# **CRAIN'S** NEW YORK BUSINESS

0

YIMIN LOGOUT



Home > Real Estate

May 03, 2022 01:43 PM UPDATED 18 HOURS AGO

# Housing costs are increasing, but New York's still sort of a deal

CARA EISENPRESS













### REPRINTS



Buck Ennis

The cost of housing in the New York City area is not soaring the way it is in the rest of the country—even though rents

The consumer price index for shelter shows prices increasing at less than half the speed in the New York area as nationally—2.1% between March 2021 and March of this year, compared with 5% for the U.S. as a whole, according to the latest CPI released by the Bureau of Labor Statistics and analyzed by City Comptroller Brad Lander this week.

Shelter refers to the cost of rent and what's called "owner equivalent rent," or the rental value of owner-occupied units. In New York City the overall inflation index gives more weight to housing costs because it is such an expensive place to live in the first place. This is only the second time in a nearly 50-year period that New York's total price index has run so far below the U.S.'s; at 37.5% for the city and 32.9% for the country, shelter accounts for the single-largest portion of the index.

### **RELATED ARTICLES**



Brooklyn retail thrives in residential areas, stumbles in office districts



Why a tax on the wealthy's second homes stumbles in New York



More renters are moving out instead of paying higher rates

As a result, even though rents are growing at double-digit rates month over month, New Yorkers might not be feeling the same pinch to their bank account as Americans in other regions.

That could be because so many rent-stabilized units locally keep down the prices of hundreds of thousands of units, Lander said. The index, he added, is regional, and housing prices in the larger metropolitan area are indeed rising, according to data presented by the Federal Reserve Bank of New York.

The U.S. national index for housing affordability from Oxford Economics showed that housing became less affordable across the country in the last quarter of this year for those purchasing property. Affordability deteriorated most quickly in the Southeast and Mountain metropolitan areas, according to its latest briefing.

ADVERTISING





https://www.crainsnewyork.com/real-estate/housing-costs-are-increasing-new-yorks-still-sort-deal?utm\_source=morning-10-wednesday&utm\_medium=email&utm\_...

For example, while home prices in Manhattan rose 7.3% over the year ending in February, they rose more than double that in Rockland, Orange and Ulster counties—places that became possible homes for those who used to live closer to their offices, thanks to the rise in fully remote work or occasional commuting.

During the year ending July 1, 2021, the city's population dropped by 305,665 people, according to population estimates released in March by the Census Bureau, possibly easing some price pressure. This was driven by a net domestic migration of 342,449 people—more than triple the city's average annual domestic migration losses, think tank Empire Center said.

Sign up for the Real Estate Daily, a roundup of industry news and daily deals. Delivered to your inbox every afternoon M-F.		
EMAIL ADDRESS	SUBMIT	
I'm not a robot	reCAPTCHA Privacy - Terms	

Those sweeping demographic changes could be creating demand for housing in areas far outside of the New York City metropolitan area, heightening the contrast between the local shelter inflation and theirs. In dozens of counties in Florida, Tennessee and North Carolina, home prices jumped by 30% year over year.

Despite the comparisons, New York City is not exactly wallet-friendly. Interest rates have recently jumped to an average of 5.1% for a 30-year fixed-rate mortgage, compared with just over 3% at the end of 2021. In mid-April the city's Rent Guidelines Board suggested rent increases of up to 9% for new two-year leases for rent stabilized apartments.

Along with these forward-looking indicators, there are "signals the metro will stay less affordable than most other U.S. metros," said Oren Klachkin, the economist who wrote the Oxford Economics report.

MMENDED FOR YOU		
	Deals of the Day: May 3	
	Luxury assisted-living facility opens on the Upper East Side	
	Deals of the Day: May 2	
	Sponsored Content: Getting ready for the construction boom	

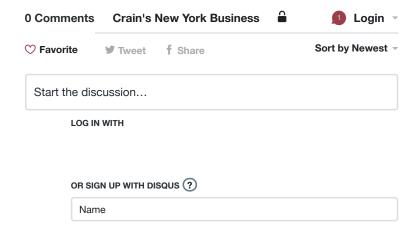
# **Most Popular**

Our Real Estate Daily provides a summary of the day's top NYC real estate industry headlines and deals.



×

	Department of Buildings
2	Top earners at Lenox Hill Hospital and Mount Sinai Beth Israel
3	Hochul appoints Antonio Delgado lieutenant governor
4	Subway shooting may delay return to office, business leaders fear
5	Met Gala rolls out the red carpet for the city's economic recovery



Be the first to comment.

**CRAIN'S** NEW YORK BUSINESS

# GET OUR NEWSLETTERS Staying current is easy with Crain's news delivered straight to your inbox, free of charge. Click below to see everything we have to offer. Email Address SIGN UP HERE CRAIN'S STUDENT OFFER

Our Real Estate Daily provides a summary of the day's top NYC real estate industry headlines and deals.



X

### SUBSCRIBE TODAY!

## **CONNECT WITH US**











Our Mission

Crain's New York Business is the trusted voice of the New York business community—connecting businesses across the five boroughs by providing analysis and opinion on how to navigate New York's complex business and political landscape.

### **CRAIN'S** NEW YORK BUSINESS

### **CONTACT US**

685 Third Avenue New York, NY 10017 (212) 210-0100

Contact us

FAQ

Report a problem

Staff directory

Crain jobs

**EVENTS** 

**Submit Your Event** 

All Upcoming Events

Crain's Power Breakfasts

Crain's Events

Livestreams

Webcast Archives

Past Crain's Events

Corporate Membership

### **RESOURCES**

Our Real Estate Daily provides a summary of the day's top NYC real estate industry headlines and deals.

SIGN UP

Current Issue

Newsletters

Sitemap

Reprints

Corrections and Clarifications

LEGAL

Terms and Conditions

Privacy Policy

Privacy Request

COPYRIGHT © 1996-2022. Crain Communications, Inc. All Rights Reserved.

SIGN UP

https://www.crainsnewyork.com/real-estate/housing-costs-are-increasing-new-yorks-still-sort-deal?utm\_source=morning-10-wednesday&utm\_medium=email&utm\_...