

METHODS

New York City Housing and Vacancy Survey (HVS)

The HVS is conducted every two to three years by the U.S. Census Bureau under contract with the City of New York. The New York City Department of Housing Preservation and Development (HPD) sponsors and supervises the HVS. The primary purpose of the HVS is to satisfy the City's statutory requirement to measure the rental vacancy rate in order to determine if rent regulations should be continued. In addition to the housing unit and household information, a limited set of data also is collected regarding each person in the household.

Because the HVS is a sample survey, not a census, all data derived from the HVS are estimates, not exact counts. The sample for the HVS is designed primarily to achieve acceptable reliability in estimating the 'vacant available for rent' rate for the entire City, so estimates for smaller geographic units, such as sub-borough areas, are subject to potentially large sampling errors. This report uses the convention established by HPD in cautioning the reader about any estimates that are based on 2,000 or fewer weighted observations. Readers should treat these estimates with some skepticism and be aware that the true value may differ significantly from the reported estimate.

When reporting median income, all dollar amounts are adjusted to 2004 dollars, the most recent year for which income data exists from the Housing and Vacancy Survey. When reporting median rent, all dollars amounts are adjusted to 2005 dollars. This allows for more consistent comparisons across years for individual indicators.

Housing Price Appreciation Indices

The index of housing price appreciation, also called the repeat sales index, is a relative measure of change in property values over time. Housing price appreciation indices have been constructed for four different property types (condominiums, single-family homes, 2 - 4 family homes, and 5+ unit apartment buildings) for New York City as a whole and for each borough. Due to insufficient data, the price indices have been created only for the most representative building type at the community district level. Estimating price indices

separately for different types of properties allows for different market valuations and fluctuations within each property type.

The primary data set used to construct the price index was obtained under an exclusive arrangement with the New York City Department of Finance. This data set contains information on address, price, and date of sale for all transactions involving sales of apartment buildings, condominium apartments and single and two family homes in New York City between 1974 and 2004. A total of roughly 200,000 pairs of sales were used in the estimation.

The repeat sales price indices are created using statistical regression techniques. There are two basic approaches that are used by economists to estimate housing price indices: the hedonic regression and the repeat sales method. Both of these approaches estimate the temporal price movement controlling for the variation in the types of homes sold over time. Each method has its own strengths and weaknesses.

The repeat-sales methodology controls for hedonic characteristics by using data on properties that have sold more than once. An attractive feature of this method is that, unlike the hedonic approach, it does not require the measurement of house quality; it only requires time invariance of the quality of individual houses in the sample. The most important drawback of the repeat sales method is that it fails to use the full information available in the data. In most data sets, only a small proportion of the housing stock is sold more than once, and none of the data on single sales can be used. Moreover, properties that transact more than once may not be representative of all properties in the market, raising concerns about sample selection bias. As the index period lengthens, more houses fit the multiple sales category. This attenuates sample selection bias but exacerbates a heteroskedasticity problem; Case and Schiller (1989) show evidence that price change variability is positively related to the interval of time between sales.

This report uses the repeat sales method to estimate price indices. Most of the problems associated with this method are overcome in this report. Specifically, the data set used here is quite large, so that we lose little precision by eliminating observations (properties that sold

only once). Moreover, the time period of 30 years is long enough that we capture a fairly large proportion of the housing stock. Finally, we use the three-step procedure suggested by Case and Schiller (1989) and modified by Quigley and Van Order (1995) to account for the possibility of time-dependent error variances.

In the first stage, the log price per unit of the second sale minus the log price per unit of the first sale is regressed on a set of dummy variables, one for each time period (year, in this case) in the sample except for the first. The dummy variables have values of +1 for the year of the second sale, -1 for the year of the first sale, and zeros otherwise.

In the second stage, the squared residuals from the first stage are regressed on a constant term, the time interval between sales, and the time interval squared. The fitted value in the stage-two regression is a consistent estimate of the error variance in the stage-one regression. In the third stage, the stage-one regression is re-estimated by generalized least squares, using as weights the inverse of the square root of the fitted values in the stage-two regression.

Case, K.E. and R.J. Schiller. 1989. "The Efficiency of the Market for Single Family Homes." *American Economic Review*, 79, p.125-37.

Goodman, A.C. and J.L. Goodman, Jr., 1997. "The Co-op Discount." *Journal of Real Estate Finance and Economics*, 14(1-2), p.223-33.

Quigley, J.M. and R. Van Order, 1995. "Explicit Tests of Contingent Claims Models of Mortgage Default." *Journal of Real Estate Finance and Economics*, 11(2), p.99-117.

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ABOUT NYCHANIS

www.nychanis.com

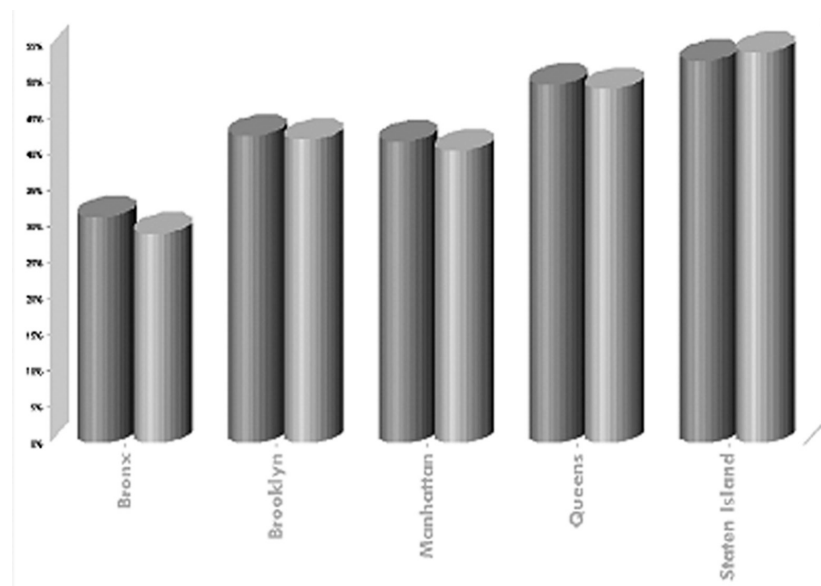
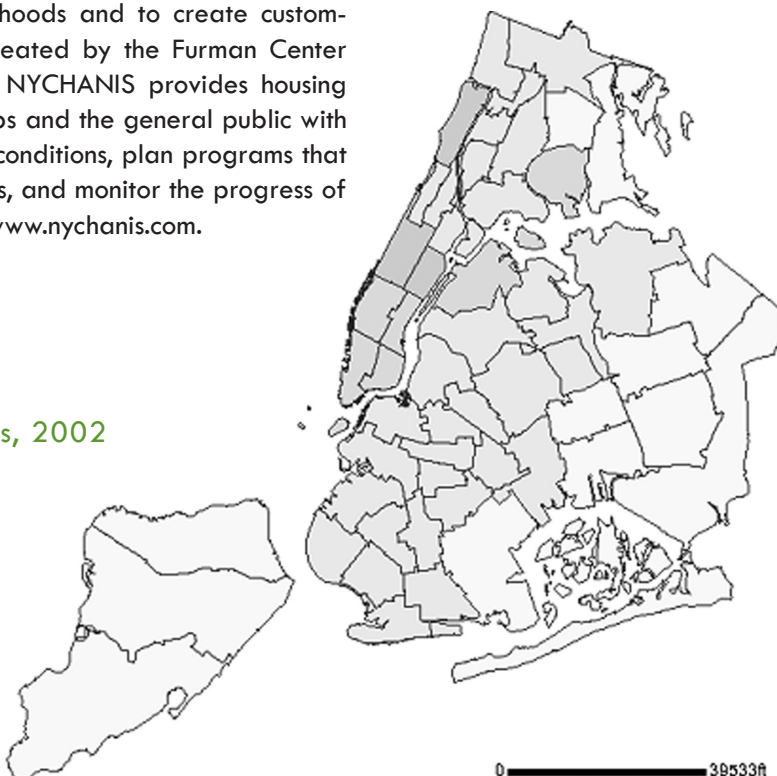
The New York City Housing and Neighborhood Information System (NYCHANIS) is an interactive website that allows users to obtain data and information about New York City neighborhoods and to create custom-made tables, charts, graphs, and maps. Created by the Furman Center in 2004 and updated on a regular basis, NYCHANIS provides housing organizations, community development groups and the general public with the data they need to assess neighborhood conditions, plan programs that will improve their housing and neighborhoods, and monitor the progress of those programs. NYCHANIS is available at www.nychanis.com.

CREATE MAPS

right: Number of Rental Housing Units, 2002

Some features of NYCHANIS include:

- Data on over 1,800 characteristics of New York City housing and neighborhoods
- The most up-to-date information available on New York City's housing stock, neighborhood conditions, and residential population
- Easily accessible and searchable, web-based interface
- Ability to zero in on geographical areas of interest, from boroughs and community districts all the way down to census tracts, police precincts, and school districts



CREATE TABLES AND CHARTS

left: Percentage of students who perform at or above grade level in Math/English, 2004

For more information like that found in the report, please visit www.nychanis.com

For more information about NYCHANIS email furmancenter@nyu.edu.

ABOUT PlanNYC

www.plannyc.org

PlanNYC, located at www.plannyc.org, gives citizens and organizations interested in housing and development in New York City easy access to facts and news related to major planning projects, development proposals, and important policy issues being debated in the City. PlanNYC summarizes news articles about each project, links to official documents such as environmental impact statements, and provides information about how to participate in hearings and other public processes related to each project. Unlike the websites of many government agencies, the real estate industry and advocacy organizations, PlanNYC takes care to feature perspectives on all sides of each issue.

READ

articles, government documents and perspectives from all sides on development projects and issues

CONEY ISLAND DEVELOPMENT	RSS	QUICK LINKS
Investments in Coney Island like the construction of the Brooklyn Cyclone's KeySpan Park, restoration of the Stillwell Avenue Terminal, and development of substantial amounts of infill housing within the community have all laid the groundwork for further development at Coney Island. In 2003, the City mobilized the Coney Island Development Corporation to plan and implement economic and development strategies like developing vacant property for commercial and residential use, including housing, retail stores and a community center.		▶ Coney Island Development Corporation ▶ Coney Island-Nickel Empire ▶ Thor Equities ▶ Triple Five Group ▶ NYC Parks Department-Coney Island Info ▶ Coney Island USA ▶ New York Wired Discussion Forum ▶ Strategic Plan Press Release ▶ Coney Island Area Map

The City announced the strategic plan in September, 2005, committing \$83.2 million in funds to keep the projects rolling. Projects will continue in the area through 2009 as more private funds become available. Some long-time vendors will be forced to leave as a result of the revitalization plans, causing concern about what will happen to the beloved unique Coney Island experience.

SEARCH

for planning issues and projects

PlanNYC features news summaries and links to development-related articles, official documents such as environmental impact statements, and a calendar of upcoming planning events that includes local community board meetings as well as citywide panels and hearings. PlanNYC brings information from advocacy organizations, government agencies, academic institutions, neighborhood groups, and media organizations together in one location.

PLANNING EVENTS

<< May 2006 >>

S	M	T	W	T	F	S
> 30	01	02	03	04	05	06
> 07	08	09	10	11	12	13
> 14	15	16	17	18	19	20
> 21	22	23	24	25	26	27
> 28	29	30	31	01	02	03

Upcoming Events
Thu, June 15 2006
06:30 PM The Atlantic Yards Project:
Can It Work for Brooklyn?

Calendar

View local meetings and planning events



Community Districts

View planning projects in your CD by clicking on the interactive map

PlanNYC was developed by Jordan Anderson as part of his Master in Urban Planning capstone project at NYU's Wagner School of Public Service.

ABOUT THE FURMAN CENTER

Since its founding in 1994, the Furman Center for Real Estate and Urban Policy has become the leading academic research center in New York City devoted to the public policy aspects of land use, real estate development and housing.

The Furman Center is dedicated to the following three missions:

Providing objective academic and empirical research on the legal and public policy issues involving land use, real estate, housing and urban affairs in the United States, with a particular focus on New York City. At present, our research focuses particularly on measuring the impacts that public and private investments in housing, schools, amenities and services have on neighborhood property values and other measures of neighborhood quality;

Promoting frank and productive discussions among elected and appointed officials, leaders of the real estate industry, leaders of non-profit housing and community development organizations, scholars, faculty and students about critical issues in land use, real estate and urban policy;

Presenting essential data and analysis about the state of New York City's housing and neighborhoods to all those involved in land use, real estate development, community economic development, housing, urban economics and urban policy.



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