UNHP - Annual Building Indicator Project (BIP) Meeting
July 2020

Agenda

Introduction -
Jim Buckley, Executive Director UNHP

BIP Presentation -
Jacob Udell, Data & Research Coordinator, UNHP

HPD Presentation -
Elizabeth Oakley, Deputy Commissioner for Development, HPD
Kim Darga, Assistant Commissioner of Preservation Finance, HPD

Discussion & Questions

Special thanks to Enterprise Community Partners for continuing to host the Annual BIP Meeting (albeit under different circumstances) and to Caroline Kirk for research & data support.
NYC Demographics - Income & Race / Ethnicity

Median Household Income

Percentage of Population Hispanic, Latinx, or Black

Source: American Community Survey 2018 1 year estimates, by PUMA
New York During COVID - Household Pulse Survey

- The effects of COVID Pandemic map onto existing inequalities (racial, geographic, socio-economic, etc).
- Census Bureau has tracked the effect of COVID through weekly surveys on income, employment, and ability to pay rent.

For more on these effects, see UNHPs recent blog, “Bronx Reality Before COVID is Manifesting Devastating & Deadly Consequences”

Source: Census Bureau, Household Pulse Survey
New York During COVID - Disruption or Depression?

Bronx unemployment is at nearly **25%** as of June 2020.

Does the COVID pandemic more resemble a disruption like a natural disaster or the long downturn of an economic depression?

The Share of Permanently Closed Businesses is Rising

Share of business closures on Yelp that were temporary vs. permanent

NYC Multifamily Real Estate Market - the last decade

- Dynamics in the NYC multifamily real estate market are another example of the effects of COVID mapping onto an already existing reality.
- The last decade of pricing and valuation data for existing multifamily residential buildings exhibit signs of an overheated asset market, with signs of distress well before the COVID pandemic hit.

Source: ACRIS deed data, UNHP's data cleaning & analysis
Source: Ariel Property Advisors year-end brokerage reports.
NYC Multifamily Real Estate Market - a longer view

- From the mid-90s on, the rental housing market in NYC has been reliant on rapidly rising property valuations.
- When market fails to produce rising prices: bankruptcies, foreclosures, building neglect, increased displacement pressures etc.
NYC Multifamily Real Estate Market - Where does this leave us?

Owners

- Many owners of rent-stabilized housing have maximized leverage out of NOI - the primary way to capture rising values.
- This means they are especially vulnerable to changes in NOI. Mortgage relief would be a significant help, but does it trickle down to tenants?

Financial Institutions

- If owners can’t cover the debt payments based on valuations of a few years ago, will banks have to ‘realize’ lower market values on their books?
- What will be the knock-on effects?
NYC Multifamily Real Estate Market - back to the maps

Sources: American Community Survey, ACRIS data (cleaned and analyzed by UNHP), Building Indicator Project
BIP Trends - Past, Present, & Future

- BIP captures distress as a result of a “business plan gone wrong”.
- Post 2008, uptick in BIP distress beginning in 2010.
- Hasn’t happened yet in the current BIP data.
- If the crisis continues, how & when will distress appear this time?

% of Properties with a BIP score of 800 or higher
% of Properties with a BIP score of 500-800
% of Properties with a BIP score of 200-500
AFFORDABLE HOUSING 2020
WEBSINAR AND FUNDRAISER
SEPTEMBER 22, 2020

THIS WEBINAR WILL BE A BRONX-FOCUSED LOOK AT THE ISSUES THAT HAVE BEEN BROUGHT TO THE FOREFRONT DURING COVID:
• NEW TRENDS IN MULTIFAMILY FINANCE & SALES
• EXPOSED COMMUNITY NEEDS IN THE BRONX AND OTHER LOW-INCOME COMMUNITIES
• THE STRUGGLE TO PRESERVE AFFORDABLE HOUSING

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PANELISTS FROM THE HEALTH AND HOUSING ARENAS WILL COMMENT ON THE UNHP PRESENTATION AND SHARE THEIR EXPERIENCES DURING COVID-19.

Contact UNHP for more information
Cathy Clarke: clarke@unhp.org

UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM
2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | www.unhp.org