

# Building Indicator Project – Annual Meeting

University Neighborhood Housing Program

December 15, 2022

## Agenda

- *Introduction* – Jim Buckley, Executive Director (UNHP)
- *UNHP Presentation* – Jacob Udell, Director of Research and Data (UNHP)
- *HPD Presentation* – Kim Darga, Deputy Commissioner, Office of Development (HPD)
- *Questions & Discussion*



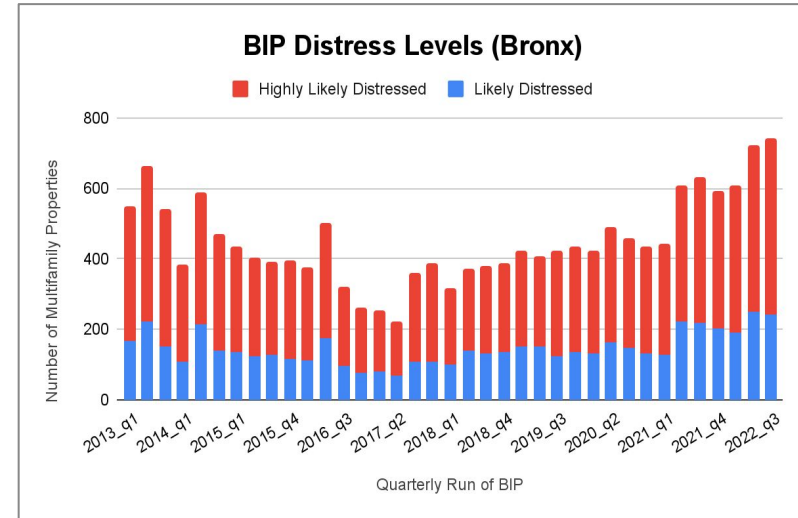
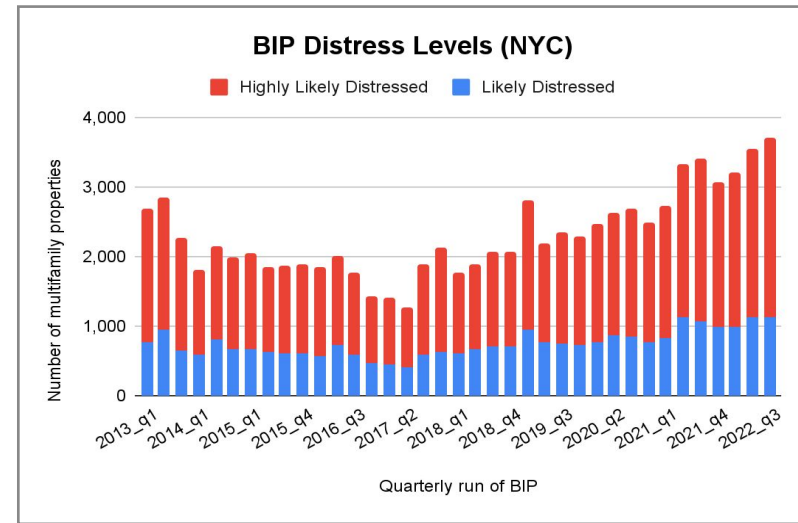
---

**UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM**

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | [www.unhp.org](http://www.unhp.org)

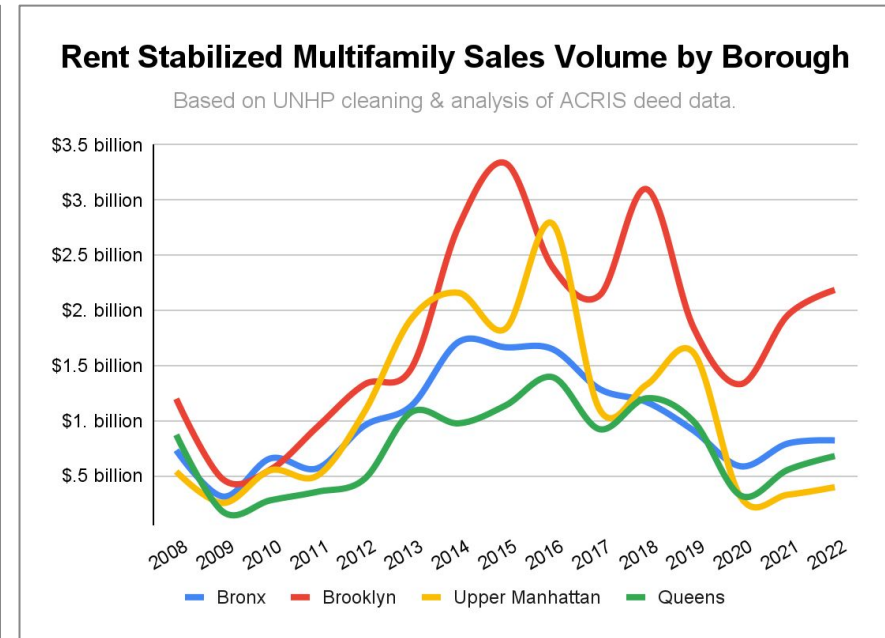
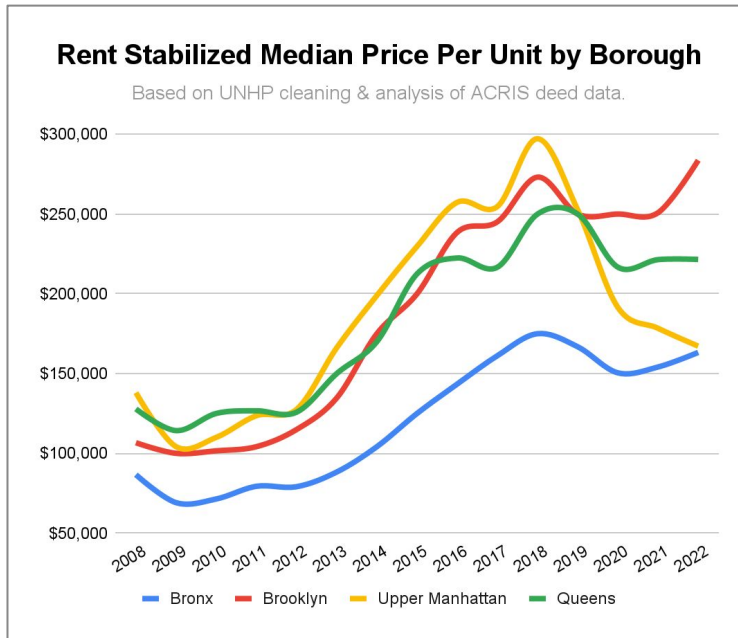
# Building Indicator Project (BIP)

- Rise in distress of **nearly 300%** since a low in 2017, particularly over the last two years (n = 71,706).
- Among likely rent-stabilized properties, there has been a **435%** rise in distress buildings since 2017 (n = 42,061).
- Why is this happening?
  - Speculation and the end of the real estate cycle,
  - Changing profit calculus post-HSTPA,
  - Pandemic.
- *What has the role of lenders been? And what should their responsibility be moving forward?*



# Rent-Stabilized Market

- Dip in prices per unit & sales volume for rent-stabilized housing in 2019 has proven lasting (except in Brooklyn & Lower Manhattan). Will it continue?
- Potential for crisis, but also a preservation opportunity?



"Rent-Stabilized Property" defined as having at least one rent-stabilized unit during the year in which the sale occurred, according to all publicly available sources of data.



**UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM**

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | [www.unhp.org](http://www.unhp.org)

# Physical Distress

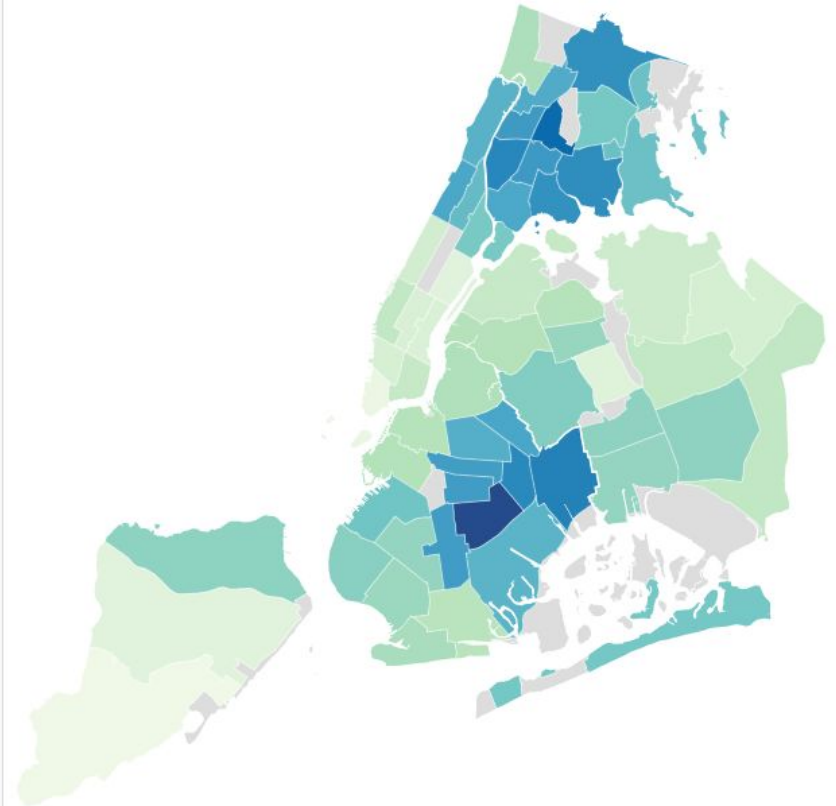
- Particularly stark rise in open violations recently.
- Over the last four quarters of BIP, there has been an average of approximately 325,000 unresolved prior year violations across the database.
  - Over the previous five years, that average was around 235,000.
- Violations are largely concentrated in the Bronx, Upper Manhattan, and certain neighborhoods in Brooklyn.
- Is the rise due to a change in approach by HPD inspectors, or reflective of deteriorating conditions?



## HPD Violations per Unit, Preceding 12 Months

By Community District, as of the Building Indicator Project 2022 Q3.

0.04 0.69



Map: University Neighborhood Housing Program • Source: Building Indicator Project analysis of HPD Open Data. • [Get the data](#) • Created with [Datavrapper](#)

## UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | [www.unhp.org](http://www.unhp.org)

# Physical Distress, Evictions, & Rent Burden

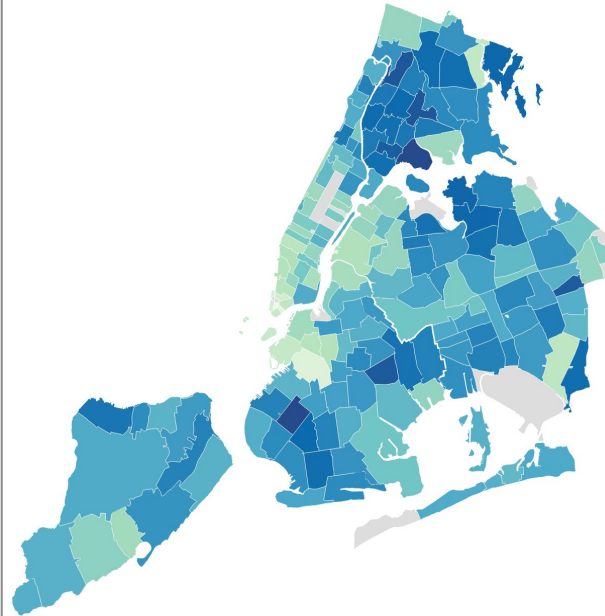
- Heat maps of eviction filings and percentage of rent burdened households overlap with the previous map of maintenance code violations.

*Begs serious questions about the state of housing operations in areas with concentrations of low- and moderate-income households, largely communities of color.*

## Percent of Severely Burdened Renter Households

According to ACS 2021 5-year estimates, aggregated by zip code.

11.93 40

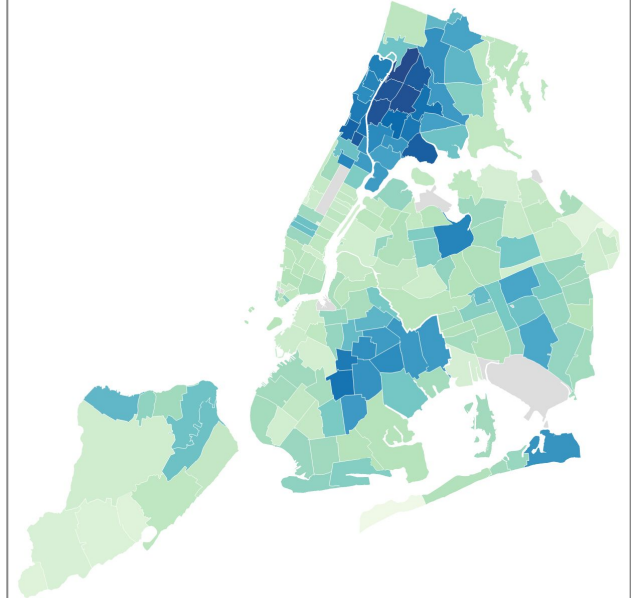


Map: University Neighborhood Housing Program • Source: American Community Survey • Created with Datawrapper

## Eviction Filings per 1,000 Residents During the Pandemic

All eviction filings from March 16, 2020 through December 2022, aggregated by zip code.

2 407



Map: University Neighborhood Housing Program • Source: Data from the New York State Office of Court Administration via the Housing Data Coalition in collaboration with the Right to Counsel Coalition. • Created with Datawrapper



**UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM**

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | [www.unhp.org](http://www.unhp.org)

# Physical Distress – Top Decile

- Properties with top 10% of violations as of BIP Q3 2022
  - 7,511 properties
  - Average of **5.3** unresolved hazardous and immediately hazardous violations per unit.
- Over 80% of these properties have been in the top decile of physical distress for **at least 10 quarters** of BIP since 2008 (45 total quarterly data runs).
- How do we address chronically distressed multifamily properties, especially at a time when physical distress is rising?
  - Code Enforcement? Subsidy? Preservation?

Borough	# of Buildings in Top Decile	% of Total Buildings in Borough	Average Top Decile Occurrences, 2008-2022
Manhattan	1,653	7.3%	26.9
Bronx	977	10.9%	21.7
Brooklyn	3,964	14.2%	27.0
Queens	865	7.5%	24.7
Staten Island	52	7.4%	20.9

Source: UNHP's Building Indicator Project.

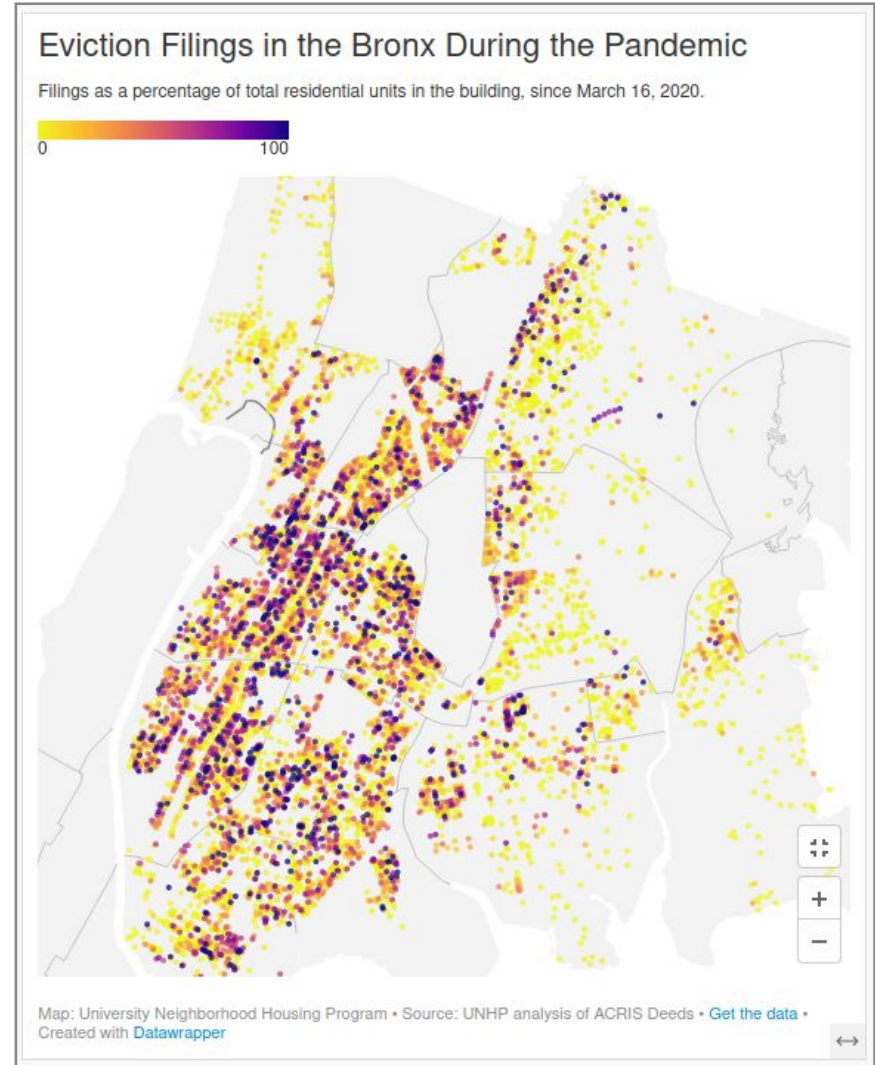


## UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | [www.unhp.org](http://www.unhp.org)

# Eviction Data – Bronx

- The Bronx has almost twice the eviction filing rate as NYC as a whole.
  - Since March 2020, the had Bronx **260** eviction filings per 1,000 units.
  - The next highest rate is Brooklyn, with **134** eviction filings per 1,000 units.
- 20% of Bronx properties in BIP have seen eviction filings on more than **50% of households** since March 2020.
- Sifting out filings as court cases progress (by portfolio, by geography, by legal representation etc) will be key in coming months and years.



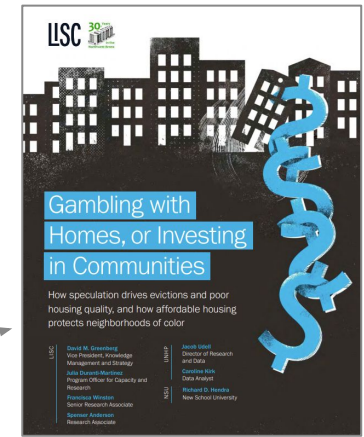
## UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | [www.unhp.org](http://www.unhp.org)

# LISC & UNHP Report

- Regression analysis of over a decade of BIP data –
  - Isolates “speculation” as a predictive indicator for other data.
- Empirical approach to core questions about rising property values and debt levels.
- Far from leading to reinvestment, “speculative” investment led to higher rates of eviction as well as disinvestment.

*Challenges the prevailing theory of how we ensure safe & stable housing.*



To download the report, click here

BBL with Speculative Sale 2016-2017	Total HPD Violations 2018-2020	Total Units	Total Violations Per Unit 2018-2020
Yes	13,025	11,940	1.09
No	1,389,549	2,610,533	0.53
<b>Total</b>	<b>1,402,574</b>	<b>2,622,473</b>	<b>0.53</b>

BBL with Speculative Debt 2016-2017	Total HPD Violations 2018-2020	Total Units	Total Violations Per Unit 2018-2020
Yes	95,773	70,001	1.37
No	1,306,801	2,552,472	0.51
<b>Total</b>	<b>1,402,574</b>	<b>2,622,473</b>	<b>0.53</b>

## UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | [www.unhp.org](http://www.unhp.org)