

Notes on the housing crisis

Number of empty luxury apartments in New York City continues to rise

Robert Fowler
1 February 2016

Number of empty New York City apartments continues to rise

One third of the most expensive apartments in New York City are empty for at least 10 months of the year, according to a recent report by the US Census Bureau.

In addition, the total market value of taxable property has increased by 10.6 percent from last year, surpassing \$1 trillion. For example, the Google building, located at 111 Eighth Avenue in Manhattan, is worth over \$800 million.

Manhattan apartment prices surpassed new heights by the end of 2015, the average price of a co-op or condominium being \$1 million. Hedge Fund manager Kenneth C. Griffin, whose net worth according to Forbes is an estimated \$7 billion, entered into a contract in the summer of 2015 to buy a triplex at 220 Central Park South for approximately \$200 million. If this purchase is successful, it will be the largest sale for a single residence in the country, surpassing the \$147 million sale of an 18-acre East Hampton, NY, estate in 2014.

All of this has made the cost of living in New York City at least 68.8 percent greater than the national average. The real estate web site Street Easy reported that a New York resident needed to earn an hourly pay rate of \$38.50 to afford New York City's median rent of \$2,690 in 2015.

The city's so-called progressive Democratic mayor, Bill de Blasio, has done nothing to address this issue. In

fact, the Mayor intends to reduce the city's current 400-square foot limit for a single apartment to as little as 265 square feet (half the size of one subway car). One realtor hopes to rent units this size for \$950 a month.

But it is not just Manhattan where rent is unaffordable for the vast majority of New Yorkers. Increasingly, working-class and middle-class renters are devoting fifty percent of their incomes and more for apartments in the outer boroughs of the Bronx, Brooklyn, Queens and Staten Island. In Brooklyn, a resident would need to devote 98 percent of his or her median income to afford the payment on a median-priced home. Brooklyn's median rental prices rose 5.6 percent in 2015 and there has been a 16 percent increase in market values. Currently, construction of rental properties accounts for more than half of all construction activity in Brooklyn. Last year, the borough recorded its most expensive sale for a single residence: a 27-foot-wide, three-story brick townhouse in the neighborhood of Cobble Hill sold for over \$15 million. The cost of living in this area currently is 31.3 percent greater than the New York City average. According to an article in *Brooklyn Magazine*, if a person wanted to live alone in Cobble Hill, he or she would have to earn \$46.30 an hour. The estimated rent for a two-bedroom apartment in this neighborhood is \$4,150.

In the borough of Queens, market values have climbed by 9.9 percent. Rent has risen considerably in recent years in working class neighborhoods such as Sunnyside, Woodside and Jackson Heights. In Sunnyside, for example, one-bedroom apartments rent for between \$1,750 to \$2,100 a month. This is an

increase over the already exorbitant range, in 2102, of between \$1,600 to \$1,800.

NYCHA heat shut-offs

The New York City Housing Authority has been shutting off boilers in New York apartment buildings this winter despite temperatures as low as 21 degrees Fahrenheit. The head of NYCHA's heating management, Robert Knapp, justified this by saying the "NYCHA official policy and [Health Department] requirement is heat shut off between 10:00 PM and 5:00 AM when the outside temps are above 20 degrees. When the outside temperature falls below 20 degrees, heat is given through the night."

However, City regulations clearly state that, "Between the hours of 10:00 PM and 6:00 AM, if the temperature outside falls below 40 degrees the inside temperature is required to be at least 55 degrees Fahrenheit."

Deepening homeless crisis

Over the course of 2015, more than 109,000 homeless men, women and children slept in the New York City municipal shelter system. The primary cause of homelessness is a lack of affordable housing. Every night thousands of unsheltered homeless people sleep on the streets, subways and various other public spaces in New York. Studies show that the vast majority of homeless New Yorkers who live rough on the streets have mental illnesses and other severe health issues.

Over 60 percent of New York City's unsheltered homeless population resides in business districts such as the midtown area of Manhattan. In response to this, Mayor de Blasio has introduced a callous new program called the NYC Homeless Outreach and Mobile Engagement Street Action Team.

The purpose of the group of 300 uniformed city employees is to conduct a daily survey of the homeless who live outside. It will produce a set of statistics

called HOME-STAT about this segment of the homeless population, which de Blasio compared to the New York Police Department's crime-tracking model, COMPSTAT. There is little doubt that the tracking of the homeless will be used in police actions.

The number of calls to the city's 311 information centers is at an all-time high. While many are doubtlessly made by people who are concerned about the well-being of the homeless, there is also a grasping and self-absorbed upper middle class constituency that would like to sweep the homeless out of sight and off of the island of Manhattan, which has increasingly become a playground for the wealthy and the super-rich. When de Blasio announced his "outreach" program, he appealed to these social layers, noting that the homeless on the street can "make many New Yorkers uncomfortable, and even fearful."

De Blasio delivered his remarks to a breakfast meeting of the Association for a Better New York, founded by real estate moguls Lewis Rudin and Robert Tisch. The *Wall Street Journal* noted that brief, polite applause broke out when he spoke of the city's removal of 30 homeless encampments.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact