Definition of Vacant Rental Units and Equation for Estimating the Rental Vacancy Rate

Concepts and Definitions of Vacant Rental Units, Occupied Rental Units, and the Equation for Estimating the Rental Vacancy Rate

A clear understanding of the definitions of terms used in classifying vacancies and the equation applied in estimating rental vacancy rates is prerequisite to the proper interpretation and use of the data on vacant rental units and the rental vacancy rate presented and analyzed in the chapter.

Since the first HVS in 1965, the Census Bureau has used the same definitions of vacant rental units and occupied rental units and the same equation, without exception, in estimating the rental vacancy rate in the City over the forty-three year period, using data from the HVS as specified in the following equation⁴:

$$\frac{\text{Number of Vacant, Non-Dilapidated Units Available for Rent}}{\text{Number of Vacant, Non-Dilapidated Units Available for Rent} + \text{Number of Renter-Occupied Units, Dilapidated and Non-Dilapidated}}$$

The Census Bureau has also used the same definitions of vacant rental units and occupied rental units and the same equation for estimating the rental vacancy rates in its other surveys—such as the decennial census, the American Housing Survey (AHS), the national Current Population Survey/Housing Vacancy Survey (CPS/HVS), and the American Community Survey (ACS)—with the following two noticeable differences:

The first difference is that, in the HVS, as shown above, dilapidated **vacant** rental units are treated as unavailable for rent and are excluded in counting vacant units available for rent, while, in counting the number of occupied rental units, all **occupied** units, whether or not they are dilapidated, are counted.

In its 1950 and 1960 decennial censuses, the Census Bureau did not include dilapidated vacant units in counting available units and, thus, in estimating the rental vacancy rate (the Census Bureau collected data on dilapidation in those years) on the grounds that such units should not be classified as vacant available units.

For the 1970 and following decennial censuses, the Census Bureau did not collect data on dilapidation because these censuses were done primarily by mail and the determination of dilapidation requires that a trained interviewer visit the unit. The American Housing Survey, Current Population Survey/Housing Vacancy Survey, and American Community Survey have never collected data on dilapidation.

4 Beginning with Census 2000, the Census Bureau modified the definition of a housing unit to exclude the requirement that the occupants of a housing unit must “eat separately” from any other individuals in the building. In addition, the criterion that a housing unit cannot have nine or more individuals unrelated to the householder was dropped. All HVSs based on Census 2000 reflected these changes. However, the definitions and requirements of when a unit is occupied or vacant, owner or rental, have not changed over the history of the HVS.

Starting with the first HVS in 1965, the Census Bureau has conducted the HVS through personal visit interviews; thus, dilapidation has always been determined and used in classifying vacant available units.⁵ This classification of dilapidated vacant units as vacant unavailable units has been used by the Census Bureau in estimating the rental vacancy rate for every HVS without exception over the forty-three-year period, since the first HVS in 1965.

The second difference is that, in the HVS, the Census Bureau counts vacant units that are rented but not yet occupied as vacant unavailable units, not as renter-occupied units. The Census Bureau uses a similar approach for the decennial census but different approaches for its other surveys. In these other surveys, the Census Bureau classifies rented but not yet occupied units as occupied units. In this regard, the Census Bureau's underlying concept for the HVS, the primary purpose of which is to estimate very reliable data on the number of vacant rental units and the rental vacancy rate, is that it is reasonable to treat rented units that are not yet occupied as vacant unavailable units, since such units are committed for rental to identified tenants about to move in soon and are, for practical purposes, no longer available; thus, they cannot be counted as vacant available units.⁶ For this reason, in estimating the rental vacancy rate for the HVS, the Census Bureau has classified vacant units that are rented but not yet occupied as vacant unavailable units, again without exception, since 1965, when the first HVS was conducted.

The vacancy rate for units available for rent in New York City during the period between February and June of 2008 was 2.91 percent⁷ (Table 5.1). The 2008 rental vacancy rate of 2.91 percent was estimated using data from the 2008 HVS on each item in the above equation, as follows:

$$(62,499) / (62,499 + 2,081,953) \times 100 = 2.91\%$$

Reliability of the Rental Vacancy Rate

The HVS is a sample survey. The rental vacancy rate of 2.91 percent is, thus, subject, as are other statistics derived from the HVS, to sampling and non-sampling errors. For this reason, this rental vacancy rate is different from the true vacancy rate that would be calculated from a one-hundred-percent-count survey.

Sampling error results from the fact that the actual sample used for the 2008 HVS was one of a large number of different samples of similar size that could have been selected from the same sample frame—that is, the list of residential units from the 2000 decennial census, updated through the 2008 HVS. Different samples would have yielded different rental vacancy rates. The sampling error, the extent to which any particular sampling result differs from the average of all possible results, is unknown; but the standard error of estimate (SEE) is a statistical measure most commonly used to approximate it.

5 For further discussion of the classification of dilapidated vacant units as vacant unavailable units, see Peter Marcuse, *Rental Housing in the City of New York: Supply and Condition, 1975-1978*, page 103.

6 For further discussion of this issue, see Lawrence N. Bloomberg, *The Rental Housing Situation in New York City, 1975*, pages 215-216.

7 In July 2009, the Census Bureau corrected a weighting error and revised the 2008 HVS data. The revised rental vacancy rate is 2.91 percent, while the original rate was 2.88 percent, which was presented in the *Selected Initial Findings of the 2008 New York City Housing and Vacancy Survey*, originally submitted to the City Council on February 10, 2009. For further information, see Appendix G, the Census Bureau's Letter on Correction of the Weighting Error.

Table 5.1
Number of Occupied and Vacant Available Rental Units and Rental Vacancy Rates
New York City, Selected Years 1960 - 2008

Year	Number of Occupied Rental Units	Number of Vacant Available Rental Units	Total	Net Rental Vacancy Rate
2008	2,081,953	62,499	2,144,451	2.91%
2005	2,027,626	64,737	2,092,363	3.09%
2002	2,023,504	61,265	2,084,769	2.94%
1999	1,953,289	64,412	2,017,701	3.19%
1996	1,946,165	81,256	2,027,421	4.01%
1993	1,970,355	70,115	2,040,470	3.44%
1991	1,951,576	76,727	2,028,303	3.78%
1987	1,884,210	47,486	1,931,696	2.46%
1984	1,900,768	39,594	1,940,362	2.04%
1981	1,933,887	42,157	1,976,044	2.13%
1978	1,930,030	58,682	1,988,712	2.95%
1975	1,999,037	56,968	2,056,005	2.77%
1970	2,167,100	33,000	2,200,100	1.50%
1968	2,096,058	26,035	2,122,093	1.23%
1965	2,077,031	68,423	2,145,454	3.19%
1960	2,078,000	38,300	2,116,300	1.81%

Sources: U.S. Bureau of the Census, 1960 and 1970 Decennial Censuses and 1965, 1968, 1975, 1978, 1981, 1984, 1987, 1991, 1993, 1996, 1999, 2002, 2005 and 2008 New York City Housing and Vacancy Surveys.

Note:

The above series of data for different years are drawn from different universes and sample frames. Therefore caution should be used in interpreting trends and changes between different sample frames. Data for 1960, 1965 and 1968 were based on the 1960 decennial census. Data for 1970 – 1987 were based on the 1970 census. Data for 1991 – 1999 were based on a sample drawn from the 1990 census. Data for 2002, 2005 and 2008 are for a sample drawn from the 2000 census.

The City's determination of the need for continuing rent stabilization and rent control is based on the net rental vacancy rate estimated from the survey; therefore, a high standard of reliability is required for the HVS. The Census Bureau was required to design the 2008 HVS sample in such a way that, if the rental vacancy rate for the City were to be estimated at three percent, the SEE of the rental vacancy rate would be no more than one-quarter of one percent.

The results of the 2008 HVS show that the SEE of the rental vacancy rate of 2.91 percent is 0.16 percent. This means that the chances are 95 out of 100 that the actual rental vacancy rate would vary from the estimated rental vacancy rate of 2.91 percent by no more than 2 standard errors, or by plus or minus 0.31 percent (1.96 x 0.16). That is, given the 2008 rental vacancy rate of 2.91 percent, the chances are 95 out of 100 that the actual vacancy rate is between 3.22 percent and 2.60 percent (2.91% ± 1.96 x 0.16).

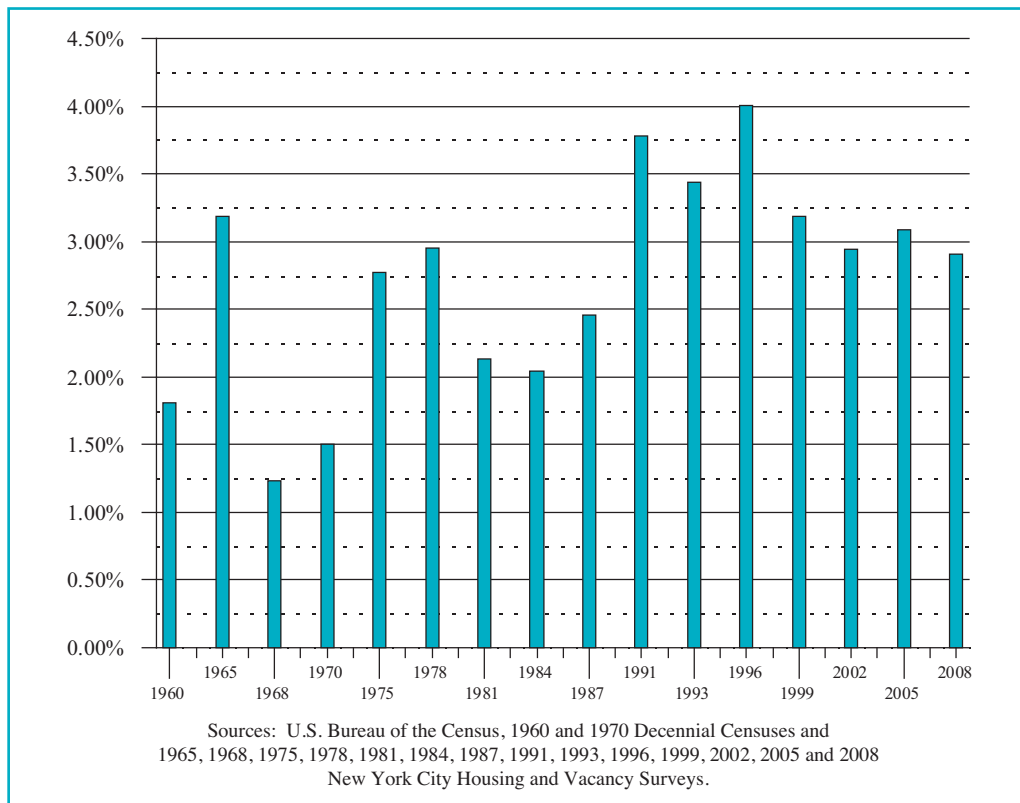
Another kind of error in estimating the rental vacancy rate, based on data from the HVS, is non-sampling error. Non-sampling errors can come from many sources, including if one or more units were erroneously classified as occupied or vacant. However, the incidence of non-sampling errors made in estimating the rental vacancy rate is likely to be low for the HVS, since the primary purpose of the HVS is to estimate the rental vacancy rate accurately.

The survey’s enumerators are trained with particular regard to questions designed to determine whether a unit is vacant or not. As an additional check, for the HVS, the Census Bureau verifies the correct classification of all vacant units and, if necessary, makes multiple visits to sample units to gather complete and reliable data. Most of this is not done in other surveys that have much broader or different purposes. Finally, during the Census Bureau’s review of the data for reasonableness and consistency, most of the operational errors in the HVS are detected and corrected.

Rental Vacancies and Vacancy Rates

The 2008 HVS reports that the number of vacant rental units in the City was 62,000, and the city-wide rental vacancy rate was 2.91 percent, compared to 65,000 and 3.09 percent respectively during the same period between February and June three years earlier (Tables 5.1 and 5.2). The 2008 rental vacancy rate is not appreciably different from the 2005 rate; in the three years between 2005 and 2008, there was no alleviation of the acutely inadequate supply of vacant available rental housing units.

Figure 5.1
Rental Vacancy Rates
New York City, Selected Years 1960 - 2008



The 2008 rental vacancy rate is statistically much lower than 5.00 percent and, thus, meets the legal definition of a housing emergency in the City, as defined by New York State and City rent-regulation laws, requiring a continuation of both rent control and rent stabilization in the City, as explained above (Figure 5.1).

Rental Vacancies and Vacancy Rates by Boroughs and Sub-Borough Areas

Households looking for suitable rental units consider not only the characteristics of vacant available units—such as rent-regulation category, rent, size of unit, building and/or neighborhood conditions—but also residential location. Therefore, it is also important to look at vacant available rental units and vacancy rates by boroughs and sub-borough areas.

In 2008, more than nine out of ten of the City’s 62,000 vacant rental units were dispersed in the populous four boroughs: Manhattan (16,000 units or 26 percent), Brooklyn (16,000 units or 25 percent), Queens (15,000 units or 24 percent), and the Bronx (12,000 units or 19 percent) In Staten Island, where almost two-thirds of housing units were owner units, the number of vacant rental units was too small to report (Figure 5.2 and Table 5.2).

In Queens and the Bronx, the rental vacancy rates were 3.32 percent and 3.12 percent respectively, higher than the city-wide rate of 2.91 percent, while rates in Manhattan and Brooklyn were 2.76 percent and 2.35 percent respectively, lower than the city-wide rate in 2008 (Table 5.2).

Figure 5.2
Number of Vacant Available Rental Units and Rental Vacancy Rates by Borough
New York City 2008

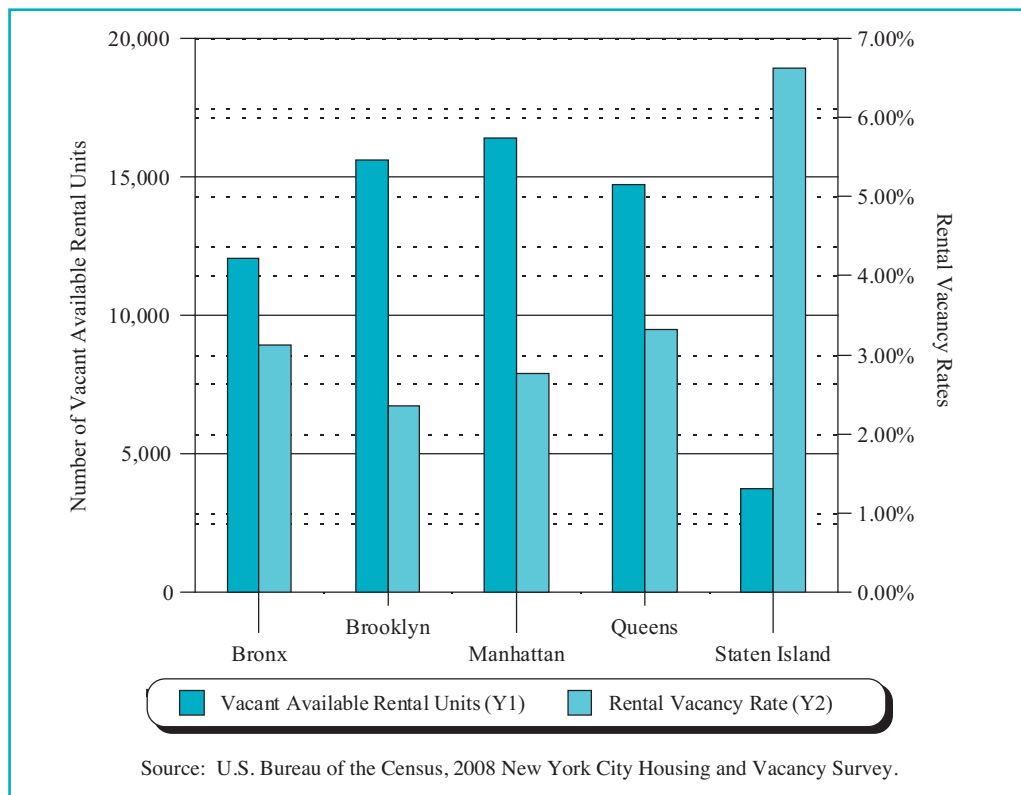


Table 5.2
Number and Percent of Vacant Available Rental Units and Rental Vacancy Rates by Borough
New York City 2005 and 2008

Borough	2005			2008		
	Number	Percent	Vacancy Rate ^b	Number	Percent	Vacancy Rate ^b
Total	64,737	100.0%	3.09%	62,499	100.0%	2.91%
Bronx ^a	9,952	15.4%	2.63%	12,044	19.3%	3.12%
Brooklyn	17,759	27.4%	2.78%	15,600	25.0%	2.35%
Manhattan ^a	22,198	34.3%	3.79%	16,402	26.2%	2.76%
Queens	12,239	18.9%	2.82%	14,731	23.6%	3.32%
Staten Island	**	**	**	**	6.0%*	6.62%*

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

- a Marble Hill in the Bronx.
- b In this chapter the rental vacancy rate is the net rental vacancy rate.
- * Since the number of units is small, interpret with caution.
- ** Too few units to report.

Between 2005 and 2008, the number of vacant rental units in Manhattan decreased by 6,000 (Table 5.2). This is mostly the result of the decrease of 6,000 vacant rent-stabilized units in the same period. In 2008, vacant rental units in Manhattan were highly concentrated in the area that covers sub-borough areas 3, 4, 5, and 6. About seven out of ten of the 16,000 vacant rental units in the borough were located in this area and the rental vacancy rate in the area as a whole was 3.98 percent.⁸

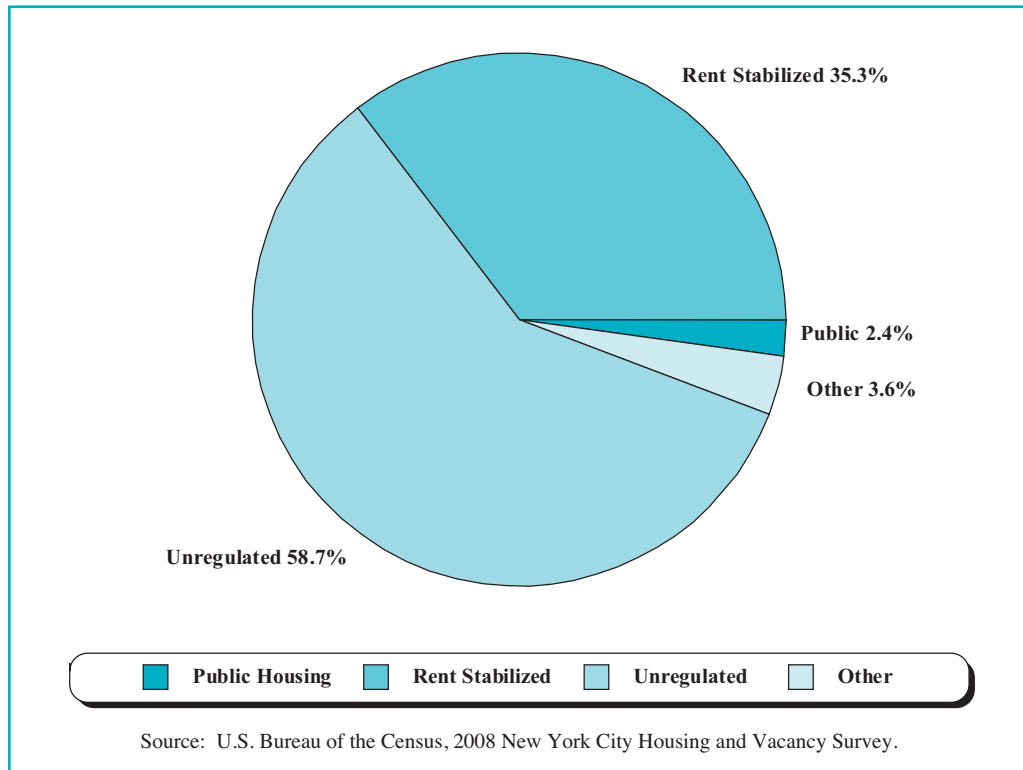
The vacancy rate in Staten Island was 6.62 percent, but this was based on a relatively small number of units, so the rate should be interpreted with caution (Table 5.2).

Rental Vacancies and Vacancy Rates by Rent-Regulation Categories

In 2008, with 37,000 vacant units or almost three-fifths of all vacant rental units in the City, the vacancy rate for unregulated units was 4.63 percent, a considerable increase from 4.11 percent three years earlier in 2005 (Table 5.3). These vacant free-market rental units were much more available compared to vacant units in other rent-regulation categories, as the vacancy rate for this rental category was substantially higher than the city-wide rate of 2.91 percent and was the highest of any major rent-regulation category, as was the case three years earlier in 2005 (Figure 5.3).

⁸ U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Figure 5.3
Distribution of Vacant Available Rental Units by Regulatory Status
New York City 2008



With 5,000 vacant units, the rental vacancy rate for unregulated units in cooperative and condominium buildings was 9.85 percent (Table 5.3). However, as this high vacancy rate was estimated based on a relatively small number of vacant units in this rental category, the implication of the high rate should be treated as suggestive rather than conclusive.

The 2008 HVS reports that, with 22,000 vacant units, the vacancy rate for rent-stabilized units was 2.19 percent, considerably lower than the city-wide rate of 2.91 percent. As the number of vacant rent-stabilized units dropped by 6,000, the vacancy rate for such units also decreased from 2.68 percent in 2005 to 2.19 percent in 2008 (Table 5.3).

The number of vacant Public Housing units in 2008 was too few to report (Table 5.3). The number of vacant *in rem* units was also very small.

Table 5.3
Number and Percent of Vacant Available Rental Units and Rental Vacancy Rates
by Regulatory Status
New York City 2005 and 2008

Number and Percent of Vacant Available Rental Units and Net Rental Vacancy Rates						
Regulatory Status	2005		2008		Rental Vacancy Rate	
	Number	Percent	Number	Percent	2005	2008
All	64,737	100.0%	62,499	100.0%	3.09%	2.91%
Controlled	---	---	---	---	---	---
<i>Stabilized</i>	28,022	43.3%	22,032	35.3%	2.68%	2.19%
Pre-1947	21,261	32.8%	16,917	27.1%	2.84%	2.38%
Post-1947	6,761	10.4%	5,115	8.2%	2.28%	1.75%
All Other Regulated ^a	4,061*	6.3%	**	**	3.22%	**
<i>Unregulated</i>	28,652	44.3%	36,709	58.7%	4.11%	4.63%
In Rental Buildings	24,846	38.4%	31,923	51.1%	3.82%	4.29%
In Coops/Condos	**	5.9%*	4,786*	7.7%	7.98%*	9.85%
Public Housing	**	5.2%*	**	**	1.96%*	**
<i>In Rem</i>	650	1.0%	**	**	6.01%	**

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

a All "Other regulated" includes Mitchell-Lama rentals, HUD subsidized units, Loft Board regulated units, and Article 4 rentals.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Vacancies and Vacancy Rates by Rent Levels

As the affordability of vacant available housing becomes increasingly one of the most critical housing issues in the City, it is important to examine the availability of vacant rental units by various rent levels. It is the vacant units that are available for rent which limit the possibilities of choice. From this perspective, rent becomes a strategic factor in determining the affordability of a unit for occupancy, because no matter how excellent the condition, proper size of the unit, and desirability of the neighborhood, if a household for whom the unit is appropriate cannot afford it, it matters little that the unit is otherwise suitable. For example, if the asking rents of vacant units are too high for a household to afford, these units do not provide any additional housing choices. In other words, these households cannot exercise the choice of rejecting the least desirable housing, but have to take what they can find at rents they can afford.

In the three years between 2005 and 2008, the number of vacant rental units changed little, and the rental vacancy rate changed inappreciably. However, the distribution of vacant units and vacancy rates by rent levels reveal policy-important rental market situations in 2008.

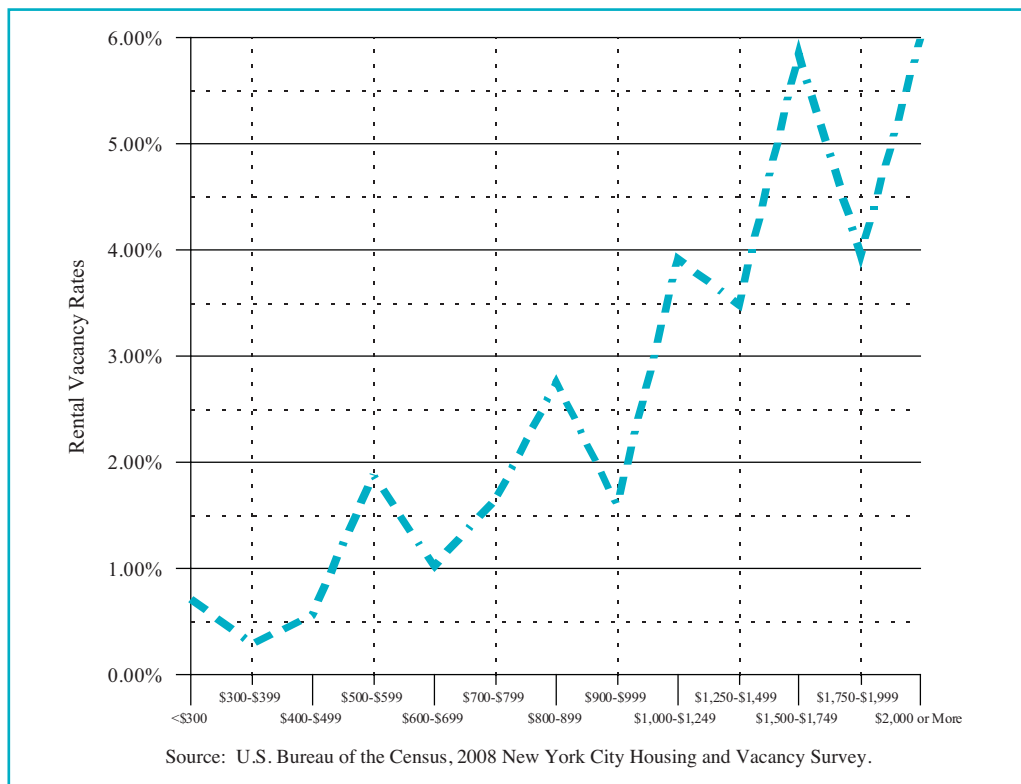
There were extremely few vacant units available with asking rents of less than \$700, only about 5,000 in 2008, down from 11,000 in 2005. With such a small number of vacant rental units, the vacancy rate for such low-rent units was a mere 0.98 percent⁹ (Table 5.4). With 12,000 vacant units, the vacancy rate for units with rents between \$700 and \$999 was 2.00 percent in 2008 (Figure 5.4).

Between 2005 and 2008, the number of vacant rental units with asking rents of less than \$1,000 declined by 11,000 units, while the number of vacant rental units with rents of \$1,000 or more increased by 9,000 units (Table 5.4).

The number of vacant rental units with rents between \$1,000 and \$1,999 was 34,000 in 2008, 8,000 more than in 2005. As the number of vacant units in this rent level increased from 2005 to 2008, the vacancy rate for units at this rent level also increased from 3.59 percent to 4.16 percent (Table 5.4). The number of vacant units with rents of \$2,000 or more was 12,000 in 2008, little change from 2005. However, the number of occupied rental units in this high-rent level increased tremendously by 38 percent. As a result, the vacancy rate for this highest rent level declined considerably, from 7.41 percent in 2005 to 5.99 percent in 2008 (Figure 5.5).

In short, the availability of low-rent units in the City was further reduced in the three years between 2005 and 2008. In 2008, there was a pervasive shortage of available vacant units for rents of less than \$1,000 in the City. Particularly, the shortage of those available for less than \$700 was appallingly acute (Table 5.4).

Figure 5.4
Rental Vacancy Rates by Monthly Rent Level
New York City 2008



9 U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Table 5.4
Number of Occupied and Vacant Available Rental Units
and Vacancy Rates by Monthly Rent Level in 2008 Dollars
New York City 2005 and 2008

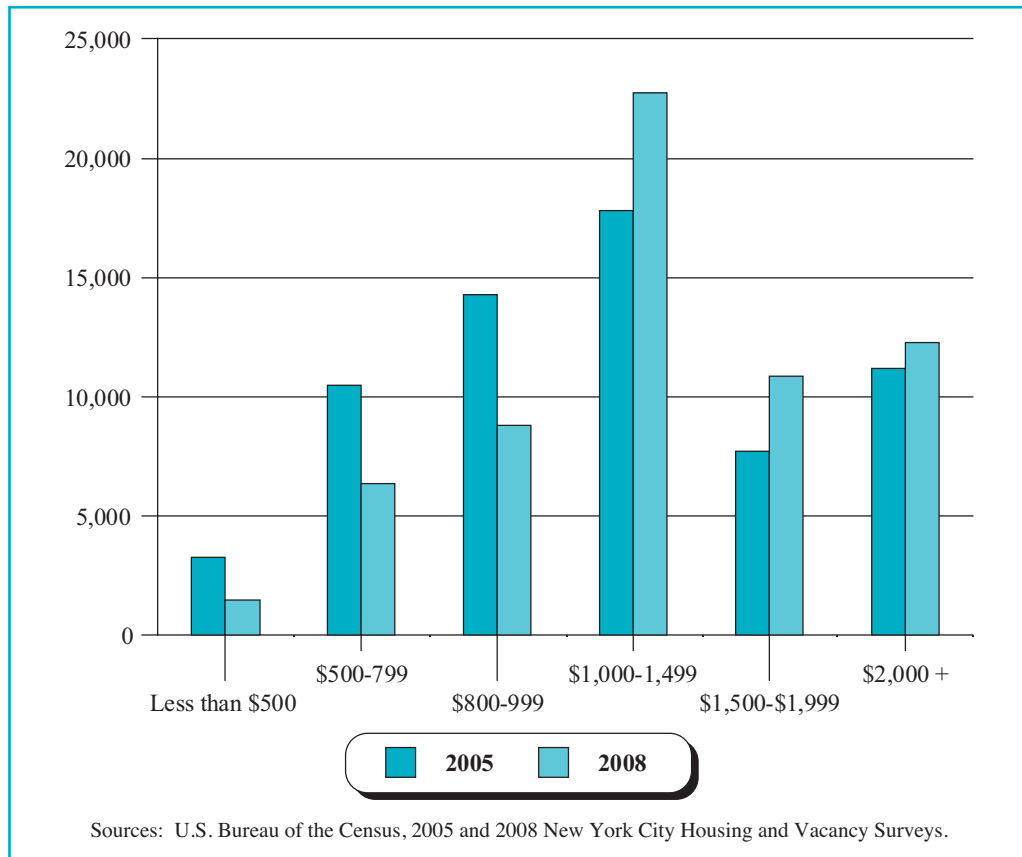
Monthly Rent Level ^a	Number of Renter Occupied Units			Number of Vacant Available Rental Units		Rental Vacancy Rate	
	2005	2008	Change 2005-2008	2005 ^c	2008 ^c	2005	2008
Total^b	2,027,626	2,081,953	+2.7%	64,737	62,499	3.09%	2.91%
\$1-\$399	201,363	189,551	-5.9%	**	**	**	**
\$1-\$299	140,142	122,890	-12.3%	**	**	**	**
\$300 - \$399	61,221	66,661	+8.9%	**	**	**	**
\$400 - \$699	346,221	325,893	-5.9%	9,060	4,001	2.55%	1.21%
\$400 - \$499	76,506	71,022	-7.2%	**	**	**	**
\$500 - \$599	110,800	108,620	-2.0%	**	**	**	**
\$600 - \$699	158,915	146,252	-8.0%	4,448*	**	2.72%	**
\$700 - \$999	617,234	564,736	-8.5%	17,368	11,552	2.74%	2.00%
\$700 - \$799	189,210	163,556	+13.6%	**	**	1.60%*	**
\$800 - \$899	208,610	186,638	-10.5%	6,094	5,315	2.84%	2.77%
\$900 - \$999	219,415	214,542	-2.2%	8,200	**	3.60%	1.60%*
\$1,000 - \$1,999	685,436	773,580	+12.9%	25,491	33,582	3.59%	4.16%
\$1,000 - \$1,499	518,019	578,464	+11.7%	17,789	22,731	3.32%	3.78%
\$1,500 - \$1,999	167,417	195,116	+16.5%	7,702	10,852	4.40%	5.27%
\$2,000 or more	140,057	192,791	+37.7%	11,202	12,288	7.41%	5.99%

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

- a Contract rent for occupied units; asking rent for vacant units. To convert 2005 rents into rents measured in 2008 dollars, the nominal rent was multiplied by the ratio of CPI-U April 2008/CPI-U April 2005 or 233.8/212.5). CPI-U is the Consumer Price Index for all Urban Consumers for New York, Northern New Jersey-Long Island.
- b Total includes units with no cash rent.
- c In 2005 the total number of vacant units with asking rent less than \$700 was 10,676; in 2008 it was 5,078. The total number of vacant units with asking rent less than \$1,000 in 2005 was 28,045, while in 2008 the number was 16,630.
- * Since the number of units is small, interpret with caution.
- ** Too few units to report.

Figure 5.5
Vacant Available Rental Units by Monthly Asking Rent in 2008 Dollars
New York City 2005 and 2008



Vacancies and Vacancy Rates for Rent-Stabilized Units and Rent-Unregulated Units by Rent Levels

The 2008 HVS reports that 94 percent of all vacant rental units in the City were either rent-stabilized units (35 percent) or unregulated units (59 percent) (Tables 5.3 and 5.5). Thus, it is useful to review rental vacancy rates by asking-rent levels separately for rent-stabilized and for unregulated rental units.

The rental vacancy rate for all rent-stabilized units was a low 2.19 percent in 2008. The vast majority of vacant rent-stabilized units had asking rents of either \$900-\$1,249 (45 percent) or \$1,250 and over (27 percent) (Table 5.5); and the vacancy rates were 2.84 percent and 2.90 percent respectively. The number of stabilized vacant units renting at less than \$900 was altogether only 6,000, and the vacancy rate was a mere 1.41 percent. Furthermore, rental vacancies for such units in the three low rent levels—less than \$400, \$400-\$599, and \$600-\$699—were too few to report individually for each interval. On the other hand, the number of vacant rent-stabilized units with asking rents of \$1,250 or more was 6,000, 27 percent of all vacant rent-stabilized units, although the proportion of vacancy to occupancy was still very low, with a vacancy rate of 2.90 percent.

Also, almost nine in ten vacant unregulated rental units were in two levels of rent: \$900-\$1,249 (24 percent) and \$1,250 and over (63 percent). It is important to point out that the number of vacant unregulated rental units for low and moderate rent levels—rents of less than \$900 even as a whole—was less than 5,000; their vacancy rate was 2.97 percent, while the rate for units with rents of \$1,250 or higher was 6.12 percent in 2008 (Table 5.5).

In short, the rent-stabilized and unregulated rental unit markets provide more middle- and high-rent vacant units but an extremely limited number of moderate- and low-rent vacant units.

Table 5.5
Vacant Available Rental Units and Rental Vacancy Rates
in Stabilized and Unregulated Housing by Monthly Asking Rent Level
New York City 2008

Monthly Asking Rent Level	Stabilized Vacant Available Units			Unregulated Vacant Available Units		
	Number	Percent	Vacancy Rate	Number	Percent	Vacancy Rate
All ^a	22,032	100.0%	2.19%	36,709	100.0%	4.63%
Less than \$400	**	**	** ^b	**	**	**
\$400-\$599	**	**	** ^b	**	**	**
\$600-\$699	**	**	** ^b	**	**	**
\$700-\$899	**	16.9%*	1.68%* ^b	**	9.2%*	3.69%*
\$900-\$1,249	9,918	45.0%	2.84%	8,950	24.4%	3.71%
\$1,250 and over	5,959	27.0%	2.90%	23,282	63.4%	6.12%

Source: U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Notes:

a Totals include units with no cash rent, which are not included in Monthly Rent Level figures.

b A total of 6,155 vacant stabilized units, or 27.9% of all vacant stabilized units, were available for less than \$900, for a vacancy rate of 1.41%. The vacancy rate for vacant unregulated units available for less than \$900 was 2.97%.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Vacancies and Vacancy Rates by Rent Quintiles

Although the rental vacancy rate for the City changed little, from 3.09 percent to 2.91 percent, between 2005 and 2008, there were some noticeable bulges in the vacancy rate by rent levels: the number of vacant rental units with rent less than \$1,000 and the vacancy rates for such units declined, while the number of vacant units with rents between \$1,000 and \$1,999 and \$2,000 or more increased and the vacancy rate for \$1,000-\$1,999 units increased. However, the vacancy rate for units with rents of \$2,000 or more declined from 7.41 percent to 5.99 percent, as described above (Table 5.4).

On the other hand, changes in vacancies and vacancy rates by rent quintiles were mostly statistically inappreciable, except that the rate for the middle quintile declined noticeably from 3.17 percent to 2.29 percent (Table 5.6). The review of vacancy rates by rent quintiles only reiterates the extreme shortage that existed across rent levels, except for the second-highest and highest levels (Figures 5.6 and 5.7).

Table 5.6
Median Rent in 2008 Dollars and Rental Vacancy Rate by Rent Quintile
New York City 2005 and 2008

Rent Quintile ^a	2005		2008	
	Median ^b Rent	Rental Vacancy Rate	Median ^b Rent	Rental Vacancy Rate
All	\$935	3.09%	\$963	2.91%
Lowest 20%	\$387	1.56%	\$414	0.99%
2 nd Lowest 20%	\$715	2.11%	\$750	1.88%
Middle 20%	\$933	3.17%	\$960	2.29%
2 nd Highest 20%	\$1,155	3.63%	\$1,200	4.13%
Highest 20%	\$1,760	5.13%	\$1,900	5.51%

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Note:

- a The rent quintile ranges for all occupied and vacant units, in 2008 dollars, for the two years were:
 2005: \$1-\$604; \$605-\$824; \$825-\$1,044; \$1,045-\$1,370; \$1,371-\$6,432.
 2008: \$1-\$616; \$617-\$864; \$865-\$1,089; \$1,090-\$1,447; \$1,448-\$8,790.
- b Median rent for all occupied (contract rent) and vacant (asking rent) units in 2008 dollars.

Figure 5.6
Vacancy Rates by Rent Quintile of Occupied and Vacant Available Rental Units
New York City 2005 and 2008

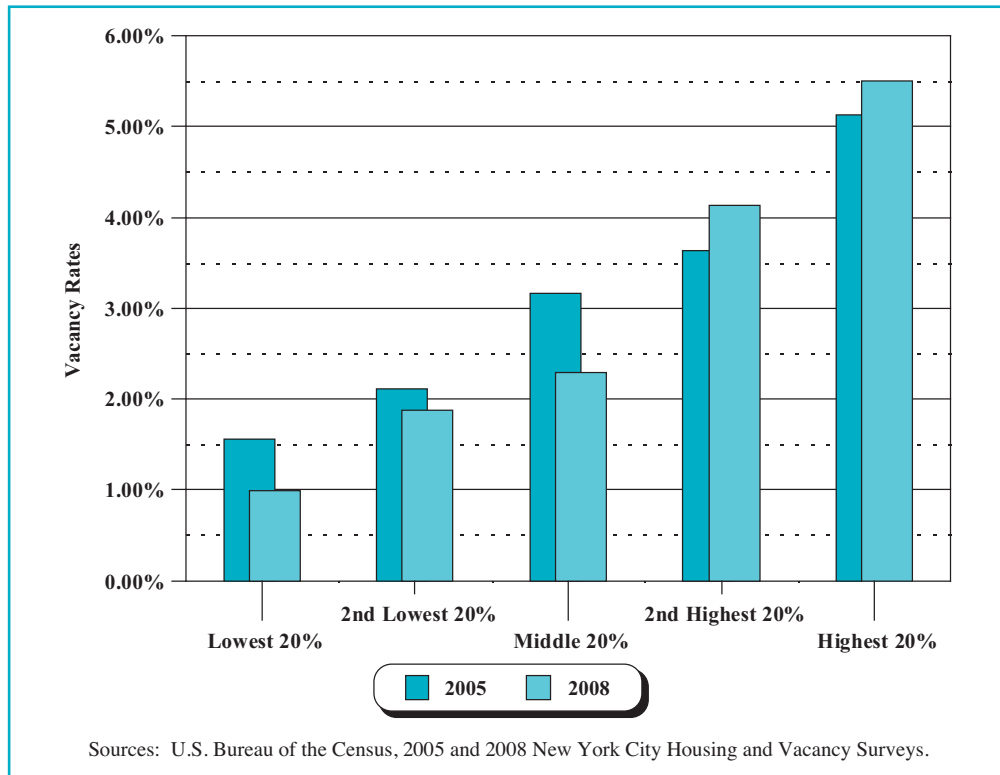
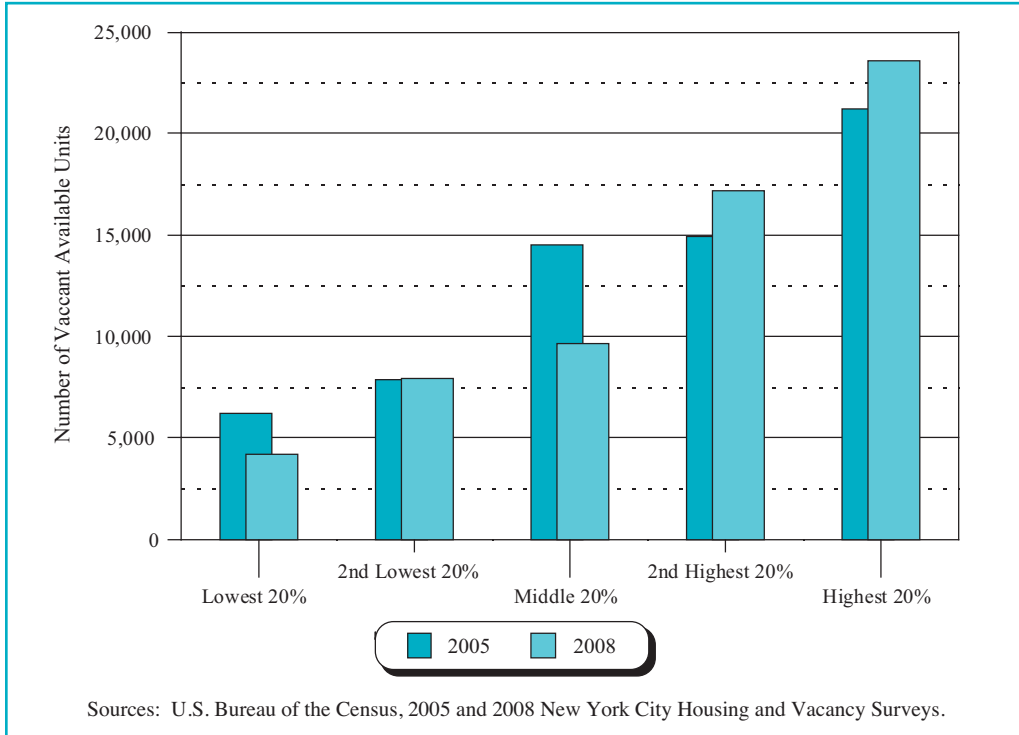


Figure 5.7
Number of Vacant Available Rental Units by Rent Quintile of Occupied
and Vacant Available Rental Units
New York City 2005 and 2008



Vacancies and Vacancy Rates by Cumulative Rent Intervals

The 2008 HVS data on vacant rental units and rental vacancy rates by cumulative asking-rent intervals also reveal a pattern that is generally consistent with findings of the above analyses of rental vacancies and rental vacancy rates by asking-rent levels and quintiles. In 2008, the overall picture of rental vacancies was so sparse as to make discussion of variations by rent levels particularly superfluous. Rental vacancies for units with asking rents of less than \$600 were too few to present, given the level of statistical significance. The vacancy rate for units with asking rents of less than \$700 was extremely low, a mere 0.98 percent. The rate for units with asking rents of less than \$1,000 was very low, 1.52 percent (Table 5.7).

The rate moved up above 2.00 percent as asking-rent levels moved up. However, the rate for units with asking rents of less than \$2,000 was still less than 3.00 percent: 2.64 percent. But it moved to 5.99 percent for the 12,000 vacant units with asking rents of \$2,000 or more (Table 5.7).

In conclusion, the above analysis of vacancies by cumulative rent intervals confirms that prospective renters in the City found a rental housing market of extreme scarcity, except for those units at the highest rent level.

Table 5.7
Number of Vacant Available Rental Units and Rental Vacancy Rate
by Cumulative Monthly Asking Rent Intervals in 2008 Dollars
New York City 2005 and 2008

Cumulative Monthly Asking Rent Level	Number of Vacant Available Rental Units		Cumulative Vacancy Rate	
	2005	2008	2005	2008
All Vacant Rental Units	64,737	62,499	3.09%	2.91%
Less than \$300	**	**	**	**
Less than \$400	**	**	**	**
Less than \$500	**	**	1.16%*	**
Less than \$600	6,228	**	1.58%	0.95%*
Less than \$700	10,676	5,077	1.91%	0.98%
Less than \$800	13,750	7,835	1.83%	1.14%
Less than \$900	19,844	13,150	2.06%	1.50%
Less than \$1,000	28,044	16,629	2.35%	1.52%
Less than \$1,250	40,627	32,695	2.65%	2.17%
Less than \$1,500	45,833	39,359	2.65%	2.32%
Less than \$1750	50,343	47,731	2.75%	2.59%
Less than \$2,000	53,535	50,211	2.81%	2.64%
\$2,000 or More	11,202	12,288	7.41%	5.99%

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

* Since the number of vacant units is small, interpret with caution.

** Too few units to report.

Number of Vacant Rental Units Renting at or below Public Shelter Maximum Allowances

As the city-wide rental vacancy rate changed little from 3.09 percent in 2005 to 2.91 percent in 2008, housing choices in New York City were still extremely limited. As discussed above, there were too few vacant units with rents under \$600 to estimate a statistically reliable vacancy rate for such low-rental units. For this reason, an analysis of the number of vacant and occupied units sheltering households receiving Public Assistance sheds additional light on the critically pervasive shortage of housing units that very-low-income households in the City can afford.

In the following analysis, Public Assistance shelter allowances¹⁰ are used to measure the availability of very-low-rent units for households that would use Public Assistance shelter allowances to pay their rent.

10 The basic shelter allowances were implemented in January 1988; revised allowances for families with children were effective November 2003 (New York City Human Resources Administration, "Guide to Budgeting," Form W-203K).

While the basic shelter allowance has remained the same since 1988, the allowance for households with any children was raised slightly in 2003 so, at the time of the 2008 HVS, the monthly Public Assistance shelter allowances in New York City ranged from a low of \$215 for a single person, to \$342 for a mother and a single child, to \$535 for a family of seven or more. To estimate the share of the housing stock with rents within these limits, different family sizes were allocated to apartments with an appropriate number of bedrooms, using the following conversion rates:

- 1 person: Number of zero-bedroom apartments (studios) with an asking rent (for vacant units) or contract rent (for occupied units) at or below \$215.
- 2-3 persons: Number of one-bedroom apartments with an asking or contract rent at or below \$342, the average shelter allowance for 2 to 3 persons, including a child $[(\$283+\$400)/2]$.
- 4-5 persons: Number of two-bedroom apartments with an asking or contract rent at or below \$476, the average shelter allowance for 4 to 5 persons, including a child $[(\$450+\$501)/2]$.
- 6 or more persons: Number of three-bedroom apartments with an asking or contract rent at or below \$535, the average shelter allowance for 6 or more persons, including a child $[(\$524+\$546)/2]$.

In regard to shelter allowances, there have been serious concerns about the quality as well as quantity of housing available to Public Assistance recipients. For this reason, only physically decent housing units should be counted in estimating the number of such housing units. Thus, for purposes of this analysis, housing units in the following quality categories were considered to be physically inadequate and were excluded in estimating the number of physically decent housing units available: units with incomplete kitchen and/or bathroom plumbing facilities, units in dilapidated buildings, units in buildings with three or more building defect types, and units with four or more maintenance deficiencies.

In 2008, 183,000 occupied and vacant rental units met the definition of quality housing and rented within the Basic Shelter Allowance levels described above, a drop of 13.2 percent from 211,000, the comparable number in 2005 (Table 5.8). The number of vacant physically decent units available at those rent levels is too miniscule to report. This compelling finding indicates that the pervasive shortage of physically decent housing units that very-low-income households in the City can afford worsened over the three-year period.

Table 5.8
Estimate of Physically Decent Rental Units within the Public Assistance
Shelter Allowance
New York City 2005 and 2008

	Total Physically Decent Units Renting At/Below Public Assistance Shelter Allowance			
	2005		2008	
	Number	Percent	Number	Percent
Total Physically Decent Rental Units^a	1,865,359	100.0%	1,964,555	100.0%
Occupied Physically Decent Units	1,803,850	96.7%	1,904,007	96.9%
Vacant Physically Decent Units	61,510	3.3%	60,549	3.1%
Total Physically Decent Units at/below Shelter Allowance^b	211,092	11.5%	183,243	9.5%
Occupied at/below Shelter Allowance	209,776	11.5%	182,130	9.7%
Vacant for rent at/below Shelter Allowance	*	*	*	*

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

- a Includes all renter occupied and vacant available rental units; units not paying cash rent are excluded from calculation of all percents. Housing units in the following quality categories are excluded in defining physically decent housing units: units with incomplete kitchen and/or bathroom facilities, in dilapidated buildings, in buildings with three or more building defect types, and units with four or more maintenance deficiencies.
- b **Shelter allowances for households with children were raised slightly in November 2003.** See *Guide to Budgeting*, Form W-203K, Rev. 5/31/06, NYC Human Resources Administration. **As applied in this tabulation for 2005 and 2008**, the shelter allowance for family sizes was converted to number of bedrooms in the rental unit for comparison to rent level as follows: 1 person: number of zero-bedroom apartments (studios) with asking rent (for vacant units) or contract rent (for occupied units) at or below \$215; 2-3 persons: number of one-bedroom apartments with asking or contract rent at or below \$342, the average shelter allowance for 2 and 3 persons including a child ($\$283 + \$400/2$); 4-5 persons: number of two bedroom apartments with asking or contract rent at or below \$476, the average shelter allowance for 4 and 5 persons including a child ($\$450 + \$501/2$); 6 or more persons: number of three bedroom apartments with asking or contract rent at or below \$535, the average shelter allowance for 6, or 7 or more persons ($\$524 + \$546/2$). Numbers and percents below shelter allowance are sub-totals of all physically decent rental units reporting rent level. The number of vacant physically decent units renting at or below the shelter allowance is miniscule.
- * Too few units to report.

Number of Privately Owned Vacant Rental Units Affordable to Median-Income Renter Households

In measuring the affordability of rental housing units, the concept commonly applied has been that the average renter household should not pay more than 30 percent of its income for housing. Applying this concept, it is estimated that the number of privately owned vacant rental units (rent-stabilized and rent-unregulated) affordable by households with incomes at least equal to the median renter household income in the City was only 13,000 units in 2008, little changed from 2005, when it was 14,000 (Table 5.9). In the meantime, the rental vacancy rate for such units was less than 2.0 percent, a mere 1.88 percent in 2008, no statistically appreciable change over the rate of 1.96 percent in 2005. In summary, during the three-year period between 2005 and 2008, the shortage of privately owned rental units that even median-income households in the City could afford still remained extremely low.

Table 5.9
Privately Owned Vacant Available Rental Units, Total Units and Rental Vacancy Rates
at Affordable Rent Levels
New York City 2005 and 2008

Occupancy Status	Number or Percent at “Affordable” Levels ^b	
	2005	2008
Total Privately Owned Vacant Available Plus Renter Occupied at “Affordable” Rent Levels ^{a,b}	692,805	696,273
Vacant Available For Rent	13,546	13,060
Renter Occupied	679,259	683,213
Percent of vacant privately owned units that are available at “affordable” rent	23.9%	22.2%
Vacancy Rate ^c at “Affordable” Rent	1.96%	1.88%

Source: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

- a Privately Owned = Controlled, stabilized and unregulated units.
- b The “affordable” rent level is defined as rent at or below 30 percent of the renters’ citywide median income of \$36,200 in 2008, or \$905. In 2005, when median renter income was \$32,000, the “affordable” rent level was \$800.
- c The corresponding vacancy rates for such privately owned units at affordable rent levels in 1996, 1999 and 2002 were 3.42%, 2.61% and 1.62% respectively.

Table 5.10
Estimate of the Number, Percent and Rental Vacancy Rate of Physically Decent Rental Units
With Rent At or Below the “Fair Market Rent”
New York City 2008

	Total Physically Decent Units		
	Number Physically Decent	Number at/below FMR Level ^a	Percent at/below FMR Level
Total Physically Decent Rental Units^b	1,964,555	1,432,351	74.2%
Occupied	1,904,007	1,396,943	74.7%
Vacant for Rent	60,549	35,408	58.5%
Vacancy Rate	3.08%	2.47%	

Source: U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Notes:

- a The market-based rent schedule used is consistent with the corresponding HUD Existing Section 8 Fair Market Rents for 2008: 0 bedroom-\$1,095; 1 bedroom-\$1,185; 2 bedrooms-\$1,318; 3 bedrooms-\$1,621; 4 bedrooms-\$1,823; and 5 bedrooms-\$2,096.
- b Housing units in the following categories are excluded in defining physically decent housing units: units with incomplete kitchen and/or bathroom facilities, units in dilapidated buildings, units in buildings with three or more building defect types, and units with four or more maintenance deficiencies.

Number of Vacant Rental Units at Fair Market Rents

Applying HUD’s Fair Market Rents, the number of vacant rental units that households receiving federal Section 8 certificates and vouchers can afford can be approximated. The Fair Market Rent is an estimate of the shelter rent and cost of utilities, which is set at the fortieth percentile of the distribution of standard quality rental housing units, excluding newly built units, occupied by renter households who moved into the units within the past fifteen months, with adjustments to correct for the below-market rents of Public Housing units. The Fair Market Rent schedule varies with apartment size. The schedule used for 2008 was as follows: 0 bedroom – \$1,095; 1 bedroom - \$1,185; 2 bedrooms – \$1,318; 3 bedrooms – \$1,621; 4 bedrooms – \$1,823; and 5 bedrooms – \$2,096 (Fair Market Rents, Existing Section 8, effective February 2008). Although the schedule of rents for various sizes of units used here is consistent with Section 8 Fair Market Rents, this analysis is not designed to estimate the number of Section 8-eligible units in New York City. Assuming that a household should not pay more than 30 percent of its income for housing, the minimum income required to afford these housing units in New York City ranged from \$43,800 for units with no bedrooms (studios) to \$64,840 for three-or-more bedroom units (Table 5.12).

The definition of condition used for estimating physically decent units whose rents were within the Public Assistance Maximum Shelter Allowance can also be applied to the analysis of Fair Market Rent units. However, it should be noted that the definition of physically decent units used here does not fully correspond to the housing quality standards used by Section 8 certificate and voucher programs, since the HVS does not provide data on the very detailed building and unit conditions, including engineering aspects, that the Section 8 certificate and voucher programs require.

Table 5.11
Estimate of the Number, Percent and Rental Vacancy Rate of Physically Decent Rental Units
With Rent At or Below the “Fair Market Rent”
New York City 2005

	Total Physically Decent Rental Units		
	Number Physically Decent	Number at/below FMR Level ^a	Percent at/below FMR Level
Total Physically Decent Rental Units^b	1,865,359	1,251,708	68.4%
Occupied	1,803,850	1,218,333	68.9%
Vacant for Rent	61,510	33,375	54.3%
Vacancy Rate	3.30%	2.67%	

Source: U.S. Bureau of the Census, 2005 New York City Housing and Vacancy Survey.

Notes:

- a The market-based rent schedule used is consistent with the corresponding HUD Existing Section 8 Fair Market Rents for 2005: 0 bedroom-\$893; 1 bedroom-\$966; 2 bedrooms-\$1,075; 3 bedrooms-\$1,322; 4 bedrooms-\$1,360 etc., effective February 2005.
- b Housing units in the following categories are excluded in defining physically decent housing units: units with incomplete kitchen and/or bathroom facilities, units in dilapidated buildings, units in buildings with three or more building defect types, and units with four or more maintenance deficiencies.

Table 5.12
Size Distribution of Physically Decent Units Renting At or Below
Fair Market Rent Level by Occupancy Status
New York City 2008

Number of Bedrooms	Fair Market Rent Schedule ^a	Total Physically Decent Units ^b				Minimum Annual Income ^c
		Vacant Rental Units	Percent of Vacant Units	Renter Occupied Units	Percent of Occupied Units	
Total	--	35,408	100.0%	1,396,943	100.0%	--
0	\$1,095	**	**	92,569	6.6%	\$43,800
1	\$1,185	13,728	38.8%	559,417	40.0%	\$47,400
2	\$1,318	13,388	37.8%	520,990	37.3%	\$52,720
3+	\$1,621+	5,802	16.4%	223,967	16.0%	\$64,840+

Source: U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Notes:

- a The market-based rent schedule used here is consistent with the following HUD Section 8 Fair Market Rents for 2008: 0 bedroom-\$1,095; 1 bedroom-\$1,185; 2 bedrooms-\$1,318; 3 bedrooms-\$1,621; 4 bedrooms-\$1,823; and 5 bedrooms-\$2,096 (Fair Market Rents, Existing Section 8, effective for 2008).
- b Housing units in the following categories are excluded in defining physically decent housing units: units with incomplete kitchen and/or bathroom facilities, units in dilapidated buildings, units in buildings with three or more building defect types, and units with four or more maintenance deficiencies.
- c To be able to afford the market-based rent at 30 percent of income.
- * Since the number of units is small, interpret with caution.
- ** Too few units to report.

Applying Fair Market Rents for Existing Section 8, effective February 2008, it is estimated that 1,432,000 physically decent units met the Fair Market Rent limits in 2008. This was 181,000 or 14 percent more than the 1,252,000 such units in 2005 (Tables 5.10 and 5.11). Of the number in 2008, 35,000 units were vacant and available for rent; the corresponding vacancy rate was 2.47 percent. Three quarters of these vacant units were either one-bedroom units (39 percent) or two-bedroom units (38 percent), while most of the remainder were units with three or more bedrooms (16 percent) (Table 5.12).

In summary, although the number of units, occupied and vacant together, at Fair Market Rents grew between 2005 and 2008, the availability of vacant units at such rents did not expand appreciably.

Median Asking Rents for Vacant Available Units by Borough

As the city-wide vacancy rate changed little in the three-year period between 2005 and 2008, the vacancy rates for units with rents less than \$1,000 declined, while the rate for units with rents between \$1,000 and \$1,999 increased (Tables 5.4 and 5.7). Thus, as a result of fewer choices among vacant available units for rent levels less than \$1,000 and more choices among vacant units renting for \$1,000 to \$1,999, one would expect that inflation-adjusted median asking rents for vacant available units overall and for units in most rental categories would increase during the 2005-2008 period, if other market conditions remained basically the same. In fact, that is what happened. The median asking rent for a vacant unit in the City increased by \$100 or by 9.1 percent, after inflation adjustment, between 2005 and 2008 (Table 5.13).

Between 2005 and 2008, the real median asking rents in the Bronx and Brooklyn increased by \$110 to \$1,100 for each, while it increased by \$100 to \$1,200 in Queens (Table 5.13).

Table 5.13
Rental Vacancy Rates, Number of Vacant Available Rental Units, Median Asking Rents
and Percent Change in Median Asking Rents by Borough
New York City 2005 and 2008

Borough	Rental Vacancy Rate		Number of Vacant Available Rental Units	
	2005	2008	2005	2008
All	3.09%	2.91%	64,737	62,499
Bronx ^a	2.63%	3.12%	9,952	12,044
Brooklyn	2.78%	2.35%	17,759	15,600
Manhattan ^a	3.79%	2.76%	22,198	16,402
Queens	2.82%	3.32%	12,239	14,731
Staten Island	**	6.62%*	**	**

Borough	Median Asking Rent		Percent Change
	2005 (in 2008 \$)	2008	2005 – 2008
All	\$1,100	\$1,200	+9.1%
Bronx ^a	\$990	\$1,100	+11.1%
Brooklyn	\$990	\$1,100	+11.1%
Manhattan ^a	\$1,540	\$2,290	+48.7%
Queens	\$1,100	\$1,200	+9.1%
Staten Island	**	\$1,041*	--

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

^a Marble Hill in the Bronx.

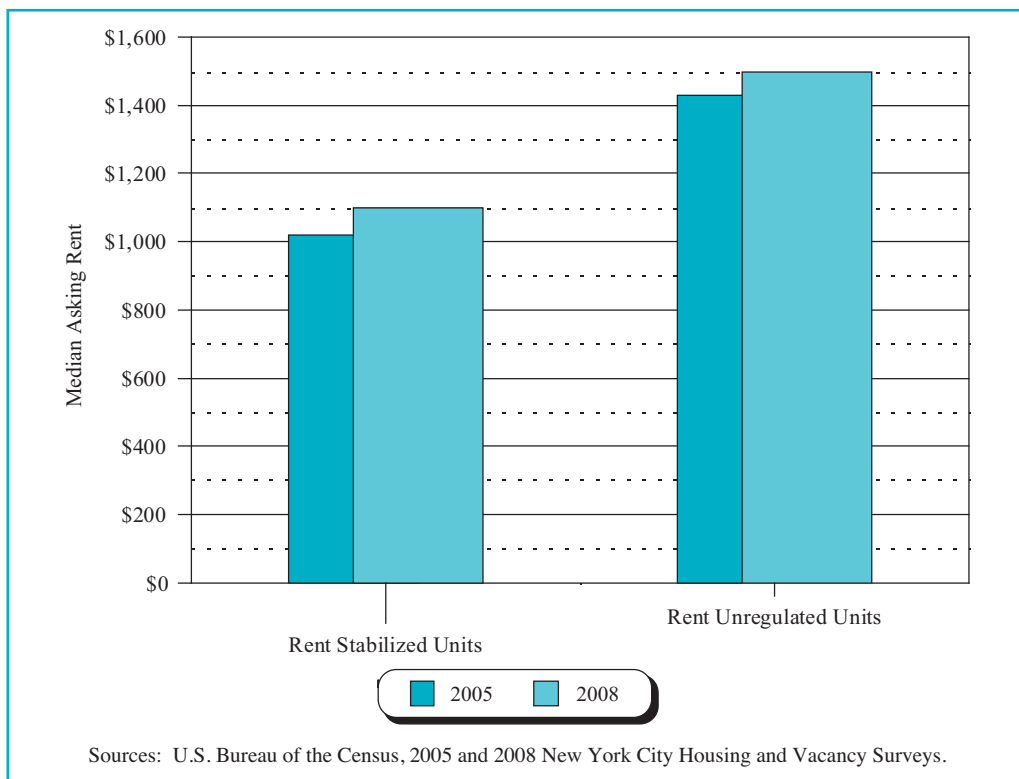
* Since the number of units is small, interpret with caution.

** Too few units to report.

However, the real median asking rent in Manhattan increased tremendously by 48.7 percent to \$2,290, while the vacancy rate decreased by 1.03 percentage points in the three years between 2005 and 2008 (Table 5.13). In the three-year period, the number of vacant rental units located in Manhattan sub-borough areas 2, 7, 8, 9, and 10, where rents are relatively lower than other areas in the borough, decreased by 5,000. During the same period, the number of vacant rental units with asking rents of less than \$1,000 in the borough as a whole went down by 6,000. Thus, the huge increase in the real median asking rent in Manhattan resulted from a decrease in the number of lower-asking-rent units.¹¹

The median asking rent in Staten Island was \$1,041 in 2008. However, this median rent should be used with caution, since the number of vacant rental units in the borough was very small.

Figure 5.8
Median Asking Rent in 2008 Dollars of Rent Stabilized and Unregulated
Vacant Available Rental Units
New York City 2005 and 2008



11 U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Median Asking Rents for Vacant Available Units by Rent-Regulation Categories

Real median asking rents for rent-stabilized units and unregulated units increased between 2005 and 2008. The real median asking rent for rent-stabilized units as a whole increased by 8.1 percent to \$1,100. The real median asking rent for all unregulated units, those in rental buildings and in cooperative and condominium buildings together, increased from \$1,430 in 2005 to \$1,500 in 2008 (Table 5.14 and Figure 5.8).

However, the asking rent for unregulated units in cooperative and condominium buildings alone increased overwhelmingly by 48.8 percent, while the asking rent for such units in rental buildings increased little during the same three-year period (Table 5.14).

Table 5.14
Median Asking Rents in 2008 Dollars, Number and Percent of Vacant Available Rental Units by Selected Regulatory Status
New York City 2005 and 2008

Regulatory Status	Median Asking Rent			Number and Percent of Vacant Available Rental Units			
	in 2008 Dollars			2005		2008	
	2005	2008	Percent Change	Number	Percent	Number	Percent
All Vacant for Rent Units	\$1,100	\$1,200	+9.1%	64,737	100.0%	62,499	100.0%
<i>Stabilized</i>	\$1,018	\$1,100	+8.1%	28,022	43.3%	22,032	35.3%
Pre-1947	\$990	\$1,100	+11.1%	21,261	32.8%	16,917	27.1%
Post-1947	\$1,100	\$1,100	0.0%	6,761	10.4%	5,115	8.2%
All Other Regulated ^a	\$822	**	--	4,061*	6.3%	**	**
<i>All Unregulated</i>	\$1,430	\$1,500	+4.9%	28,652	44.3%	36,709	58.7%
In Rental Buildings	\$1,430	\$1,450	+1.4%	24,846	38.4%	31,923	51.1%
In Coops and Condos	\$1,210*	\$1,800	+48.8%	**	5.9%*	4,786*	7.7%
Public Housing	\$468*	**	--	**	5.2%*	**	**
<i>In Rem</i>	\$550	**	--	650	1.0%	**	**

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

a All Other Regulated includes Mitchell-Lama, HUD-regulated, Loft Board and Article 4 rental units.

* Since the percent is based on a small number of units, interpret with caution.

** Too few units to report

Vacancy Rates and Building and Unit Characteristics

Rental Vacancy Rates by Building Size

In the City, vacancy rates appeared to bear no systematic relationship to the size of the building. In 2008, the rate for units in small buildings with 1-5 units was 4.04 percent, while the rate for units in buildings with 6-19 units was 2.24 percent (Table 5.15 and Figure 5.9). The rate for units in medium-sized buildings with 20-49 units was 3.40 percent. The rate for units in large buildings with 50 or more units was 2.51 percent.

Rental Vacancy Rates by Structure Class

The rental vacancy rate for Old Law tenements was 2.50 percent, while the rate for New Law tenements was about the same at 2.55 percent in 2008, both lower than the city-wide rate of 2.91 percent. At the same time, the rate for units in 1-2 family houses was 4.23 percent, considerably higher than the city-wide rate (Table 5.16).

Figure 5.9
Rental Vacancy Rates by Building Size
New York City 2008

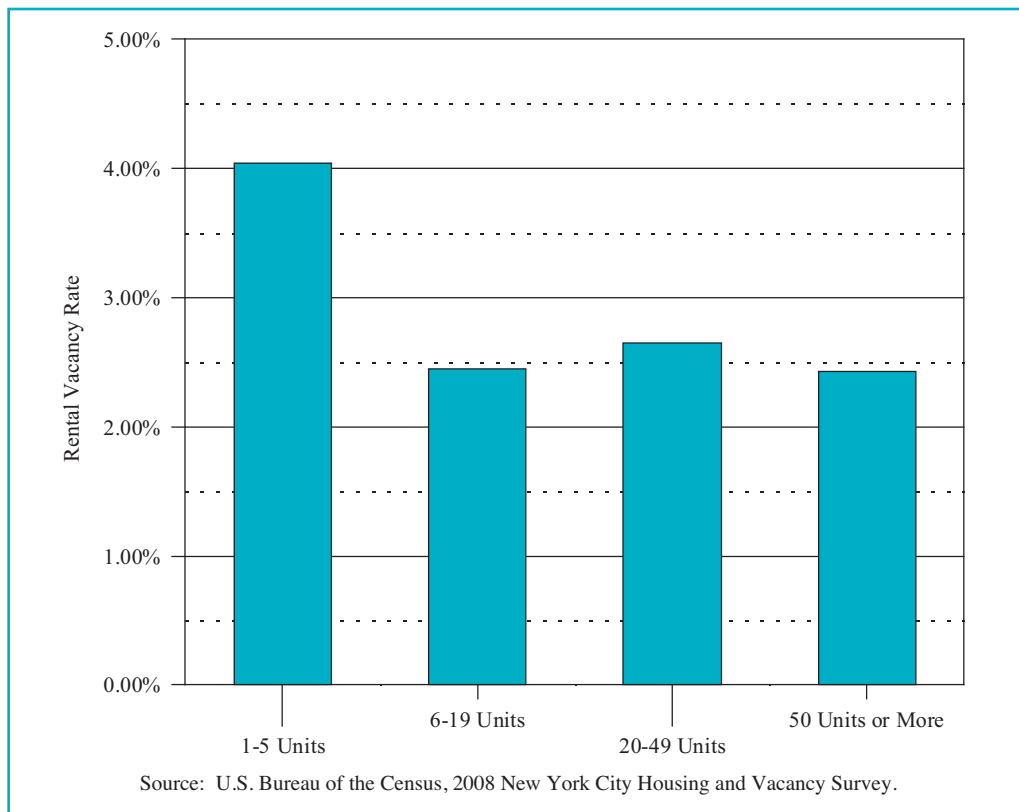


Table 5.15
Number and Percent of Vacant Available Rental Units and Rental Vacancy Rates by Building Size
New York City 2005 and 2008

Number of Units in Building	Vacant Available Units				Vacancy Rate	
	2005		2008		2005	2008
	Number	Percent	Number	Percent		
All	64,737	100.0%	62,499	100.0%	3.09%	2.91%
1 - 5	19,846	30.7%	22,141	35.4%	3.61%	4.04%
6 - 19	9,817	15.2%	5,862	9.4%	2.97%	2.24%
20 - 49	12,484	19.3%	**	5.9%*	2.83%	3.40%*
50 or More	22,591	34.9%	30,809	49.3%	2.93%	2.51%

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

* Since the number of units is small, interpret with caution.

** Too few units to report.

Table 5.16
Number and Percent of Vacant Available Rental Units and Rental
Vacancy Rates by Structure Class
New York City 2005 and 2008

Structure Class	Number of Vacant Available Rental Units		Percent of All Vacant Available Rental Units		Net Rental Vacancy Rate	
	2005	2008	2005	2008	2005	2008
	All Structure Classes	64,737	62,499	100.0%	100.0%	3.09%
Old-Law Tenement	6,280	5,007	10.9%	9.2%	3.21%	2.50%
New-Law Tenement	14,994	13,916	26.1%	25.7%	2.71%	2.55%
Post-1929 Multiple Dwelling	21,924	16,933	38.1%	31.2%	3.12%	2.26%
1-2 Family Converted to Apartments	4,023*	**	7.0%	6.6%*	4.24%	4.00%*
Other ^a	**	**	**	**	**	**
1-2 Family Units	9,014	12,216	15.7%	22.5%	3.20%	4.23%
Not Reported	7,202	8,250	--	--	--	--

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Note:

a "Other" includes apartment hotels built pre-1929, commercial buildings converted to apartments, tenement SROs, 1- and 2-family houses converted to rooming houses, and other units in miscellaneous class B structures.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Table 5.17
Number of Vacant Available Rental Units and Rental Vacancy Rates
by Regulatory Status and Median Asking Rent by Number of Bedrooms
New York City 2008

Regulatory Status	Number of Bedrooms														
	All Vacant			None			One			Two			Three or More		
	Number	Rate		Number	Rate		Number	Rate		Number	Rate		Number	Rate	
All	62,499	2.91%		7,554	4.14%		25,333	2.87%		21,576	2.82%		8,036	2.57%	
<i>Stabilized</i>	22,032	2.19%		4,151*	3.85%		10,296	2.09%		5,738	1.79%		**	**	**
Pre-1947	16,917	2.38%		**	**		7,761	2.23%		4,781*	2.08%		**	**	**
Post-1947	5,115	1.75%		**	**		**	**		**	**		**	**	**
All Other Regulated ^a	**	**		**	**		**	**		**	**		**	**	**
<i>Unregulated</i>	36,709	4.63%		**	5.92%*		13,944	5.17%		13,926	4.52%		5,655	3.52%	
In Rental Buildings	31,923	4.29%		**	**		11,893	4.82%		12,548	4.26%		5,073	3.25%	
In Coops/Condos	4,786*	9.85%		**	**		**	**		**	**		**	**	**
Public Housing	**	**		**	**		**	**		**	**		**	**	**
<i>In Rem</i>	**	**		**	**		**	**		**	**		**	**	**
Median Asking Rent	\$1,200			\$1,200			\$1,100			\$1,200			\$1,500		

Source: U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Notes:

a All Other Regulated includes Mitchell-Lama, HUD-regulated, Loft Board and Article 4 rental units.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Rental Vacancy Rates by Unit Size

In the City, there is a lower proportion of vacancy relative to occupancy as the number of bedrooms increases. The city-wide rental vacancy rate for studios, units without a bedroom, was 4.14 percent in 2008, 1.23 percentage points higher than the City's overall rate of 2.91 percent. However, the rate declines as the size of the unit increases, although the declining rate from one-bedroom units to two-bedroom units to three-or-more-bedroom units is rather subtle: 2.87 percent for one-bedroom units, 2.82 percent for two-bedroom units, and 2.57 percent for three-or-more-bedroom units (Table 5.17). As the availability of larger rental units in the City was scarce, the choices among large vacant rental units were also very limited. In fact, in the City, vacant available larger units were very scarce, only about 8,000, or 13 percent of all 62,000 vacant rental units in 2008.

The pattern of an inverse relationship between the level of the vacancy rate and the size of the rental unit is much more visible for rent-stabilized units and unregulated units. In 2008, the rate for rent-stabilized studios was 3.85 percent, 1.66 percentage points higher than the rate of 2.19 percent for all rent-stabilized units (Table 5.17). However, the rate declines markedly: 2.09 percent for one-bedroom units and 1.79 percent for two-bedroom units; the number of vacant units with three or more bedrooms in this rental category was too few to estimate a statistically reliable vacancy rate.

The vacancy rate for unregulated studios was 5.92 percent, 1.29 percentage points higher than the rate of 4.63 percent for all unregulated units in 2008 (Table 5.17). The rate dropped visibly as the size of unit increased: 5.17 percent for one-bedroom units, 4.52 percent for two-bedroom units, and 3.52 percent for vacant units with three or more bedrooms.

Turnover of Rental Units

Length of Vacancies

In a normal housing market, where no unreasonable speculative market activities are widespread, the levels and types of supply of and demand for renter units—in terms of location, rental category, and rent level, among other things—contribute to the duration of rental vacancies, the period of time during which landlords who have units available for rent and households who are looking for suitable rental units seek each other out and contract for the rental of a unit.

In the City's rental housing market, where housing choices have been extremely scarce for many years, an absorption period of one to three months can be considered sufficient for an owner of a vacant rental unit to find a prospective renter. Vacancy durations of less than three months suggest that a substantial proportion of vacancies might have been of a transitory nature—that is, in a relative view, they were simply being spruced up or renovated and re-rented or were newly created units (newly constructed units, gut-rehabilitated units, units converted from non-residential buildings, subdivided units, etc.) that were in the process of filling up, a process often referred to as “seasoning.”

In the City, which has been characterized by an acute housing shortage for the last several decades, a long-term rental vacancy duration raises questions as to either the absolute desirability of the rental unit within a rent context or its true availability. In other words, in the City's rental housing market, an increase in vacancies lasting three or more months could mean that these units are probably being rejected by prospective renters as unsuitable or not preferable for one or a combination of the following reasons: they are not in a preferred location in terms of accessibility, public and private services available, and/or other neighborhood characteristics; their rents are unacceptably high; they are not of the size needed; their housing and/or neighborhood physical and other conditions are not acceptable.

Data from the 2008 HVS, which was conducted between February and June 2008, on major housing market characteristics suggest that the City's housing market's absorption capacity did not change very noticeably. In 2008, 40,000, or about two-thirds of the 62,000 vacant rental units in the City, had been available on the market only for a short term (less than three months), while the remaining 20,000 vacant rental units had been available for a long term (three months or more) (Table 5.18).

Almost all of the 40,000 short-term vacant rental units were scattered in four boroughs, where similar proportions of all vacant rental units in the City were located: the Bronx (20 percent), Brooklyn (23 percent), Manhattan (27 percent), and Queens (24 percent) (Table 5.18). Of the 20,000 long-term vacant rental units, they were also scattered among the same four boroughs: the Bronx (19 percent), Brooklyn (27 percent), Manhattan (22 percent), and Queens (24 percent).

Of the 40,000 vacant rental units that were available for a short term, more than nine in ten were either rent-stabilized (37 percent) or rent-unregulated (56 percent) (Table 5.19). Of the 20,000 vacant rental units that were available for a long term, more than three-fifths were rent-unregulated (63 percent), while one-third were rent-stabilized (33 percent).

Of vacant rent-stabilized units, 69 percent had been available on the market for a short term (Table 5.19), while 64 percent of vacant unregulated rental units, were available on the market for a short term. The 2008 proportional pattern of length of vacancies for rent-stabilized units and unregulated units was similar to that in 2005 (Table 5.20).

Table 5.18
Percent Distributions of the Length of Vacancies in Vacant Available Rental Units
by Borough and Within Borough
New York City 2008

Borough	All	Length of Vacancy	
		Less than 3 Months	3 Months or More
Number	62,499 ^b	40,133	20,380
Percent	100.0%	100.0%	100.0%
Bronx ^a	19.3%	20.0%	18.7%*
Brooklyn	25.0%	23.4%	26.8%
Manhattan ^a	26.2%	27.3%	22.4%
Queens	23.6%	24.1%	23.8%
Staten Island	6.0%*	**	**
Percent	100.0%	66.3%	33.7%
Bronx ^a	100.0%	67.9%	32.1%*
Brooklyn	100.0%	63.3%	36.7%
Manhattan ^a	100.0%	70.6%	29.4%
Queens	100.0%	66.6%	33.4%
Staten Island	100.0%	**	**

Source: U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Notes:

a Marble Hill in the Bronx

b Includes 1,985 vacant units with length of vacancy not reported. Percents are based on units reporting length of vacancy.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Table 5.19
Number and Distribution of Vacant Available Rental Units
by Regulatory Status by Length of Time Vacant
New York City 2008

Regulatory Status	Total ^a	Length of Time Vacant	
		Less than 3 Months	Three or More Months
Total	62,499	40,133	20,380
Stabilized	22,032	14,783	6,706
Pre-1947	16,917	10,797	5,577
Post-1947	5,115	**	**
All Other Regulated	**	**	**
Unregulated	36,709	22,590	12,880
In Rental Buildings	31,923	19,402	11,525
In Coops and Condos	4,786*	**	**
Public Housing	**	**	**
<i>In Rem</i>	**	**	**
Within Length of Time Vacant			
Total	100.0%	100.0%	100.0%
Stabilized	35.3%	36.8%	32.9%
Pre-1947	27.1%	26.9%	27.4%
Post-1947	8.2%	9.9%*	**
All Other Regulated	**	**	**
Unregulated	58.7%	56.3%	63.2%
In Rental Buildings	51.1%	48.3%	56.5%
In Coops and Condos	7.7%	7.9%*	**
Public Housing	**	**	**
<i>In Rem</i>	**	**	**
Within Regulatory Status			
Total	100.0%	66.3%	33.7%
Stabilized	100.0%	68.8%	31.2%
Pre-1947	100.0%	65.9%	34.1%
Post-1947	100.0%	77.9%*	**
All Other Regulated	100.0%	**	**
Unregulated	100.0%	63.7%	36.3%
In Rental Buildings	100.0%	62.7%	37.3%
In Coops and Condos	100.0%	70.2%*	**
Public Housing	100.0%	**	**
<i>In Rem</i>	100.0%	**	**

Source: U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Notes: a Includes 1,985 vacant units whose length of vacancy was not reported.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Table 5.20
Number and Distribution of Vacant Available Rental Units
by Regulatory Status by Length of Time Vacant
New York City 2005

Regulatory Status	Total ^a	Length of Time Vacant	
		Less than 3 Months	Three or More Months
Total	64,737	41,097	22,237
Stabilized	28,022	18,490	9,000
Pre-1947	21,261	13,352	7,378
Post-1947	6,761	5,139	**
All Other Regulated	4,061*	**	**
Unregulated	28,652	17,862	10,300
In Rental Buildings	24,846	15,193	9,164
In Coops and Condos	**	**	**
Public Housing	**	**	**
<i>In Rem</i>	650	247	403
Within Length of Time Vacant			
Total	100.0%	100.0%	100.0%
Stabilized	43.3%	45.0%	40.5%
Pre-1947	32.8%	32.5%	33.2%
Post-1947	10.4%	12.5%	**
All Other Regulated	6.3%	**	**
Unregulated	44.3%	43.5%	46.3%
In Rental Buildings	38.4%	37.0%	41.2%
In Coops and Condos	5.9%*	**	**
Public Housing	5.2%*	**	**
<i>In Rem</i>	1.0%	7.6%	3.2%
Within Regulatory Status			
Total	100.0%	64.9%	35.1%
Stabilized	100.0%	67.3%	32.7%
Pre-1947	100.0%	64.4%	35.6%
Post-1947	100.0%	76.0%	**
All Other Regulated	100.0%	81.5%*	**
Unregulated	100.0%	63.4%	36.6%
In Rental Buildings	100.0%	62.4%	37.6%
In Coops and Condos	100.0%	**	**
Public Housing	100.0%	**	**
<i>In Rem</i>	100.0%	38.0%	62.0%

Source: U.S. Bureau of the Census, 2005 New York City Housing and Vacancy Survey.

Notes: a Includes 1,403 vacant units whose length of vacancy was not reported.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Turnover

Another measure that sheds additional light on how the housing market absorbs vacant available units is turnover. The term “turnover” embraces the concept that there are constant moves in and out of housing within the existing housing inventory. In this report, “turnover” is understood as constituting a completed transaction in the existing inventory during the period of time between the two HVS years—that is, a “**move out**” and a “**move in**” during the three years between 2005 and 2008. To meet the conditions of this residential movement, a “move out” must be from a unit that remained in the inventory for the three-year period and a “move in” must be to a unit that existed in the inventory in 2005. Adopting this analytical definition of turnover, for this report, if the household occupying the unit in 2008 was not the same as the household that occupied it in 2005 according to the 2005 and 2008 HVSs, the unit is classified as having turned over **at least once** during the three years.

Applying the above definitions of “move in” and “move out,” about a third (32 percent) of the rental units that were occupied in both 2005 and 2008 turned over at least once during the three-year period, as in the previous period between 2002 and 2005 (Table 5.21). Among rental categories, the proportion was highest for unregulated rental units in rental buildings: 44 percent of such units turned over at least once between 2005 and 2008. The proportion of turned-over unregulated rental units in cooperative and condominium buildings was 38 percent. For rent-stabilized units it was 31 percent. On the other hand, the proportion of Public Housing units turning over between 2005 and 2008 was very low, 17 percent, compared to the overall rate of 32 percent for all vacant rental units, illustrating the very small proportion of housing units for very-low-income households that became vacant and available during the period.

Table 5.21
Percentage of Units that were Renter Occupied in both 2005 and 2008 and
Turned Over at Least Once Between 2005 and 2008 by 2005 Regulatory Status
New York City 2008

2005 Regulatory Status	Percentage of Units Turning Over At Least Once Between 2005 and 2008 ^a
All Renters	32.1%
Controlled	16.4% ^b
Stabilized	31.3%
Other Regulated	17.3%
Unregulated	43.9%
In Rental Buildings	44.3%
In Coops and Condos	37.7%
Public Housing	17.3%
<i>In Rem</i>	6.3%*

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys, Longitudinal Database.

Notes:

- a These numbers are *not* two-year turnover rates. A turnover rate is the total number of turnovers, including multiple turnovers of the same unit, divided by the total number of units.
- b These units were rent controlled in 2005, but upon turnover became rent stabilized if in a building of 6 or more units or unregulated if in a building of 5 or fewer units.
- * Since the number of units represented is small, interpret with caution.

The lowest proportion of rental units that turned over at least once between 2005 and 2008 was for units renting for less than \$400 and for between \$400 and \$599, 19 percent for each rent level (Table 5.22). After that, the proportion moved up steadily, as the level of rent increased: from 21 percent for the \$600-\$699 level, to 29 percent for the \$700-\$899 level, to 37 percent for the \$900-\$1,249 level, to 41 percent for the \$1,250-\$1,499 level, and to 47 percent for the \$1,500-\$1,999 level. The highest proportion turning over between the two survey years was 49 percent for units renting for \$2,000 and over.

Table 5.22
Percentage of Units that were Renter Occupied in both 2005 and 2008
and Turned Over at Least Once Between 2005 and 2008
by 2005 Rent Level in 2008 Dollars
New York City 2008

2005 Rent Level (in 2008 dollars)	Percentage of Units Turning Over at Least Once between 2005 and 2008 ^a
All	32.1%
Less than \$400	19.2%
\$400 - \$599	18.9%
\$600 - \$699	21.0%
\$700 - \$899	29.1%
\$900 - \$1,249	36.5%
\$1,250 - \$1,499	40.6%
\$1,500 - \$1,999	46.8%
\$2,000 and Over	49.3%

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys, Longitudinal Database.

Note:

a These numbers are *not* two-year turnover rates. A turnover rate is the total number of turnovers, including multiple turnovers of the same unit, divided by the total number of units.

Vacancies in the Owner Housing Market

The proportion of owner housing units in 2008 was 31.4 percent, little changed from 2002 and 2005, when it was 31.1 percent and 31.6 percent respectively, as seen in Chapter 4, “The Housing Inventory” (Table 4.1).

As the growth of the owner housing inventory continued during the three-year period between 2005 and 2008, the number of vacant available owner units increased by a notable 24 percent to 26,000, while the number of occupied owner units increased by just 1 percent to 1,019,000 units. Consequently, the owner vacancy rate increased from 2.08 percent to 2.53 percent during the three-year period (Table 5.23).

In Staten Island, where more than three-fifths of all housing units were owner units, the utilization of the owner housing market was extremely high. As a result, the number of vacant owner units in 2008 was too small to allow for a statistically meaningful estimation of the owner vacancy rate. The number of vacant owner units in the Bronx was also too small to estimate a statistically reliable vacancy rate.

Table 5.23
Number of Owner Occupied Units, Vacant for Sale Units,
Distribution of Vacant Units and Owner Vacancy Rates by Borough
New York City 2005 and 2008

Borough	Owner Occupied Units		Vacant for Sale		Owner Vacancy Rate		Percent of Vacant	
	2005	2008	2005	2008	2005	2008	2005	2008
All	1,010,370	1,019,345	21,410	26,473	2.08%	2.53%	100.0%	100.0%
Bronx ^a	104,400	106,583	**	**	**	**	**	**
Brooklyn	255,955	255,938	6,031	7,919	2.30%	3.00%	28.2%	29.9%
Manhattan ^a	174,179	183,036	5,708	6,089	3.17%	3.22%	26.7%	23.0%
Queens	365,040	361,713	7,603	7,328	2.04%	1.99%	35.5%	27.7%
Staten Island	110,795	112,075	**	**	**	**	**	**

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

a Marble Hill in the Bronx.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Table 5.24
Owner Occupied and Vacant for Sale Units and Owner Vacancy Rates by Form of Ownership
New York City 2005 and 2008

	Number of Owner Occupied Units		Number of Vacant Units Available for Sale		Percent of All Vacant Units Available for Sale		Owner Vacancy Rate	
	2005	2008	2005	2008	2005	2008	2005	2008
All	1,010,370	1,019,345	21,410	26,473	100.0%	100.0%	2.08%	2.53%
Conventional	636,271	624,759	10,255	14,338	47.9%	54.2%	1.59%	2.24%
All Cooperatives	300,824	304,963	8,371	6,524	39.1%	24.6%	2.71%	2.09%
Mitchell-Lama	45,126	34,702	**	**	**	**	**	**
Private Coops	255,698	270,262	8,018	6,015	37.4%	22.7%	3.04%	2.18%
Condominium	73,275	89,622	**	5,610	**	21.2%	**	5.89%

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

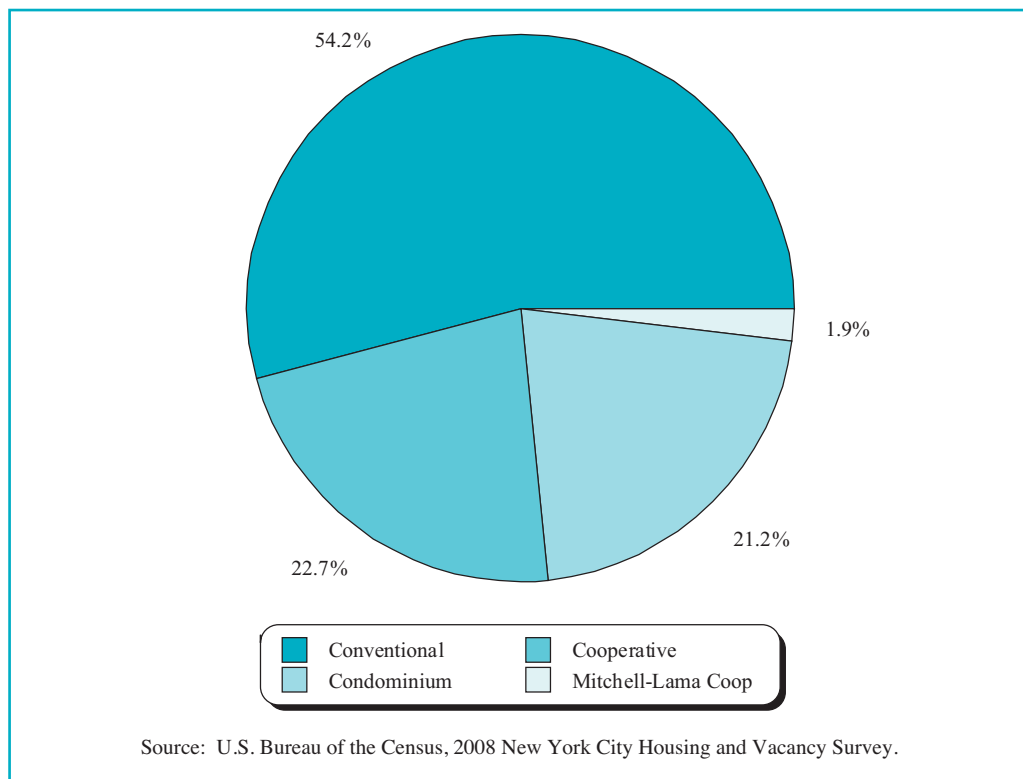
** Too few units to report.

The net for sale vacancy rate for all 7,661 vacant private cooperatives and condominiums in 2002 was 2.50%. In 2005, for the 10,803 vacant private cooperatives and condominiums, the vacancy rate was 3.18%. In 2008, the vacancy rate for the 11,626 vacant private cooperatives and condominiums was 3.13%.

Vacancies and Vacancy Rates by Types of Owner Units

In 2008, when there were 26,000 vacant owner units in the City and the owner vacancy rate was 2.53 percent, over half of all vacant owner units were conventional, mostly one- or two-family units. The vacancy rate for such owner units was 2.24 percent in 2008, a noticeable increase from 2005, when it was 1.59 percent. On the other hand, close to a quarter of vacant owner units in the City were private cooperative units (22.7 percent), with a vacancy rate of 2.18 percent, appreciably decreased from 2005, when it was 3.04 percent (Table 5.24 and Figure 5.10).

Figure 5.10
Distribution of Vacant Available Owner Units by Form of Ownership
New York City 2008



Vacancy Duration by Types of Owner Units

The 2008 HVS, which was conducted between February and June 2008, suggests that compared to 2005, the length of time that vacant owner units were available for sale in 2008 was longer. In 2008, 48 percent of vacant owner units were available on the market for a short term of less than three months, while 52 percent were available for a long term of three months or more (Table 5.25). In 2005, the comparable proportions were reversed: 52 percent and 48 percent respectively.

The vacancy duration of conventional units was slightly longer than the overall duration for all owner units. Of vacant conventional owner units, 45 percent were available for a short term. On the other hand, 50 percent of vacant private cooperative and condominium units had been available for a short term (Table 5.25).

Table 5.25
Percent Distribution of the Length of Time that Vacant for Sale Owner Units
Have Been Vacant by Form of Ownership
New York City 2005 and 2008

Form of Ownership	2005			2008		
	All	Less than 3 Months	3 or More Months	All	Less than 3 Months	3 or More Months
All	100.0%	51.9%	48.1%	100.0%	47.7%	52.3%
Conventional	100.0%	50.5%	49.5%	100.0%	44.8%	55.2%
Private Coop/Condominium	100.0%	53.0%	47.0%	100.0%	49.5%	50.5%
Mitchell-Lama Coop	100.0%	**	**	100.0%	**	**

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

* Since the number of units is small, interpret with caution.

** Too few units to report.

Vacant Units Unavailable for Rent or Sale

In many previous survey years, the number of vacant unavailable units has always been considerably higher than the number of vacant available rental units, while the rental vacancy rate has never been at or above 5.00 percent during the same period. Thus, examination of the reasons vacant units are unavailable could shed additional light on an understanding of the changes in the number of housing units by tenure and occupancy in the City and the dynamics of changes in vacancies and the vacancy rate between survey years.

In the City, the number of vacant units unavailable for rent or sale, for a variety of reasons, changed little: it was 138,000 in 2008 and 137,000 in 2005 (Table 5.26).

Of all unavailable vacant units, the number unavailable because they were occupied only for occasional, seasonal, or recreational purposes, rather than as a permanent residence, was 37,000 or 27 percent in 2008. Comparable figures in 2005 were 37,000 or 28 percent (Table 5.26). Of units in this category, 23,000 or 63 percent were located in Manhattan, and of these 16,000 or 73 percent were in cooperative or condominium buildings.¹²

On the other hand, of all unavailable vacant units, the number of vacant units unavailable because they were either undergoing or awaiting renovation was 47,000 or 35 percent, little changed from 2005, when comparable figures were 48,000 or 35 percent (Table 5.26 and Figure 5.11). The 2011 HVS will most likely report that almost all of these units will have become housing units that are either occupied or vacant and available for sale or rent. In fact, four-fifths of the units that were unavailable because they were either undergoing or awaiting renovation in 2005 became units that were occupied or vacant and available for rent or sale in 2008 (Table 5.27).

¹² U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Table 5.26
Vacant Units Unavailable for Rent or Sale by Reason for Unavailability
New York City 2002, 2005 and 2008

Reason Unavailable	2002		2005		2008	
	Units	Percent	Units	Percent	Units	Percent
All	126,816	100.0%	136,712	100.0%	138,126	100.0%
Dilapidated	5,481	4.4	**	**	5,698	4.2
Rented, Not Occupied	6,016	4.8	8,853	6.5	8,507	6.2
Sold, Not Occupied	7,889	6.3	7,348	5.4	6,675	4.9
Undergoing Renovation	21,951	17.4	31,432	23.1	28,677	20.9
Awaiting Renovation	17,958	14.3	16,376	12.0	18,789	13.7
Used/Converted to Nonresidential	**	**	**	**	**	**
In Legal Dispute	10,631	8.4	10,155	7.5	14,501	10.6
Awaiting Conversion/Being Converted to Coop/Condo	**	**	**	**	**	**
Held for Occasional, Seasonal, or Recreational Use	42,902	34.1	37,357	27.5	37,376	27.2
Held Pending Sale of Building	**	**	**	**	**	**
Owner Unable to Sell or Rent Due to Personal Problems	7,240	5.7	9,595	7.1	9,552	7.0
Held for Other Reasons	**	2.8*	8,095	6.0	**	**
Reason Not Reported ^a	**	--	**	--	**	--

Sources: U.S. Bureau of the Census, 2002, 2005 and 2008 New York City Housing and Vacancy Surveys.

Notes:

* Since the number of units is small, interpret with caution.

** Too few units to report.

a Percent distributions do not include units in this category.

In general, the situation of units unavailable for sale or rent appears to be a transitory state, regardless of the reason. More than three-quarters (77 percent) of the vacant units unavailable for various reasons in 2005 returned to the active housing stock in 2008 as either occupied units or vacant units that were available for rent or sale (Table 5.27). The remaining twenty-three percent were still vacant and unavailable for rent or sale three years later on 2008. Almost all of the vacant units unavailable because they were rented or sold but not yet occupied in 2005 (98 percent) were determined to be occupied or vacant-for-rent-or-sale in 2008, while 66 percent of those that were unavailable because they were being held for occasional, seasonal, or recreational use in 2005 became occupied or vacant-for-rent-or-sale three years later.

Table 5.27
Distribution of Vacant Units Unavailable for Rent or Sale in 2005
by Reason for Unavailability and by 2008 Availability
New York City 2005 and 2008

Reason Unavailable in 2005	2008 Availability		
	Both	Occupied or Vacant Available for Rent or Sale	Vacant Not Available for Rent or Sale
All ^a	100.0%	77.4%	22.6%
Held for Occasional, Seasonal or Recreational Use	100.0%	66.0%	34.0%
Rented or Sold, but not Occupied	100.0%	97.5%	**
Dilapidated	100.0%	**	**
Undergoing or Awaiting Renovation	100.0%	79.9%	20.1%
In Legal Dispute	100.0%	70.9%	**
Held for Other Reasons ^b	100.0%	78.9%	21.1%*

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys, Longitudinal Database.

Notes:

a Includes unavailable units for which no reason was reported.

b Includes: Being converted to non-residential purpose, being converted/awaiting conversion to coop, owner cannot or does not want to rent due to personal problems, held pending sale of building, held pending demolition, held for other reasons.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Table 5.28
Vacant Units Unavailable for Rent or Sale by Borough
New York City 2005 and 2008

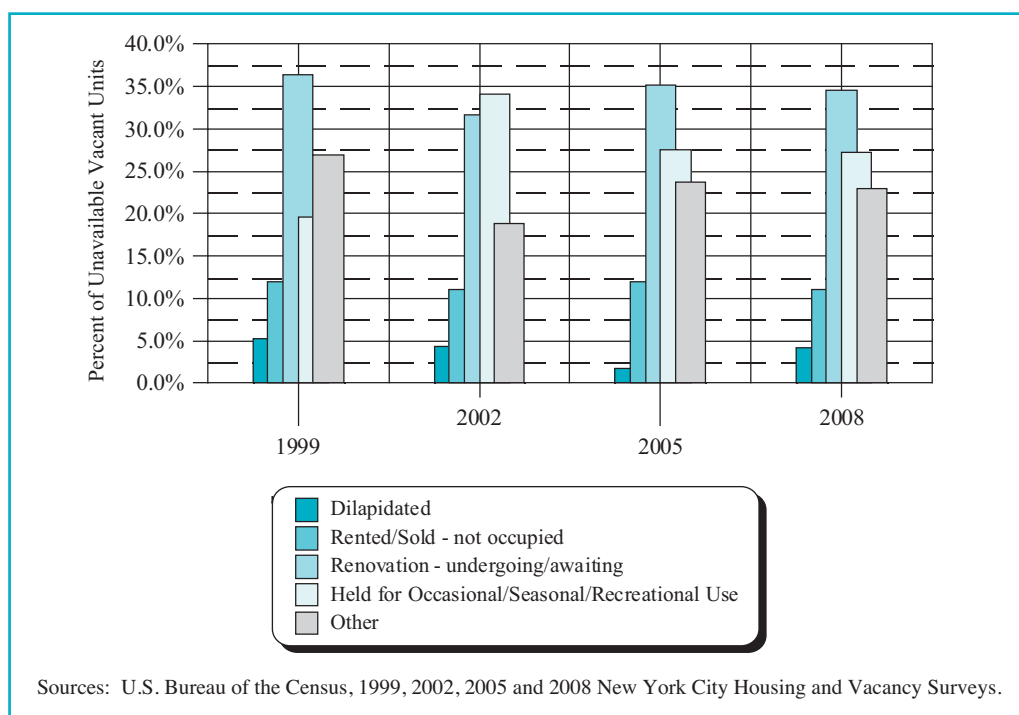
Borough	2005		2008	
	Number	Percent	Number	Percent
Total	136,712	100.0%	138,126	100.0%
Bronx ^a	15,830	11.6%	15,066	10.9%
Brooklyn	43,389	31.7%	35,039	25.4%
Manhattan ^a	49,591	36.3%	54,734	39.6%
Queens	21,393	15.6%	25,618	18.5%
Staten Island	6,508	4.8%	7,668	5.6%

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Note:

a Marble Hill in the Bronx.

Figure 5.11
Composition of the Vacant Unavailable Inventory by Reason for Unavailability
New York City, Selected Years 1999 - 2008



Unavailable Vacant Units by Borough

Of the 138,000 unavailable vacant units in the City in 2008, almost two-thirds were concentrated in either Manhattan (55,000 units or 40 percent) or Brooklyn (35,000 units or 25 percent) (Table 5.28). The remaining unavailable vacant units were located mostly in either Queens (26,000 units or 19 percent) or the Bronx (15,000 units or 11 percent).

The reasons for unavailability appear to vary substantially by borough. In the Bronx and Brooklyn, 41 percent and 45 percent respectively of the unavailable vacant units were unavailable because they were undergoing or awaiting renovation, while the proportion of unavailable units for such reasons in the City as a whole was 35 percent (Table 5.29). Most of the units that were unavailable in the Bronx and Brooklyn in 2008 because they were undergoing or awaiting renovation will have become occupied or available for sale or rent by 2011. In Manhattan, almost three quarters of unavailable vacant units were either held for occasional use (43 percent) as discussed earlier or undergoing or awaiting renovation (31 percent).

Table 5.29
Distribution of Reasons Vacant Units are Unavailable for Rent or Sale by Borough
New York City 2008

Reason Unavailable	All	Bronx	Brooklyn	Manhattan	Queens	Staten Island
Total ^a	138,126	15,066	35,039	54,734	25,618	7,668
All ^a	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Held for Occasional, Seasonal or Recreational Use	27.2%	**	11.0%*	43.1%	22.2%	**
Rented or Sold, but not Occupied	11.1%	**	11.4%*	9.1%	16.0%	**
Dilapidated	4.2%	**	**	**	**	**
Undergoing or Awaiting Renovation	34.6%	40.5%	45.3%	30.6%	28.3%	**
In Legal Dispute	10.6%	**	14.5%	**	16.8%	**
Held for Other Reasons ^b	12.4%	**	14.2%	7.4%*	15.1%*	39.9%*

Source: U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Notes:

a Includes unavailable units for which no reason was reported.

b Includes: Being converted to non-residential purpose, being converted/awaiting conversion to coop, owner cannot or does not want to rent due to personal problems, held pending sale of building, held pending demolition, held for other reasons.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Unavailable Vacant Units by Structure Class

The distribution of unavailable vacant units by structure class in 2008 was similar to that in 2005, except for New Law tenements. Of vacant units unavailable for rent or sale in 2008, a quarter were either New Law tenements (16 percent) or Old Law tenements (10 percent), while 32 percent were in multiple dwellings built after 1929 (Table 5.30). Another 31 percent were mostly one- or two-family housing units. The proportion of unavailable vacant units in New Law Tenements decreased by 5 percentage points to 16 percent in 2008.

Condition of Unavailable Vacant Units

Compared to all occupied and vacant available housing units, the building and neighborhood conditions of vacant units unavailable for rent or sale were markedly inferior. Of unavailable vacant units in 2008, 16 percent were in buildings with one or more building defects, compared to just 8 percent of all occupied and vacant available units (Table 5.31). Similarly, 8 percent of vacant unavailable units were located on streets with boarded-up buildings, compared to just 5 percent of all occupied and vacant available units. Of unavailable vacant units, 4 percent were in dilapidated buildings, compared to a mere 0.5 percent of all occupied and vacant available units.

Table 5.30
Vacant Units Unavailable for Rent or Sale by Structure Class
New York City 2005 and 2008

Structure Class	2005		2008	
	Number	Percent	Number	Percent
All Structure Classes ^a	136,712	100.0%	138,126	100.0%
Old-Law Tenement	11,358	9.3%	12,582	9.9%
New-Law Tenement	26,092	21.5%	20,489	16.1%
Post-1929 Multiple Dwelling	35,654	29.3%	39,994	31.5%
1-2 Family Converted to Apartments	7,796	6.4%	7,847	6.2%
Other Multiple Dwelling	4,501*	3.7%	7,289	5.7%
1-2 Family	36,117	29.7%	38,943	30.6%

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys.

Note:

a Includes units whose structure class within multiple dwelling was not reported.

* Since the number of units is small, interpret with caution.

** Too few units to report.

Table 5.31
Vacant Units Unavailable for Rent or Sale by Building and Neighborhood Conditions
New York City 2008

Building or Neighborhood Condition	Occupied or Vacant Available	Vacant Not Available
Number of Building Defect Types	100.0%	100.0%
None	92.2%	84.5%
1 or More	7.8%	15.5%
Dilapidated	100.0%	100.0%
Yes	0.5%	4.3%
No	99.5%	95.7%
Boarded Up Buildings on the Street	100.0%	100.0%
Yes	4.5%	7.8%
No	95.5%	92.2%

Source: U.S. Bureau of the Census, 2008 New York City Housing and Vacancy Survey.

Unavailable Vacant Units by Rent-Regulatory Status

Of the 138,000 unavailable vacant units in 2008, 61,000 (or 44 percent) had been rental units, 27,000 (or 20 percent) had been owner units, and 24,000 (or 17 percent)¹³ had also been not-available vacant units in 2005 (Table 5.32). The remaining 26,000 (or 19 percent) were units that were not linked to 2005 units, either because they were non-interviews in 2005 or were newly constructed, gut-rehabilitated, or otherwise added to the sample between 2005 and 2008.

Of the 61,000 unavailable vacant units that had been rental units in 2005, more than four-fifths had been either rent-stabilized (28,000 units or 47 percent) or unregulated rental units (26,000 units or 43 percent) (Table 5.32). Of the 27,000 unavailable vacant units that had been owner units in 2005, a little less than half were conventionally owned housing units (48 percent), while the remainder were cooperative or condominium units.

Table 5.32
Number and Percent Distribution of 2008 Vacant Units Unavailable for Rent or Sale
by Tenure and Regulatory Status/Form of Ownership in 2005
New York City 2008

Regulatory Status/ Form of Ownership in 2005	Units Not Available in 2008	
	Number	Percent
Total Units^a	138,126	100.0%
Total Rental Units	61,014	44.2%
Controlled	**	**
Stabilized	28,457	20.6%
Pre-1947	21,093	15.3%
Post-1947	7,364	5.3%
All Other Regulated	**	**
All Unregulated	26,090	18.9%
In Rental Buildings	23,928	17.3%
In Co-ops/ Condos	**	**
Public Housing	**	**
<i>In Rem</i>	655	0.5%
Total Owner Units	27,189	19.7%
Conventional	13,176	9.5%
Coop/Condo (all)	14,013	10.1%
Total Vacant Units Not Available For Sale or Rent	24,023	17.4%
Not Applicable ^b	25,899	18.8%

Sources: U.S. Bureau of the Census, 2005 and 2008 New York City Housing and Vacancy Surveys, Longitudinal Database.

Notes:

- a Includes units which were not in the sample in 2005.
- b Units that were not in the sample in 2005.
- * Since the number of units is small, interpret with caution.
- ** Too few to report.

¹³ Percents calculated using unrounded numbers.