HOU$ING GAP LI homeowners face increasing financial burden

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Abstract: Marianne Garvin, president and chief executive of Community Development Corp. of Long Island, said a dearth of affordable housing - both owned and rental - elevates the share of income renters and homeowners have to spend for shelter.

Full text: Nearly 44 percent of Long Island homeowners pay more for housing than they can afford, among the highest rates in New York, according to a report released yesterday. And things are even worse for renters. Housing affordability - that is, the cost of owning or renting a home in a county compared with median incomes there - declined sharply from 2000 to 2012, according to the study released by state Comptroller Thomas P. DiNapoli.

In Nassau County, 43.9 percent of homeowners in 2012 faced housing costs that exceeded 30 percent of their income, considered the threshold of affordability, the report found. In Suffolk County, the rate was 43.7 percent. Housing and business advocates said the financial burdens facing Long Island homeowners pose a challenge in attracting businesses here, and, in the long term, stunt economic growth.

"The more expensive it is to rent or own a home, it makes it harder for a business to recruit a workforce," said Kevin Law, president of the Long Island Association, the Island's largest business group. "Our economy is dependent on retail and consumer spending. Every dollar spent on owning or renting a home is not spent on local business."

The report comes shortly after an analysis of U.S. Census Bureau data concluded that Long Island's young-people workforce is in "demographic collapse," particularly in communities with the most expensive housing. The only New York county with more excessive housing costs than Nassau or Suffolk was Brooklyn, where skyrocketing prices have caused 46.7 percent of homeowners to pay more than 30 percent of their income for housing. The Bronx, meanwhile, tied with Suffolk at 43.7 percent.

Long Islanders who cannot afford to buy a home might seek out rentals. However, for many of them, the rent is also too high, the report found. Among renters, 54 percent of Suffolk residents and 53.2 percent of Nassau residents turned over more than 30 percent of their paychecks to landlords. Suffolk ranked sixth in the state by that measure, and Nassau ranked 11th. The least affordable county was the Bronx, where 57.6 percent of residents paid rents that exceeded 30 percent of their income.

For homeowners and renters alike, the situation has been getting worse, the report found. The share of homeowners paying more than 30 percent of their income for housing has risen by 12.2 percentage points in Nassau and 10.9 percentage points in Suffolk from 2000 to 2012, the report found. Marianne Garvin, president and chief executive of Community Development Corp. of Long Island, said a dearth of affordable housing - both owned and rental - elevates the share of income renters and homeowners have to spend for shelter.

"If you're paying no more than 30 percent of your gross income for housing costs, you're doing great," Garvin said. "When you're paying 45 to 50 percent, it becomes very difficult for people to manage. How do they pay for health care? How do they pay for food? How do they pay for their car?"

For renters, the lack of affordability has risen by 10.9 percentage points in Suffolk and 14 percentage points in Nassau over the same period, according to the report. The study calculated monthly owner cost as the total of mortgages and other debts on real estate taxes,
property insurance, utilities and fuel costs. The study also found that Nassau and Suffolk had among the state's highest rates of home ownership, at 80.4 and 78.9 percent, respectively.

Some experts said taxes contributed to the problem of housing costs. "We've seen interest rates go down, but taxes continue to rise, as well as fuel costs and everything else," said Peter Elkowitz, president of the Long Island Housing Partnership, a nonprofit that supports affordable housing.

Jonathan Miller, president of Miller Samuel, a Manhattan real estate appraisal and consulting firm, said that real estate taxes have increased throughout New York State as cash-strapped municipalities look "for income replacement for lost revenue from a weak economy."

OWNERSHIP: Least affordable NY counties
Percentage of residents who pay more than 30% of income for housing
1. Brooklyn 46.7%
2. Nassau 43.9%
3. Suffolk 43.7%
4. Bronx 43.7%
5. Queens 43.2%

RENTAL: Least affordable NY counties
Percentage of residents who pay more than 30% of income for housing
1. Bronx 57.6%
2. Green 57.5%
3. Ulster 55.1%
4. Rockland 55.0%
5. Orange 54.7%
6. Suffolk 54.0%
7. Putnam 53.8%
8. Monroe 53.7%
9. Queens 53.7%
10. Westchester 53.3%
11. Nassau 53.2%

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