

# 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.*

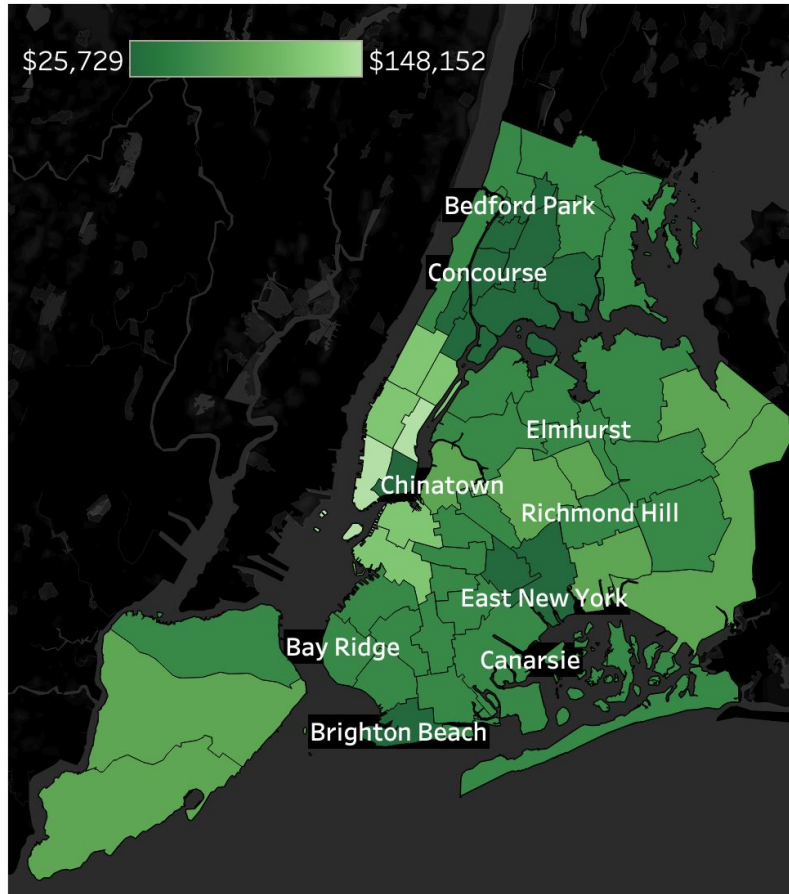
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#### UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

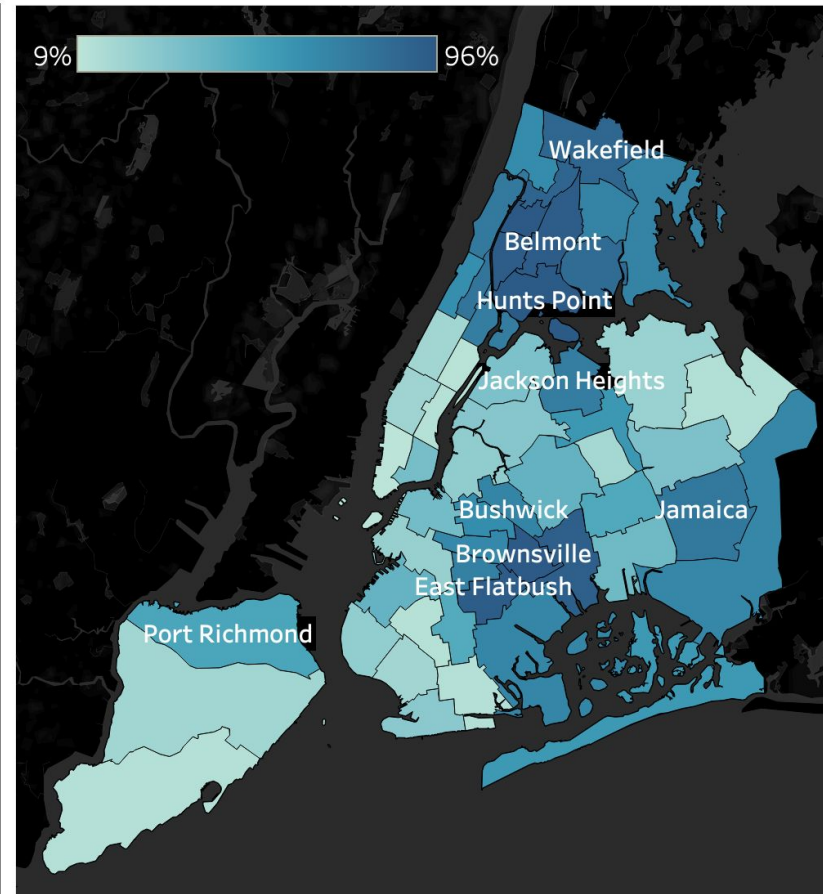
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# NYC Demographics - Income & Race / Ethnicity

Median Household Income



Percentage of Population Hispanic, Latinx, or Black



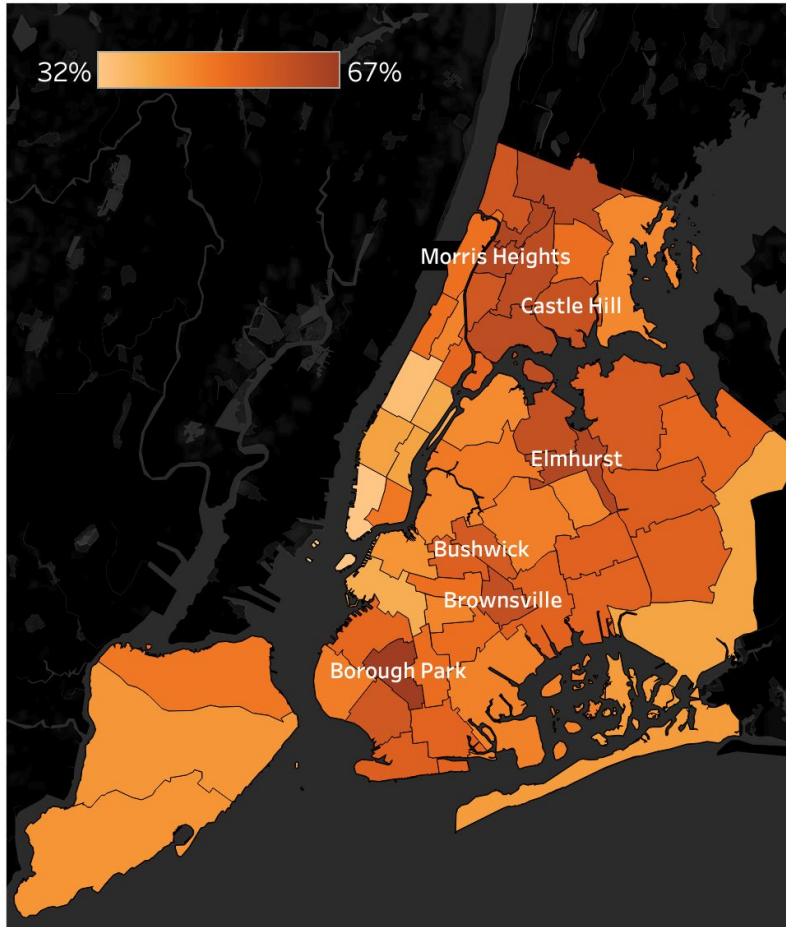
Source: American Community Survey 2018 1 year estimates, by PUMA

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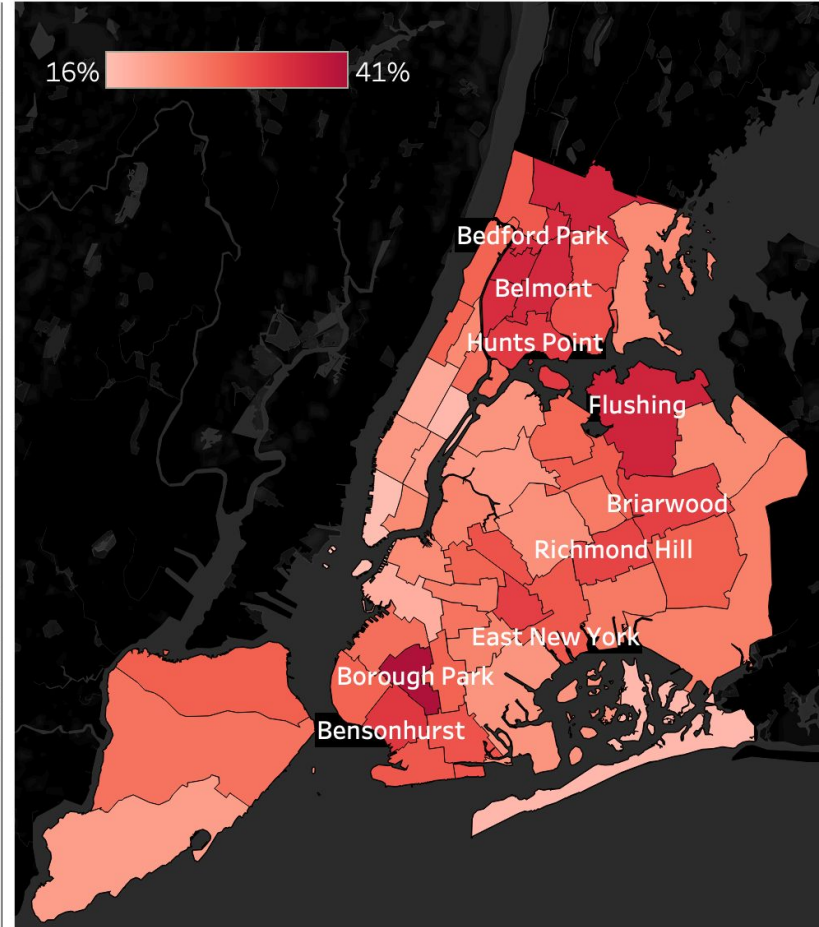
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# NYC Demographics - Rent Burden

Percentage of Rent Burdened Households



Percentage of Severely Rent Burdened Households



Source: American Community Survey 2018 1 year estimates, by PUMA

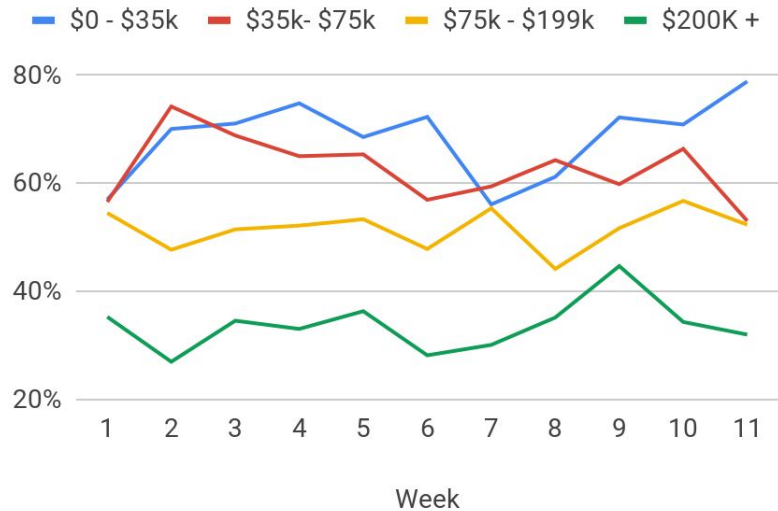
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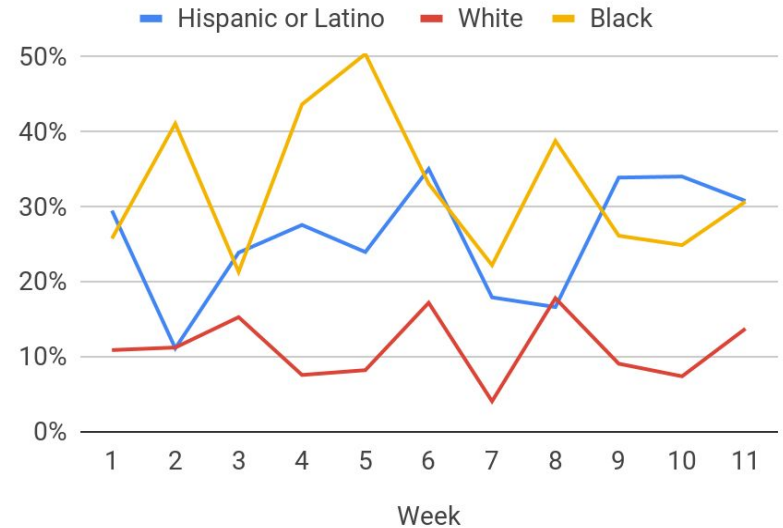
# New York During COVID - Household Pulse Survey

- 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.

**Experienced Loss of Household Income by Income Bracket - NYC MSA**



**Did Not Pay Last Month's Rent by Race / Ethnicity - NYC MSA**



For more on these effects, see UNHP's recent blog, "[Bronx Reality Before COVID is Manifesting Devastating & Deadly Consequences](#)"

Source: Census Bureau, Household Pulse Survey



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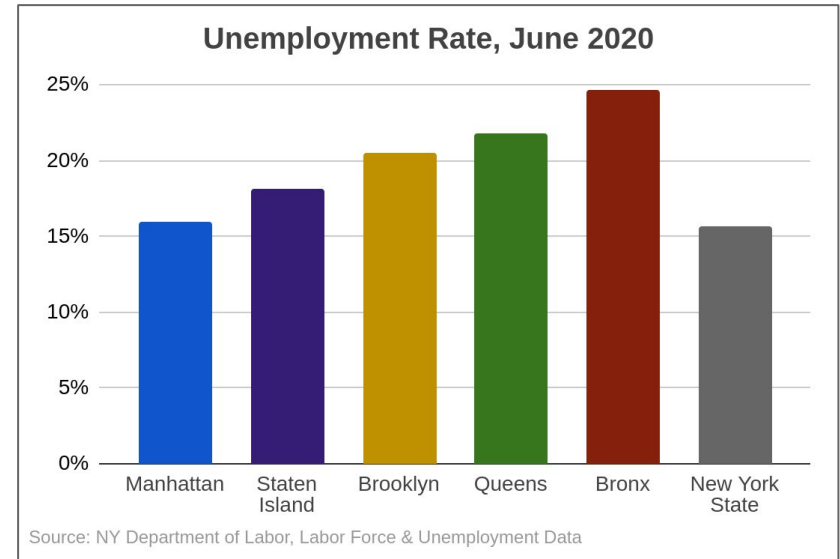
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# New York During COVID - Disruption or Depression?

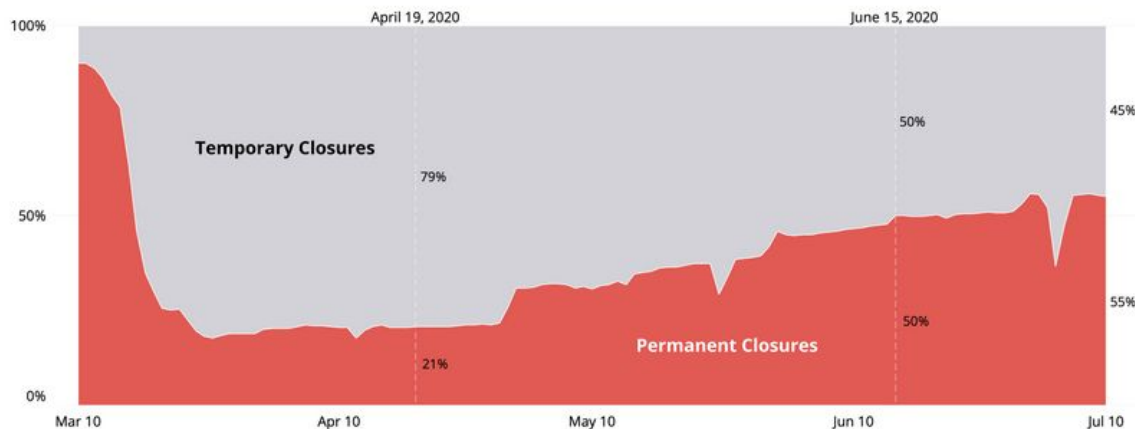
Bronx unemployment is at nearly **25%** as of June 2020.

*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



Source: <https://www.yelpeconomiccoverage.com/yea-q2-2020.html>, cited by Washington Post 7.23.2020

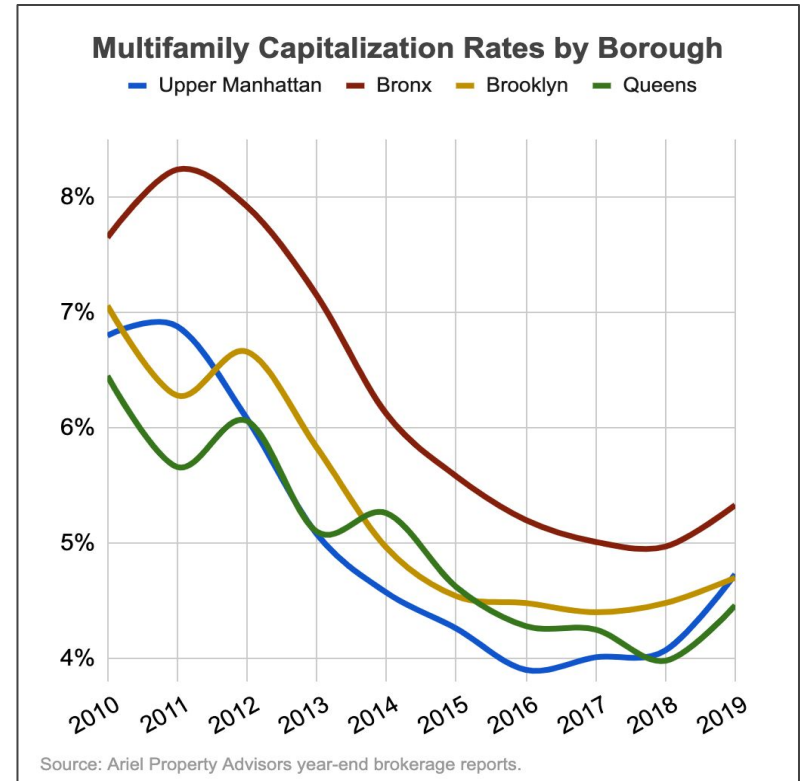
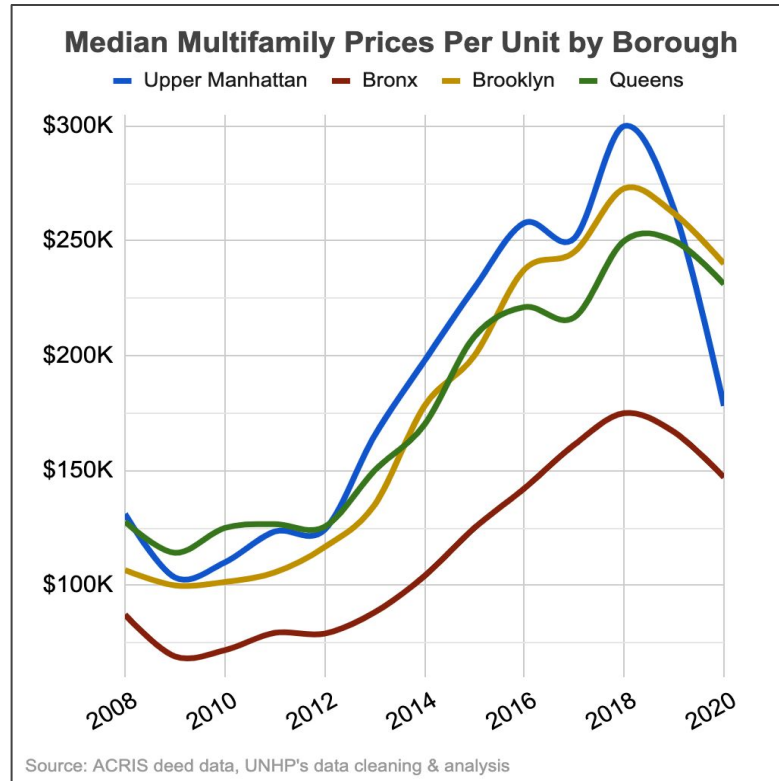


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# NYC Multifamily Real Estate Market - the last decade

- 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.



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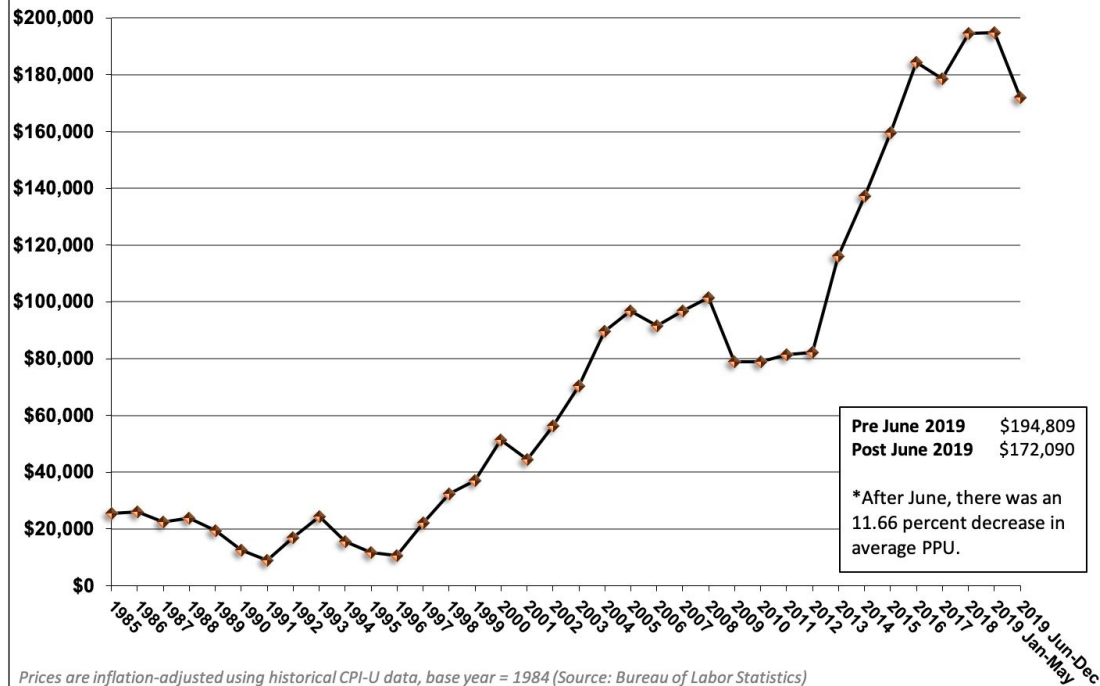
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# NYC Multifamily Real Estate Market - a longer view

- 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.

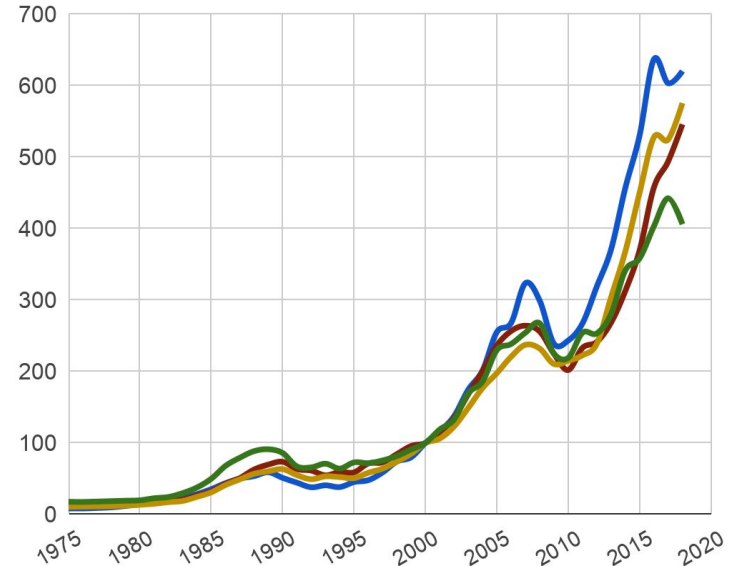
## Average Annual Price per Unit for Bronx Multifamily Residential Housing, 1985-2019 in Constant 2018 Dollars

Sources: Win2Data (2002-2007), RealQuest (2007-2012) and NYCDOF Rolling Property Sales (2013-2018)



## NYC Multifamily Housing Price Appreciation Index, 1975-2018, NYU Furman Center

Manhattan Bronx Brooklyn Queens



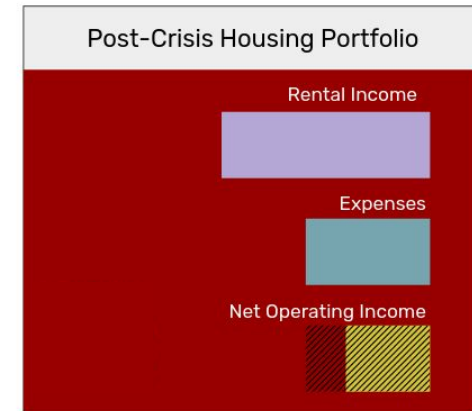
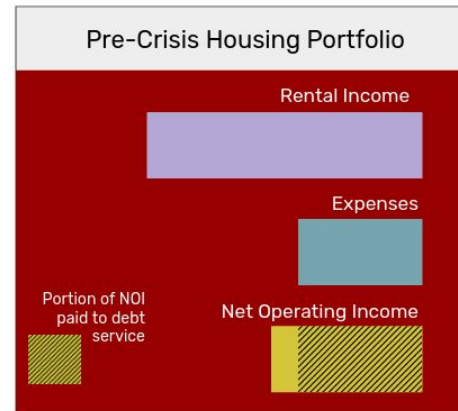
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# NYC Multifamily Real Estate Market - Where does this leave us?

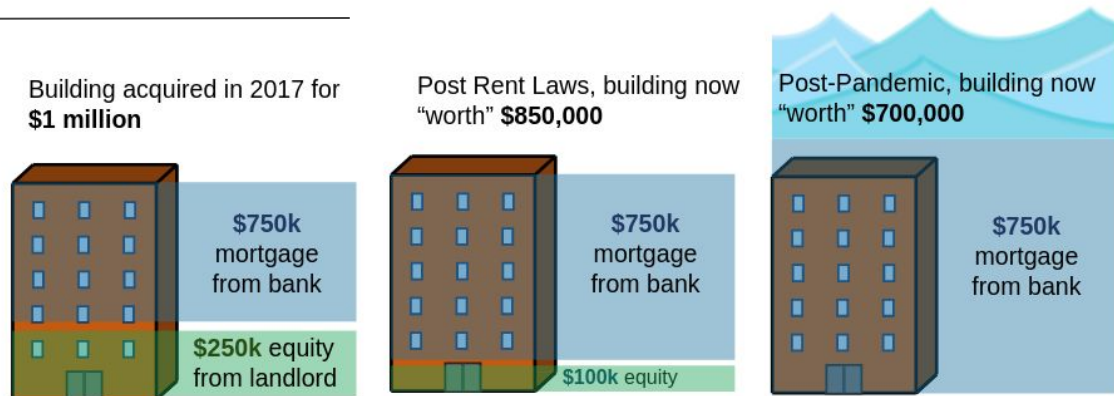
## Owners

- 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?



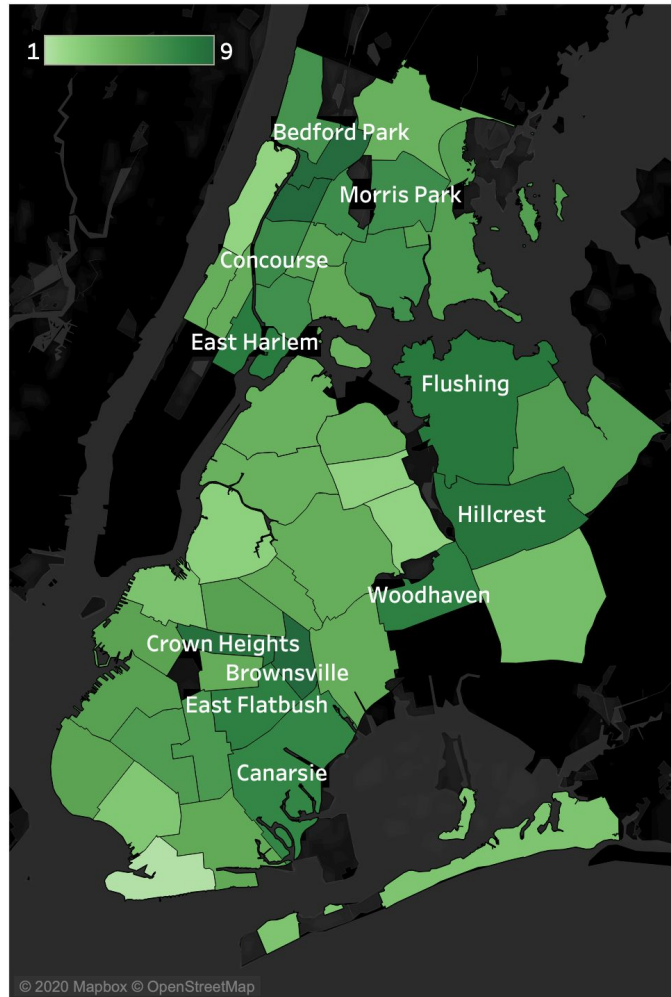
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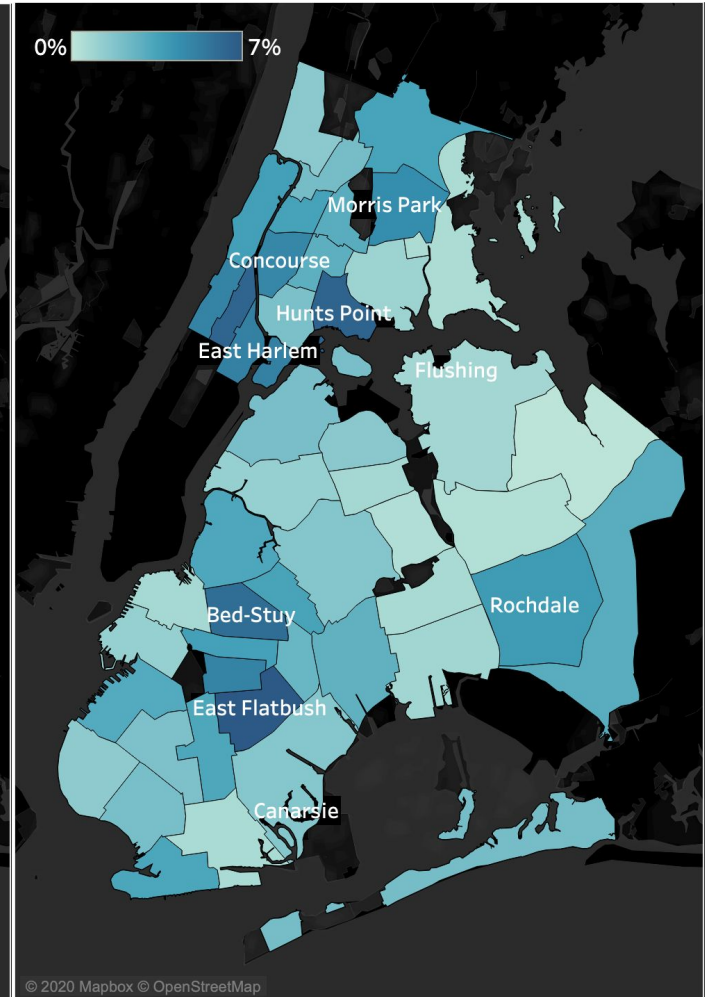


# NYC Multifamily Real Estate Market - back to the maps

Percent Change in Median Price vs. Percent Change in Median Rent by Community District



Percentage of Units in Financial or Physical Distress by Community District




Sources: American Community Survey, ACRIS data (cleaned and analyzed by UNHP), Building Indicator Project

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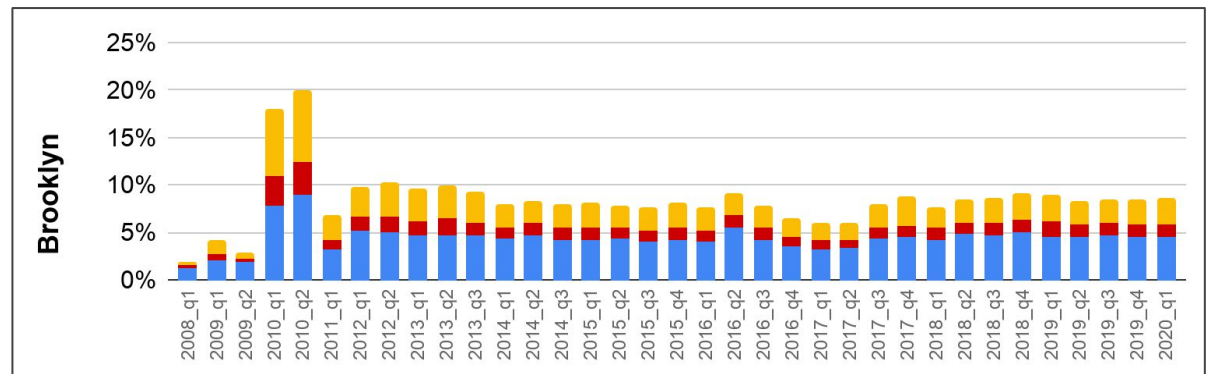
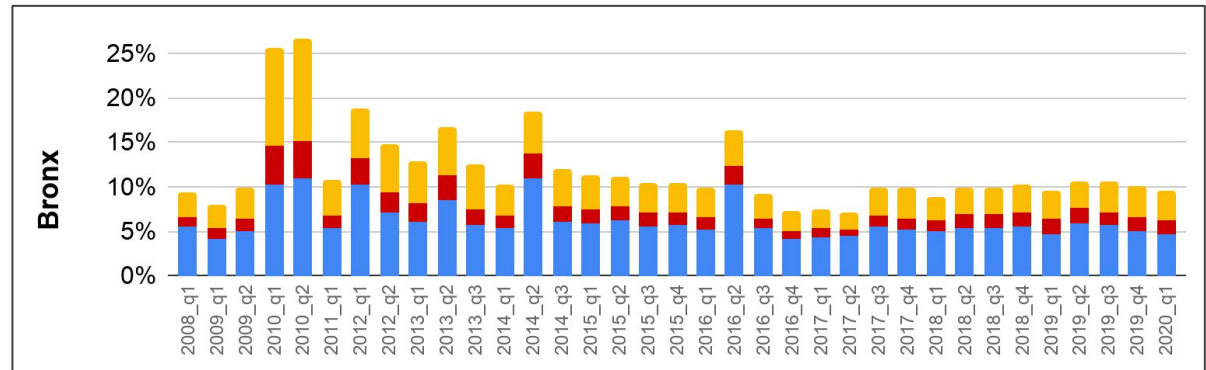
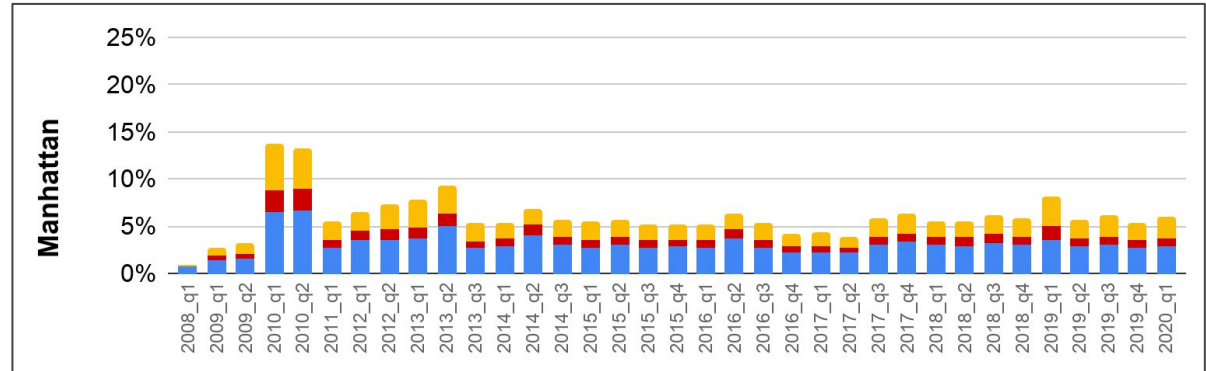
# BIP Trends - Past, Present, & Future

- 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



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# AFFORDABLE HOUSING 2020

WEBINAR 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](mailto:clarke@unhp.org)**



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