



The Cost of Living in New York City: Housing

Highlights

- In June 2021, 26 percent of rental households in the New York City metropolitan area were behind on rent (15 percent nationally). In October 2023, it was 18 percent, better than before but still worse than the nation's 12 percent.
- In 2021, over 1 million households (53 percent) in the City were rent burdened, spending over 30 percent of income on rent. As the most populous borough, Brooklyn had the greatest rent burden at 323,136 households.
- In 2022, property taxes made up over 27 percent of homeowner costs citywide, on average, compared to 22.6 percent nationally.
- Vacancies were high among more expensive studio units, with 52.7 percent of units priced at \$2,300 or more and 22.4 percent of those priced between \$1,500 and \$2,299 vacant in 2021.
- Brooklyn saw the largest increase in newly completed or preserved affordable units between 2014 and 2023, fueled by a twofold increase between 2017 and 2018, but the Bronx has added more affordable units since the beginning of the pandemic.
- In 2023, building permits fell by 85 percent in the first eight months, following a surge in activity ahead of the expiration of the 421-a program in 2022.
- The biggest decline in permits was among the largest multi-family buildings (100+ units), which dropped 91 percent in the first eight months of 2023.

New York City has long been regarded as one of the most expensive cities to live in globally, fueled by housing, the largest cost for most households. Over 2021-2022, housing, which includes things like rent, property taxes, utilities and furnishings, made up roughly 40 percent of total household expenditures in the New York City metropolitan area, similar to before the pandemic. However, housing cost growth in the area after 2020 surpassed that in other metropolitan areas, as the movement of people back into the City drove shelter costs higher. While home prices continued to grow, and rent prices rebounded quickly from a dip in 2020, the latter grew more than in other large areas in 2021 and 2022.

Housing affordability, which considers the incomes of households, has also worsened in New York City over the last decade, as median rent prices, in particular, grew faster than median incomes. Households spending more than 50 percent of their income on rent (i.e., severely rent burdened) grew as a share between 2011 and 2021 in most parts of the City. The increase was greater among low-income households, which earn less than 80 percent of the area median income, but moderate- and middle-income households also felt the strain.

While rent and other shelter costs like property taxes and mortgages have driven the disproportionate change in overall housing costs locally, the makeup of overall housing costs changed during the pandemic, as spending on furnishings increased. Utilities and operations costs, which saw limited growth comparatively, may also see an uptick in the coming years. City and State elected leaders should think holistically and consider these aspects in formulating policy choices to improve housing affordability.

Housing Costs Grow Disproportionately in NYC Metro

Housing costs in the New York City metropolitan area have grown at a greater rate than in most other metropolitan areas. While in the 2011-2012 period, housing costs – which include shelter, utilities, operations and furnishings – in the area were relatively high, with the average household spending nearly \$18,000, they were not the highest nationally (see Figure 1). However, costs ballooned by over 68 percent in the following decade, the largest increase among major metropolitan areas reported by the U.S. Bureau of Labor Statistics. By the 2021-2022 period, residents of the New York City metropolitan area spent the second-largest share among selected areas (behind San Francisco) towards housing costs, making up roughly 40 percent of overall household expenditures compared to less than 34 percent nationwide.

Heading into the pandemic, housing costs were higher in the New York City metropolitan area than in most other selected large metropolitan areas, with the average household spending nearly \$27,000 in 2018-2019 on housing, which amounted to a similar share of total expenditures

as in 2021-2022. In 2018-2019, the average household spent almost 49 percent more than in 2011-2012 in the New York City metropolitan area. During the pandemic, costs continued to grow, but by less than in the Miami and Philadelphia metropolitan areas, which saw an influx of residents.

While housing costs in the New York City metropolitan area and most other selected large metropolitan areas rose during the pandemic, so did incomes due to unprecedented federal stimulus and a rebounding economy. As a share of income, housing costs in the New York City metropolitan area averaged 30.7 percent in 2011-2012. In 2021-2022, housing costs in the area were 26.4 percent of income, still greater than in the Chicago, Dallas and Seattle metropolitan areas.

Sources of Housing Cost Growth

Housing costs are the sum of shelter (e.g., mortgage, rent, taxes), utilities (e.g., electricity, water, gas), operations (e.g., at-home childcare and lawn care services), and furnishings. Shelter is the leading contributor to housing costs, making up over 72 percent in 2021-2022 in the New York City metropolitan area. Shelter costs

FIGURE 1
Average Housing Expenditures by Select Metropolitan Area

	2011-12	2018-19	2021-22	Percent Change, 2011-12 to 2018-19	Percent Change, 2018-19 to 2021-22	Percent Change, 2011-12 to 2021-22
Chicago	\$18,624	\$22,356	\$26,094	20.0%	16.7%	40.1%
Dallas	\$17,100	\$25,050	\$24,696	46.5%	-1.4%	44.4%
Houston	\$17,046	\$22,458	\$23,670	31.7%	5.4%	38.9%
Los Angeles	\$19,200	\$24,606	\$27,402	28.2%	11.4%	42.7%
Miami	\$14,358	\$19,194	\$22,728	33.7%	18.4%	58.3%
New York	\$17,994	\$26,754	\$30,300	48.7%	13.3%	68.4%
Philadelphia	\$18,492	\$23,388	\$29,034	26.5%	24.1%	57.0%
San Diego	\$20,010	\$26,772	\$30,450	33.8%	13.7%	52.2%
San Francisco	\$24,150	\$29,802	\$39,102	23.4%	31.2%	61.9%
Seattle	\$18,798	\$27,618	\$31,338	46.9%	13.5%	66.7%

Note: OSC selected these markets based on housing costs as a share of income. These 10 metropolitan areas had the highest shares nationally among 23 areas tracked by the U.S. Bureau of Labor Statistics. Data is averaged in two-year increments for greater reliability. Sources: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, Public Use Microdata; OSC analysis

FIGURE 2**Average Costs in the New York City Metropolitan Area by Housing Component and Share of Change in Housing Costs**

	Average Cost			Share of Change in Housing Costs		
	2011-12	2018-19	2021-22	2011-12 to 2018-19	2018-19 to 2021-22	2011-12 to 2021-22
Shelter	\$13,482	\$19,374	\$21,834	67.3%	69.4%	67.9%
Utilities	\$2,604	\$4,062	\$4,578	16.6%	14.6%	16.0%
Operations	\$948	\$1,794	\$1,956	9.7%	4.6%	8.2%
Furnishings	\$954	\$1,530	\$1,932	6.6%	11.3%	7.9%

Sources: U.S. Bureau of Labor Statistics, Consumer Expenditures Survey, Public Use Microdata; OSC analysis

include mortgage interest, property taxes and rent, and made up 19 percent of income in the New York City metropolitan area in 2021-2022, the fourth highest share among the areas tracked by the U.S. Bureau of Labor Statistics.

In New York City, these items comprise larger shares of total costs than in the rest of the nation. In 2022, property taxes made up over 27 percent of homeowner costs citywide, on average, compared to 22.6 percent nationally.¹ Manhattan had the highest share at 27.4 percent and the Bronx had the lowest at 21.5 percent. Property taxes also made up the largest share of expenses for rent-stabilized building owners at 28.2 percent, which typically get passed on to renters.² In 2022, 67.3 percent of City residents rented, far higher than the 34.8 percent nationally.³

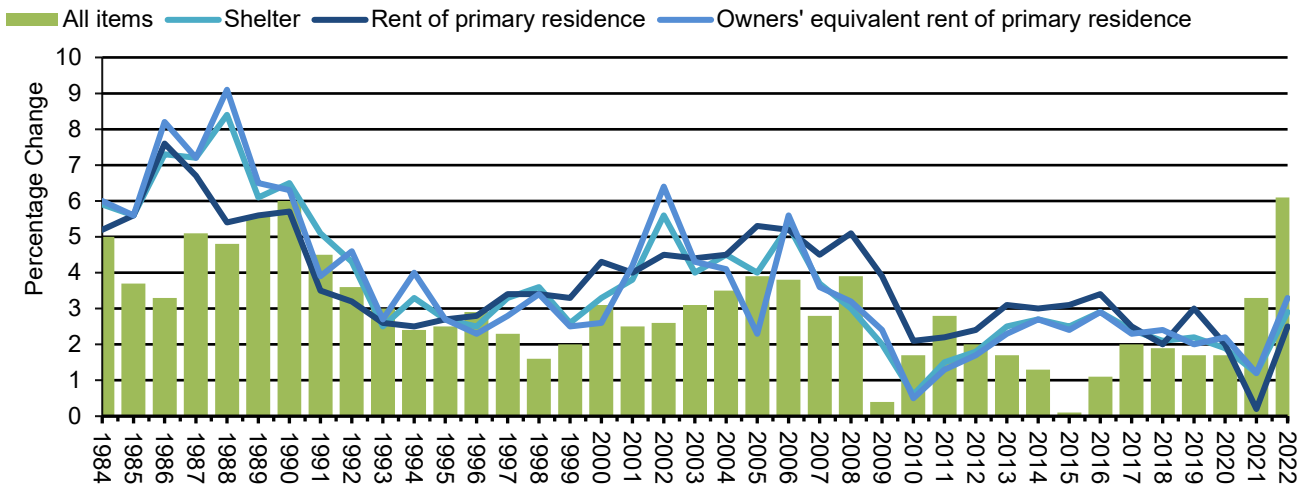
Over the last 10 years, shelter costs have been the largest driver of the overall change in housing costs (see Figure 2). However, the makeup of housing costs changed considerably during the pandemic, with utilities costs and operations costs shrinking in share and furnishings costs expanding (see the Appendix for breakouts of housing cost components in the New York City metropolitan area by race and ethnicity and age, respectively).

Following shelter, utilities comprises the second largest category of housing costs, making up about 15 percent in 2021-2022 in the New York City metropolitan area. During the pandemic, as

some individuals in white-collar occupations were able to work remotely, it is possible some moved out of the metropolitan area and drove down gas and electricity spending locally. The San Francisco metropolitan area also saw its average utilities costs contribute less to housing costs during the pandemic, while the Philadelphia and Dallas metropolitan areas saw their average utilities costs contribute more. While the utilities share of housing costs has been relatively stable over the last 10 years, geopolitical conflict, as well as the transition to all-electric buildings, add pressure to utilities costs and could stress households' ability to shoulder overall housing costs.

Operations comprises the third largest category of housing costs at 6.5 percent and includes things like at-home childcare and eldercare services and housekeeping, gardening and lawn care services. During the pandemic, these services were utilized less than before, contributing to the drop in share of overall housing costs. Furnishings is right behind operations at 6.4 percent but contributed more heavily to overall housing costs during the pandemic as households spent on furniture and appliances. Other selected large metropolitan areas similarly saw their furnishings costs contribute more to housing costs.

FIGURE 3
New York City Metropolitan Area Consumer Price Index Year-Over-Year Growth



Sources: U.S. Bureau of Labor Statistics, Consumer Price Index; OSC analysis

Elevated Housing Costs Contribute to Inflation

Elevated housing costs, particularly shelter, have contributed to higher-than-normal inflation nationally over the last year. While annual price increases as measured by the consumer price index (CPI) have cooled since the summer of 2022, housing prices nationally remain high. Shelter is the most expensive component of the entire basket of goods and services measured by the CPI, representing one-third of the value.⁴

While housing price growth fluctuated between owned and rented homes over time, both types of properties saw growth during the pandemic. In the New York City metropolitan area, rent of primary residence and owners' equivalent rent of primary residences grew by 2.5 percent and 3.3 percent between 2021 and 2022, respectively, following several years when renter price growth outpaced owner price growth (see Figure 3).⁵ Through November 2023, price growth for renters continued to rise and reached the level of owners at 5.8 percent year over year, double the average annual rate of growth prior to the pandemic.

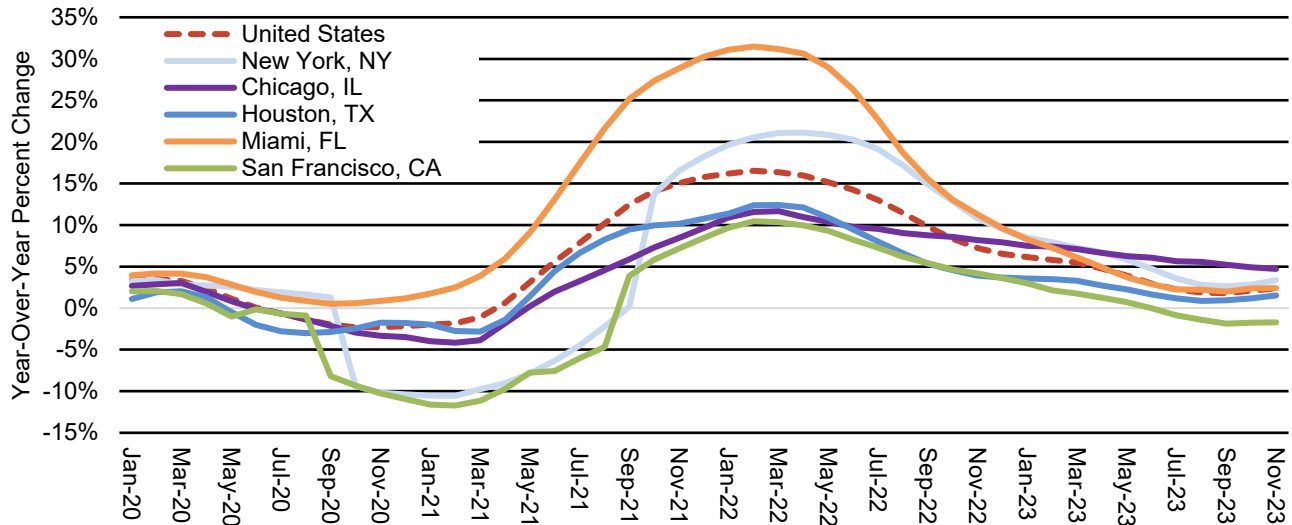
Rent Arrears Accumulate with High Costs and Insufficient Aid

While the CPI can show general price growth over a period, it is less useful for showing current trends, especially for housing. Over the course of the pandemic, housing price patterns varied across the nation. In 2021, when overall inflation began to rise above targets set by the Federal Reserve, housing price growth slowed in the New York City metropolitan area more than in other metropolitan areas. The slowdown was driven by rented homes, as many renters left most boroughs of the City, except Staten Island, during the height of the pandemic.⁶ When COVID-19 cases declined in number, many renters returned during 2021 and 2022 to the City, driving rent prices far higher than in other large metropolitan areas and than owned-home prices (see Figure 4, next page).

Within the City, rent prices rose drastically in certain places in the decade leading to 2021.⁷ Neighborhoods like Bedford Stuyvesant (63.9 percent), Greenpoint and Williamsburg (63.1 percent) and Brooklyn Heights and Fort Greene

FIGURE 4

Percent Change in Observed Market Rate Rent for Multi Family Residences, by Select Large Metropolitan Areas



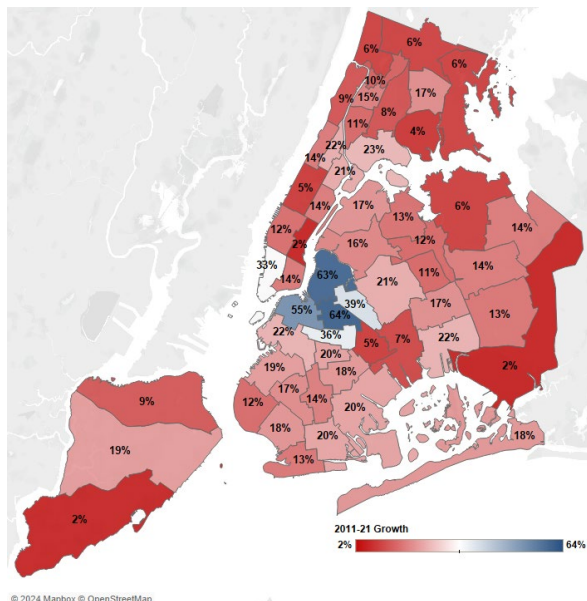
Sources: Zillow Observed Rent Index (Smoothed, Seasonally Adjusted); Multi Family Residence Time Series (\$); OSC analysis

(54.6 percent) drove the strong growth in Brooklyn in the decade prior (see Figure 5).

As rent prices rose again during the pandemic, so did the prevalence of missed rent payments, although there may also be some distortion due

FIGURE 5

Percent Growth in Median Gross Rent, 2011 to 2021

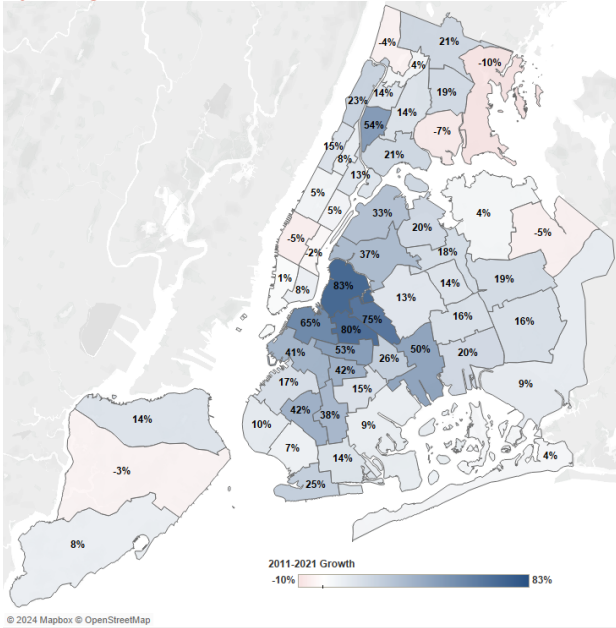


Sources: U.S. Census Bureau, American Community Survey, 2021 Public Use Microdata, OSC analysis

to tenant protections created as part of the policy response to the economic impact of COVID-19.⁸ In June 2021, 26 percent of rental households in the New York City metropolitan area were behind on rent, greater than the nearly 15 percent nationally (see OSC's [initial report on rent relief](#)).⁹ In the City, approximately 16 percent of rental households missed rent payments that year, with nearly 20 percent in the Bronx compared to less than 13 percent in Manhattan.¹⁰ As of October 2023, 18 percent of rental households in the New York City metropolitan area were behind on rent, better than during the pandemic but still worse off than the 12 percent of households with rent arrears nationally.¹¹ Over the last two years, missed rent payments have also risen among residents of the New York City Housing Authority (NYCHA), with NYCHA collecting only 61 percent of rent as of November 2023.¹²

The significant rent price growth during the pandemic contributed to the high cost of living in the City, even though incomes generally grew, potentially accelerating [the outmigration of lower-income individuals](#) (see Figure 6).¹³ Citywide, the

FIGURE 6
Percent Growth in Median Household Income
by Neighborhood, 2011 to 2021



median household income saw a 16.5 percent increase (inflation adjusted) over the 10-year period to \$67,997. However, the growth was not distributed evenly. The largest growth in median household income was concentrated in Brooklyn, where the Greenpoint and Williamsburg neighborhood saw an 82.9 percent increase to reach \$101,400, while the Co-op City, Pelham Bay and Schuylerville neighborhood in the Bronx saw a 9.6 percent decline to \$57,007.

Based on what is known as the area median income (AMI; based on a specific area’s income distribution and calculated by the federal government), missed rent payments varied widely within the City.¹⁴ Even moderate-income rental households making between 80 and 120 percent of the AMI and middle-income rental households making between 120 and 165 percent of the AMI struggled to make payments on time. In Staten Island, nearly 22 percent of rental households that missed payments were considered moderate income while in Brooklyn,

Calculation of Income Limits by the Federal Government

Each year, the U.S. Housing and Urban Development (HUD) calculates income limits to determine the eligibility of applicants for government-assisted housing programs. This calculation includes what is commonly known as the area median income (AMI). Households that earn up to a certain percentage of the AMI, based on the household size, are eligible for affordable rental and homeownership opportunities. In New York City, a 4-person household earning anywhere from up to \$42,360 (considered extremely low income) to between \$169,441 and \$232,980 (considered middle income) [may be eligible](#).

In New York City, more housing has been produced at the upper end of that range than at the lower end. In 2021, almost 31 percent of rental households in the City were considered extremely low income, whereas only 23.5 percent of housing units completed that year served that income group. The gap suggests HUD’s AMI calculation does not align with the needs of the City’s lower-earning households. In fact, in 2021, the median AMI calculated by HUD citywide was 1.5 times more than the actual median household income reported by the U.S. Census Bureau (see Figure 7). The ratio was the highest in the Bronx.

FIGURE 7
Median Household Income Versus Median AMI
in New York City’s Boroughs, 2021

Borough	Median Household Income	Median 100% AMI	Ratio
Bronx	\$43,011	\$ 95,855	2.2
Brooklyn	\$67,567	\$ 102,971	1.5
Manhattan	\$84,435	\$ 112,368	1.3
Queens	\$73,262	\$ 104,271	1.4
Staten Island	\$86,054	\$ 105,224	1.2
New York City	\$67,997	\$ 104,306	1.5

Sources: U.S. Census Bureau, American Community Survey, 2021; U.S. Census Bureau, New York City Housing and Vacancy Survey, 2021; OSC analysis

about 8 percent were considered middle income in 2021.

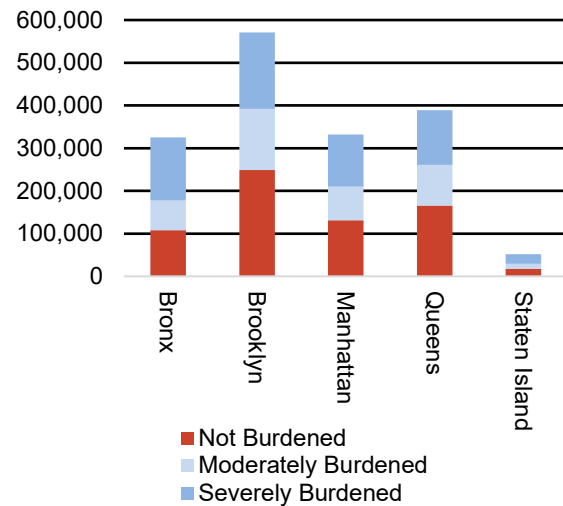
Citywide, rental households considered extremely low income comprise the largest share of those missing rent payments and the largest share of those receiving at least one type of rental assistance by far. In 2021, nearly 180,000 households (or almost 73 percent of all households receiving at least one type of rental assistance) earning below 30 percent of the AMI received some form of rental assistance compared to the next income group at only about 35,000 households (about 14 percent).

About 45 percent (111,662) of all households that received rental assistance in 2021 did so in the form of a Section 8 voucher for federally subsidized housing. The share was much higher in 2011 at over 60 percent (141,509), suggesting City residents have relied on other forms of rental assistance, such as City-funded housing vouchers (i.e., the Family Homelessness and Eviction Prevention Supplement, or CityFHEPS), in recent years.¹⁵ The difference was especially stark in the Bronx, where 67.4 percent (56,842) of households that received rental assistance in 2011 did so in the form of a Section 8 voucher compared to only 46.3 percent (43,653) in 2021.

Rent Burden Grows Among Less-Wealthy Households

In 2021, over 1 million households (53 percent) in New York City were considered rent burdened excluding those living in public housing, meaning they spent over 30 percent of their income on rent. Approximately 60 percent of this group was considered severely rent burdened, meaning they spent over 50 percent of their income on rent. As the largest borough by population, Brooklyn had the greatest rent burden at 323,136 households (see Figure 8). In every borough, severely rent-burdened households outnumbered moderately rent-burdened households spending between 30 and 50 percent of their income on rent.

FIGURE 8
Levels of Rent Burden by Borough, 2021
Excludes Public Housing



Note: Rent burden is calculated using contract rent. Moderately burdened is defined as spending between 30 and 50 percent of household income on rent and severely burdened is defined as spending more than 50 percent. Author's calculations exclude households earning greater than 165 percent of the area median income, or those considered wealthier than middle income. Sources: U.S. Census Bureau, New York City Housing and Vacancy Survey, 2021; OSC analysis

Over the period from 2011 to 2021, rent burden worsened citywide (see Figure 9). While the share of moderately rent-burdened households earning up to 80 percent of the AMI stayed the same, the share of severely rent-burdened households in the same income group grew, suggesting rental households generally became more burdened over the 10-year period. Within the City, the share of moderately rent-burdened households in this income group fell in most cases, but the share of severely rent-burdened households grew significantly in the Bronx, Queens and Staten Island.

Citywide, moderate- and middle-income households earning between 80 and 165 percent of AMI also felt this strain. Between 2011 and 2021, the share of severely rent-burdened households in this income group grew to 2.9 percent of those moderate- and middle-income households citywide. In Brooklyn and Queens, the share of severely rent-burdened households earning between 80 and 165 percent of AMI grew more than citywide. Manhattan was the only

FIGURE 9

Shares of Moderate and Severe Rent Burden by Borough and Income Group
Excludes Public Housing

Borough	Income Group	Moderate (30%+ to 50%)			Severe (50%+)		
		2011	2021	Difference, 2011 to 2021	2011	2021	Difference, 2011 to 2021
Bronx	Up to and including low	25.0%	24.6%	-0.5	49.3%	53.1%	3.8
	Moderate and middle	1.9%	3.9%	2.0	0.0%	0.0%	0.0
Brooklyn	Up to and including low	29.8%	31.7%	1.8	46.4%	45.8%	-0.6
	Moderate and middle	10.5%	11.6%	1.0	1.3%	2.3%	1.0
Manhattan	Up to and including low	23.5%	23.3%	-0.2	55.5%	53.0%	-2.5
	Moderate and middle	31.8%	24.9%	-7.0	8.4%	7.5%	-0.8
Queens	Up to and including low	34.8%	32.6%	-2.2	45.6%	46.9%	1.3
	Moderate and middle	5.5%	6.2%	0.7	0.1%	0.7%	0.6
Staten Island	Up to and including low	28.8%	28.5%	-0.2	40.0%	54.0%	14.1
	Moderate and middle	3.5%	6.4%	2.9	0.0%	0.0%	0.0
New York City	Up to and including low	28.6%	28.6%	0.0	48.4%	49.4%	1.0
	Moderate and middle	14.0%	12.6%	-1.3	2.8%	2.9%	0.1

Note: Up to and including low income is defined as incomes greater than 0 and less than or equal to 80 percent of the area median income for New York City. Moderate and middle income together are defined as incomes between 80 percent and 165 percent of the area median income. Difference refers to percentage points and may be subject to rounding.

Sources: U.S. Census Bureau, New York City Housing and Vacancy Survey, 2011 and 2021; OSC analysis

borough where rent burden did not grow among moderate- and middle-income households.

Policy Measures and Economic Headwinds Restrict Supply

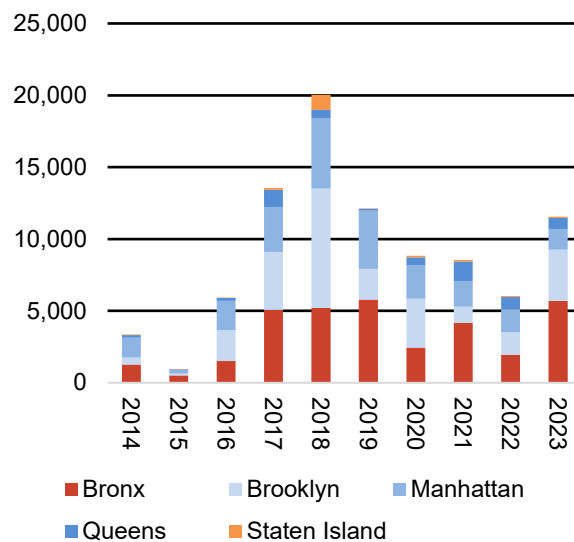
Over the last several years, there have been several efforts to build additional housing for renters and owners, with a focus on affordability. Through the first 10 months of 2023, the City completed almost 13,900 units, 53 percent of which were preservations, and the remainder were new construction.¹⁶ Prior to the onset of the pandemic, preservations made up an even larger share of completed units.

Over 84 percent of the 13,900 units were rental units, a larger share than of rental units citywide. While owner units comprised a larger share in 2023 than in 2022, the share was smaller than before the pandemic when the State extended the 421-a program in April 2017. The extension followed a suspension the prior year, resulting in a slew of permit applications.

The extension of the 421-a program led to an uptick in completed affordable units (those made

available to households earning below 80 percent of the area median income) citywide, with every

FIGURE 10
Number of Completed Affordable Housing Units by New York City Borough



Note: Data reflect the first 10 months of each year. Affordable housing units refer to those made available to households earning below 80 percent of the area median income. Sources: New York City Department of Housing Preservation and Development; OSC analysis

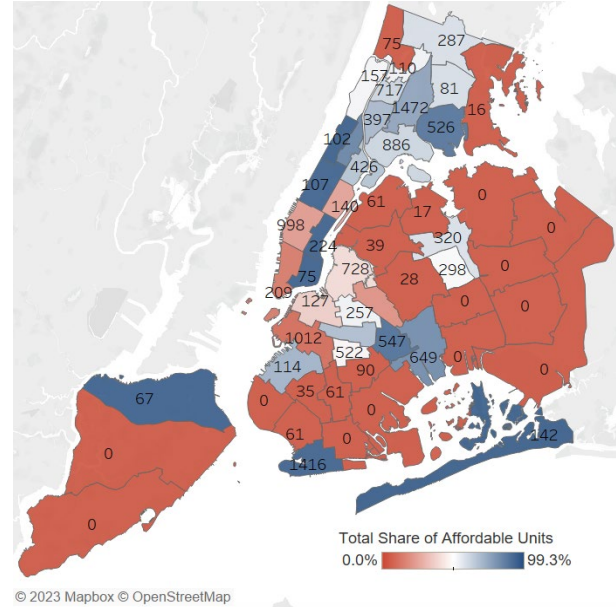
borough seeing significant annual increases in 2017, 2018 or both (see Figure 10). While

Brooklyn has seen the largest increase in completed affordable units between 2014 and 2023, due to a more than twofold increase between 2017 and 2018, the Bronx has added more affordable units since the pandemic. Within New York City's boroughs, the number of completed affordable housing units in the most recent full year of 2022 differed significantly by neighborhood (see Figure 11).

Continued development of affordable housing in the Bronx may be particularly valuable to ease affordability issues in the City's housing market. In 2021, the Bronx had the lowest net rental vacancy rate citywide at about 0.8 percent whereas Manhattan had the highest at over 10.0 percent.¹⁷ The highest vacancy rates in Manhattan, as well as citywide, were among units with asking rents of \$2,300 or more. Contrastingly, there were very few units with asking rents of less than \$900, driving the relatively low vacancy rates in the outer boroughs and especially the Bronx.¹⁸ Additionally, vacancies were high among more expensive studio units (see Figure 12).

Though City and State elected officials have tried to prioritize affordable housing for years, the

FIGURE 11
Newly Added Housing Units and Share of Affordable Housing Units by Neighborhood in 2022



Sources: New York City Department of Housing Preservation and Development, Affordable Housing Production by Building; OSC analysis

pandemic halted construction and the number of new residential building permits in 2020 fell by

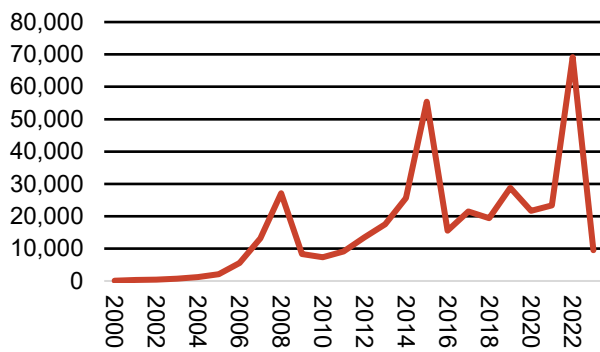
FIGURE 12
Vacancy Rate by Asking Rent and Number of Bedrooms in New York City
Excludes Public Housing

Number of Bedrooms	\$1 to \$1,499			\$1,500 to \$2,299			\$2,300+		
	2011	2021	Difference, 2011 to 2021	2011	2021	Difference, 2011 to 2021	2011	2021	Difference, 2011 to 2021
Studio	5.9%	0.7%	-5.2	4.2%	22.4%	18.2	13.9%	52.7%	38.9
1	3.5%	1.3%	-2.2	7.5%	6.9%	-0.7	13.1%	32.6%	19.5
2	3.3%	1.4%	-1.9	5.2%	4.7%	-0.5	10.0%	20.2%	10.2
3	1.1%	2.6%	1.5	4.9%	2.2%	-2.7	4.3%	6.7%	2.4

Note: Difference refers to percentage points. Numbers are subject to rounding.

Sources: U.S. Census Bureau, New York City Housing and Vacancy Survey, 2011 and 2021; OSC analysis

FIGURE 13
Permits for New Buildings in New York City



Note: YTD refers to year-to-date data through the second quarter of 2023.
Sources: New York City Department of City Planning, Housing Database; OSC analysis

nearly 25 percent.¹⁹ Permitting began to recover in 2021, increasing by 7.8 percent, and rose significantly in 2022 ahead of the 421-expiration in June of that year (see Figure 13). As the Federal Reserve continued to raise interest rates through the remainder of 2022 and most of 2023, as well as the expiration of the 421-a program, permitting activity has declined significantly this year. Over the first eight months of the year, new building permits fell by 85 percent to 9,523.

Breaking out new building permits by number of units shows that buildings with 10 to 12 units were least negatively impacted from 2019 to 2020

(see Figure 14). Between 2020 and 2022, the number of permits for single-family buildings with 1 unit grew by 6.5 percent as those for multi-family buildings with five or more units grew more significantly, led by buildings with 100 or more units. However, over the first eight months of 2023, permits for these very large buildings saw the largest decline of nearly 91 percent, as multi-family building permits overall declined by 86 percent.

Outlook

Housing costs nationally continue to climb amid high demand for, and low supply of, affordable housing. These challenges are especially stark in New York City, where very few affordable homes are available, and the number of new building permits for multi-family homes in particular has declined significantly this year. The cost of shelter has grown over the last decade, driving 25 percent of residents polled by a recent Quinnipiac University poll to name affordable housing as the most urgent issue facing the City, on par with crime. Many New Yorkers may continue to be priced out of their preferred neighborhoods without a substantial increase in the supply of affordable housing units for low- and moderate-income households.

FIGURE 14
Permits for New Buildings by Unit Size in New York City

Unit Size	2019	2020	2022	% Change, 2019 to 2020	% Change, 2020 to 2022
1	319	217	231	-32.0%	6.5%
2	768	532	506	-30.7%	-4.9%
3 to 4	377	189	181	-49.9%	-4.2%
5 to 9	1,493	894	1,457	-40.1%	63.0%
10 to 19	1,412	1,361	1,833	-3.6%	34.7%
20 to 49	3,237	2,316	6,626	-28.5%	186.1%
50 to 99	3,672	3,122	9,293	-15.0%	197.7%
100+	17,474	13,057	49,039	-25.3%	275.6%

Sources: New York City Department of City Planning, Housing Database; OSC analysis

Recent data suggests that even as voucher programs may be reducing severe rent burdens among the City's poorest households, overall rent burden has risen, fueled by an increasing number of moderate- and middle-income households being burdened by housing costs. The pace of housing supply growth and the potential for other housing-related cost pressures, such as utilities, is likely to worsen these issues absent policy changes that mitigate their impact.

In September 2023, Mayor Adams introduced his "City of Yes for Housing Opportunity" proposal to tackle the city's housing shortage by building 100,000 homes over the next 15 years. The proposal plans to convert vacant offices into housing, establish an office to expedite conversion projects and update zoning rules. The proposal will continue to be reviewed by the public, businesses and elected officials and may face challenges as it awaits approval from the City Council, and for certain aspects, from the State legislature. The Mayor did recently sign legislation to advance the City Council's Fair Housing Framework, and progress on the findings should be made widely available to understand the contributions of each neighborhood to the City's affordable housing strategy.

The City has also expanded the use of CityFHEPS by low-income rental households outside the five boroughs amid the growing asylum seeker and homeless shelter populations. However, there is no data as of yet to confirm the extent to which the expansion is helping residents priced out of New York City to find housing elsewhere. Greater information to understand the needs of City residents and the strengths and weaknesses of City-funded programs, such as CityFHEPS, to alleviate housing cost pressures should also be made available as part of monitoring efforts.

The City and State continue to discuss the affordable housing crisis in New York City,

making incremental steps towards an equitable solution for all. Slow progress and a more difficult financing environment have made the issue more acute and pressing. Policy solutions that are cost-effective and practicable are needed quickly to jump start the City's housing affordability efforts, both for residents now and for the City's long-term desirability as a hub for talent.

Appendix

FIGURE A.1

Average Costs in the New York City Metropolitan Area by Housing Component and Race and Ethnicity

	Average Cost		
	2011-12	2018-19	2021-22
Shelter	\$13,482	\$19,374	\$21,834
White	\$16,446	\$21,504	\$24,618
Black	\$10,620	\$14,268	\$19,134
Asian	\$12,780	\$24,282	\$23,112
Hispanic	\$11,826	\$14,964	\$17,304
Utilities	\$2,604	\$4,062	\$4,578
White	\$2,658	\$4,482	\$5,058
Black	\$2,574	\$3,252	\$4,536
Asian	\$2,706	\$4,146	\$4,338
Hispanic	\$2,490	\$3,504	\$3,726
Operations	\$948	\$1,794	\$1,956
White	\$1,356	\$2,298	\$2,544
Black	\$804	\$1,086	\$1,062
Asian	\$588	\$1,920	\$2,220
Hispanic	\$564	\$972	\$1,278
Furnishings	\$954	\$1,530	\$1,932
White	\$1,224	\$1,866	\$2,190
Black	\$756	\$1,044	\$1,650
Asian	\$756	\$1,578	\$2,046
Hispanic	\$822	\$1,056	\$1,608

Sources: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey; OSC analysis

FIGURE A.2

Average Costs in the New York City Metropolitan Area by Housing Component and Age Group

	Average Cost		
	2011-12	2018-19	2021-22
Shelter			
<25	\$14,790	\$11,274	\$23,688
25-34	\$15,000	\$21,990	\$23,820
35-44	\$16,068	\$25,014	\$25,494
45-54	\$12,924	\$21,468	\$24,360
55-64	\$13,224	\$18,762	\$21,930
65+	\$10,728	\$15,558	\$16,170
Utilities			
<25	\$1,794	\$1,662	\$2,850
25-34	\$2,082	\$3,150	\$2,754
35-44	\$2,910	\$3,870	\$4,578
45-54	\$3,090	\$5,160	\$4,944
55-64	\$2,826	\$4,962	\$6,102
65+	\$2,496	\$3,666	\$4,260
Operations			
<25	\$414	\$486	\$816
25-34	\$912	\$1,542	\$2,112
35-44	\$792	\$3,486	\$3,378
45-54	\$954	\$2,172	\$1,776
55-64	\$1,386	\$1,392	\$1,746
65+	\$942	\$1,254	\$1,434
Furnishings			
<25	\$870	\$828	\$918
25-34	\$804	\$1,296	\$1,764
35-44	\$978	\$2,022	\$2,544
45-54	\$1,056	\$1,914	\$2,208
55-64	\$1,566	\$1,566	\$2,442
65+	\$690	\$1,218	\$1,152

Sources: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey; OSC analysis

ENDNOTES

- ¹ U.S. Census Bureau, 2022 American Community Survey 1-year Public Use Microdata estimates.
- ² New York City Rent Guidelines Board, “2023 Income and Expense Study,” accessed July 17, 2023, <https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2023/03/2023-IE-Study.pdf> and OSC, *Residential Real Estate in NYC: Rising Tax Bills During COVID Fuel Disparities*, Report 7-2024, September 2023, <https://www.osc.state.ny.us/files/reports/osdc/pdf/residential-real-estate-in-nyc.pdf>.
- ³ U.S. Census Bureau, 2022 American Community Survey 1-year estimates.
- ⁴ David Wessel & Sophia Campbell, “How Does the Consumer Price Index Account for the Cost of Housing,” Brookings Institute, May 18, 2022, <https://www.brookings.edu/articles/how-does-the-consumer-price-index-account-for-the-cost-of-housing/#:~:text=Housing%20represents%20about%20a%20third,in%20the%20Consumer%20Price%20Index>.
- ⁵ Shelter is the largest component of housing and the way the Consumer Price Index most commonly defines shelter price changes as rent of primary residence and owners’ equivalent rent of residences. The CPI does not measure actual owner home prices but instead what they would cost if converted to rent).
- ⁶ Office of the New York State Comptroller, *New York State Rent Relief Update: Spotlight on New York City*, Report 5-2024, July 2023, <https://www.osc.state.ny.us/files/reports/osdc/pdf/report-5-2024.pdf>.
- ⁷ The U.S. Census Bureau changed public use microdata area (PUMA) boundaries corresponding to neighborhoods in its latest data release in 2022, making it difficult to calculate trends.
- ⁸ Office of the New York State Comptroller, *New York State Rent Relief Update: Spotlight on New York City*, Report 5-2024, July 2023, <https://www.osc.state.ny.us/files/reports/osdc/pdf/report-5-2024.pdf>.
- ⁹ OSC, *New York State Rent Relief Funding: Spotlight on New York City*, Report 7-2022, August 2021, <https://www.osc.state.ny.us/reports/osdc/new-york-state-rent-relief-funding-spotlight-new-york-city>.
- ¹⁰ U.S. Census Bureau, New York City Housing and Vacancy Survey, 2021.
- ¹¹ U.S. Census Bureau, Household Pulse Survey, Week 62: September 20 – October 2, 2023.
- ¹² NYC Housing Authority, NYCHA Metrics, Public Housing Charts, <https://eapps.nycha.info/NychaMetrics/Charts/PublicHousingChartsTabs>.
- ¹³ OSC, *NYC’s Shifting Population: The Latest Statistics*, Report 15-2024, December 2023, <https://www.osc.ny.gov/files/reports/osdc/pdf/report-15-2024.pdf>.
- ¹⁴ U.S. Census Bureau, New York City Housing and Vacancy Survey, 2011 and 2021. All analysis using the survey excludes rental households living in public housing and rental households earning greater than 165 percent of the area median income set by the U.S. Department of Housing and Urban Development.
- ¹⁵ The U.S. Census Bureau’s New York City Housing and Vacancy Survey provided less detail on rental assistance programs in its 2021 survey than its 2011 survey. For comparability, upon consultation with the New York City Department of Housing Preservation and Development, OSC calculated an aggregate rental assistance variable for 2011 equal to 1 if a household received assistance from any of the following programs: Federal Section 8, SCRIE, Advantage, Public Assistance Shelter, Housing Stability, Employment IHP, Long Term Stayers, Jiggetts, FEPS, Another Federal Housing Program or Another State or City Housing Program.
- ¹⁶ The Department of Housing Preservation and Development reports on projects that count towards either the Housing New York plan in place between 2014 and 2021 or the Housing Our Neighbors: a Blueprint for Housing & Homelessness plan in place between 2022 and present.
- ¹⁷ New York City Department of Housing Preservation and Development, “2021 New York City Housing and Vacancy Survey Selected Initial Findings,” May 16, 2022, <https://www.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>.
- ¹⁸ New York City Independent Budget Office, “Most Rent Stabilized Apartments Do Not Remain Year-to-Year”, August 2023, <https://www.ibo.nyc.ny.us/iboreports/most-rent-stabilized-apartments-do-not-remain-vacant-year-to-year-august-2023.html>.
- ¹⁹ New York City Department of City Planning, Housing Database.

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