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ANALYSIS OF THE STATEN ISLAND, N.Y., HOUSING MARKET

AS OF OCTOBER 1, 1964

HOUSING AND HOME FINANCE AGENCY
ADMINISTRATION
WASHINGTON 25, D.C.

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A Report by the
FEDERAL HOUSING ADMINISTRATION
—
HOUSING AND HOME FINANCE AGENCY
WASHINGTON, D.C. 20411
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FIELD MARKET ANALYSIS SERVICE
FEDERAL HOUSING ADMINISTRATION
Housing and Home Finance Agency

Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science the judgmental factor is important in the development of findings and conclusions. There will, of course, be differences of opinion in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

The factual framework for each analysis is developed as thoroughly as possible on the basis of information available from both local and national sources. Unless specifically identified by source reference, all estimates and judgments in the analysis are those of the authoring analyst.

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Summary and Conclusions

1. The economy of the Staten Island Housing Market Area (HMA) is heavily dependent on commuters. At present, approximately 49 percent of the employed residents of the island work elsewhere; over half travel to Manhattan. With the recent rapid growth of Staten Island, many large retail outlets have been opened and several more are planned.
2. In 1960, employment of Staten Island residents totaled 80,967, 11.5 percent more than the 1950 total of 72,630. Employment on Staten Island (covered by unemployment compensation) totaled 24,370 in June 1963, 5.4 percent more than the June 1959 total of 23,122. The increase of 1,248 in covered employment consisted of a 2,620 increase in nonmanufacturing employment, which was partially offset by a 1,372 decrease in manufacturing employment.
3. The current median all-family income of Staten Island residents, after deducting Federal income tax, is \$7,625. The current renter-family after-tax median income is \$6,475. The projected (1966) all-family after-tax median income is \$8,050 and for renter-families it is \$6,850.
4. The population currently is about 246,600, up 11.1 percent since 1960. The bulk of this increase occurred in the past 2½ years. By October 1966, the population is expected to total 265,800, an increase of 7.8 percent above the current level. The projected annual growth rate is 50 percent above the annual growth rate of the past 4½ years.
5. Households currently number 69,300, up 12.3 percent since 1960. The number of households is projected to 74,900 (up by 8.1 percent) as of October 1966. Household size has decreased from 3.52 in 1950 to 3.37 persons at present.
6. The current housing supply is about 72,800 units, 7,650 (11.7 percent) more than in 1960. The net addition resulted from the construction of approximately 8,650 housing units and the demolition of 1,000 units since April 1960. Approximately 58 percent of the added units were in single-family structures, 24 percent were in multifamily structures, and the remaining 18 percent were in 2- to 4-family structures. Owner-occupied units now represent 61.0 percent of total occupied housing units, up slightly from the 1960 level of 60.4 percent. The housing supply in 1960, although fairly old (60 percent of total units were built prior to 1930), was generally sound; only 5.9 percent of the total supply was substandard.

7. There are approximately 1,500 vacant units available for sale or rent at present, a net vacancy rate of 2.0 percent. Of these, 600 are available for sale (1.4 percent vacancy) and 900 are available for rent (3.2 percent vacancy).
8. The market for new and used sales housing appears to be sound, although several submarket areas appear to be slightly over-built. The areas with relatively high vacancies are, for the most part, the more rapidly growing areas, which normally have higher vacancy levels than slower growth areas.
9. The rental market is somewhat sluggish, at present. This sluggishness is in the market for new units, as the existence of rent control maintains high occupancy in older rental units. From a sample of projects completed since 1960, it has been determined that at least a two-year initial renting period is necessary to attain a sustaining occupancy level of 93 percent.
10. The annual demand for new housing over the next two years is projected at 2,900 units, 1,700 sales and 1,200 rentals. Nearly 66 percent of the sales demand will be for units priced between \$20,000 and \$30,000; the bulk of this demand, however (41 percent), will be for units priced between \$20,000 and \$25,000. The rental demand of 1,200 units will be distributed by unit size somewhat as follows: 90 efficiency units, 470 one-bedroom units, 470 two-bedroom units, and 170 three-bedroom units.
11. Demand for new housing designed specifically for the elderly, without special services, will be limited to about 75 units for each of the next two years.
12. Based on the 1966 elderly population forecast, the existing supply of nursing beds, and on the family income levels, there is a need for additional beds in nursing homes. There is only one proprietary nursing home on Staten Island.

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The November 1964 opening of the Verrazano-Narrows Bridge, which will span the Narrows between Staten Island and Brooklyn, will offer direct vehicular connection for the first time between Staten Island and the rest of New York City. Accelerated expansion of the population of the area is expected by many. As a result, numerous proposals have been made for the financing of new housing. Many of these proposals have been deferred because of relatively slow market conditions up to the present time.

The Housing Market Area

The housing market area (HMA) is defined as consisting of Staten Island, New York. Staten Island is a 60 square-mile island which comprises the borough of Richmond of New York City and the county of Richmond of New York State. Staten Island is the third largest of the five boroughs of New York City in land area, but is the least populous. Staten Island is located five miles south of Manhattan, one mile west of Brooklyn, and is separated from New Jersey on the north and west by the narrow waterways called the Kill Van Kull and the Arthur Kill. The town of St. George, on the northeastern corner of the island, is the location of the ferry landings connecting the island to Manhattan and Brooklyn, and for this reason St. George has become the major urban, trade, and governmental center of the island.

The slow growth and development of the island is evident in the old towns scattered throughout the island, most of which are strung along the northern and northeastern coastline on both sides of St. George along the route of the old Staten Island Boulevard. It is in this northeastern corner of the island that the bulk of multifamily construction is occurring.

The terrain to the south of St. George is quite hilly, rising to 410 feet above sea level at Todt Hill, which is located in the north central part of the island. From there, the island levels out to the south shore. It is in this area, from Todt Hill to the south shore and from Fort Wadsworth on the east to Eltingville, that the bulk of single-family and two-family houses are being built. The western half of the island (west of Richmond Avenue) is low and marshy and not suitable for residential use. Most of the island's industrial complex is located in this area.

At present, the only links between Staten Island and the other four boroughs of New York City are the Manhattan and Brooklyn Ferries (the Brooklyn Ferry will close when the Verrazano Bridge is completed). Access to Staten Island also is available from New Jersey by way of the Bayonne Bridge on the north (to Bayonne, New Jersey), the Goethals Bridge on the northwest (to Elizabeth, New Jersey), and the Outerbridge Crossing on the southwest (to Perth Amboy, New Jersey). These three bridges were constructed some years prior to World War II to provide access to Staten Island's industrial areas from New Jersey's populated industrial communities. They span the relatively narrow Kill van Kull and Arthur Kill which separate the two states and connect the Atlantic Ocean with Newark Bay and the Upper Bay. The Verrazano-Narrows Bridge spans The Narrows which connects New York's Upper Bay and Lower Bay, a heavily traveled shipping lane to major New York and New Jersey harbors.

On November 21, 1964, the Verrazano-Narrows Bridge will open. With its opening, the five boroughs of New York City (four of which are on islands) will be physically connected for the first time. The bridge will be part of Interstate 278, which extends from Interstate 95 (New England Thruway) in the Bronx through Queens, Brooklyn, and Staten Island (Clove Lakes, or Staten Island Expressway) over the Goethals Bridge back to Interstate 95 (New Jersey Turnpike). There are four other major highways scheduled to be built on Staten Island during the next ten years. The Shore Front Road will extend from the Verrazano Bridge along the south shore to the Outerbridge Crossing. The West Shore Expressway will connect the Shore Front Road to the Goethals Bridge. Richmond Parkway and Willowbrook Parkway, for passenger automobiles only, will also cross the island.

The Verrazano-Narrows Bridge was planned to provide a major access route between heavily populated Long Island (Brooklyn, Queens, Nassau, and Suffolk Counties in New York) and New Jersey and points south, thus bypassing congested areas of Manhattan. With improved accessibility to the burgeoning New York area, Staten Island now has the potential of becoming heavily populated. It is the only major undeveloped area in New York City. However, the ingrained commutation habits of New Yorkers, the psychological impact of the long held belief that Staten Island was a remote outpost, and the still relative inaccessibility of much of the area from downtown Manhattan (the major locus of New York City employment) via public transportation, may retard development for years to come.

Economy of the Area

Character and History

The economy of Staten Island is heavily dependent on commuters. Of the 80,967 employed persons residing on Staten Island in 1960, the U.S. Bureau of the Census enumerated 38,016 as working off the island. The majority of these (24,890) worked in Manhattan. Of the remainder, 3,117 worked in Brooklyn, 914 worked in the remainder of the New York Standard Metropolitan Statistical Area, and 5,142 worked in New Jersey. The place of work was not reported for the remaining 4,214 employed persons. In-commutation (in 1960) of 4,235 equaled only about 11 percent of the out-commutation.

The number of commuters from Staten Island to surrounding areas is currently believed to have risen to 43,500 persons. This represents nearly 49 percent of all workers residing on the island and is almost two percentage points higher than the 1960 ratio. It is thought that commutation to Brooklyn has increased slightly as a proportion of total commuters since 1960. Many of the families moving into new houses along the south shore have moved from Brooklyn, presumably in anticipation of the opening of the Verrazano Bridge. With the opening of the bridge, this trend is expected to increase.

Because of the recent rapid growth and the expectation of a continuation of this growth, several large retail outlets have opened new shopping facilities on the island and several others have expressed interest in doing so in the near future. The E. J. Korvette Company has opened a large store on the site of the abandoned Staten Island Airport. Two large New York department stores, Macy's and Abraham & Strauss, have indicated interest in opening stores on the island within a few years. Several grocery chains have recently opened stores throughout the island. Most of these new shopping facilities are located along the south shore, where most of the vacant land suitable for residential construction is located and where the majority of the growth is expected to occur.

Employment

Between 1950 and 1960, nonagricultural employment of Staten Island residents, as recorded by the U.S. Bureau of the Census, increased from 72,630 to 80,967, a gain of 11.5 percent. Employment in manufacturing industries decreased by 223 to 16,492 during the decade, while employment in nonmanufacturing increased from 55,167 to 60,433 in the same period, an increase of 9.5 percent. As indicated, nearly half of those working in 1960 worked off the island and were a part of the whole New York area economy.

In 1960, approximately 37.5 percent of the Staten Island population was employed, a slight decline from the 1950 ratio. Nearly one-quarter of those employed in 1960 worked in clerical endeavors, 14.5 percent were drivers, deliverymen, etc., 13.5 percent were foremen or craftsmen, and 11.5 percent were professionals. The remainder were divided among sales people, laborers, managers, officials, and proprietors, for the most part.

Current data for employment on Staten Island are limited to workers covered by unemployment compensation. Covered employment was equal to about one-quarter of total resident employment in 1960. Between June 1959 and June 1963, total covered employment rose from 23,122 to 24,370, an increase of 1,248 or 5.4 percent (see table I). The increase of 2,620 employees in nonmanufacturing was the sole force behind the increase of total employment, as employment in manufacturing categories declined by 1,372 during the four-year period. A gain of 1,126 workers in retail and wholesale establishments comprised the largest portion of non-manufacturing employment growth. Employment in construction rose by 675 and in services by 444. These three employment groups are all of a service nature, and reflect the rapid growth of population on Staten Island since 1960. Other nonmanufacturing industries that experienced employment gains were agriculture, forestry, and fisheries (42); public utilities (298); and finance and real estate (93).

Employment in durable and nondurable goods manufacturing has been experiencing a slow but steady decline since June 1959. Employment in durables stood at 3,507 in June 1959, but has since declined to 3,124, or 10.9 percent. The decline in nondurable manufacturing employment has been more severe, falling from 6,123 in June 1959 to 5,134 in June 1963, or 16.2 percent.

Unless there is a reversal in the trend toward declining employment levels in basic manufacturing industries on Staten Island, the area will tend to develop as a residential suburb with a local economy based on services provided for a work force employed elsewhere in the New York area and therefore dependent on the over-all economic growth of the region.

Income

The current median all-family income of Staten Island residents after deducting Federal income tax, is approximately \$7,625. The current renter-family after-tax median income is about \$6,475 (see table II). These after-tax median income levels are \$1,275 and \$1,025, respectively, above the median 1959 adjusted after-tax median incomes. Approximately 19 percent of all families, at present, have incomes below \$5,000 and 26 percent have incomes above \$10,000, whereas 28 percent of the renter families have incomes below \$5,000 and 14 percent have incomes above \$10,000.

The median after-tax income of all families is projected to \$8,050 as of October 1966, an increase of 5.6 percent above the current level. The median renter-family after-tax income is expected to increase to \$6,850, a 5.8 percent rise above the current level.

Demographic Factors

Population

Current Estimate. The population of the HMA is about 246,600, up 24,609 or 11.1 percent since 1960. As the following table indicates, the annual rate of growth has been more rapid in the 1960-1964 period than in the 1950-1960 period. Based on annual completions of new housing units since 1960, it is estimated that the annual population growth rate since 1962 has been nearly double the rate of the preceding two years, an indication of increasing interest in Staten Island as a place of residence.

Past Trend. Between 1950 and 1960, the population of Staten Island increased from 191,555 to 221,991, or 15.9 percent. The annual average growth rate of 1.9 percent a year in the 1950's compares with 2.5 percent per year in the past four and one-half years.

Estimated Future Population. It is expected that the October 1966 population of Staten Island will total 265,800. This represents an increase of 19,200, or 7.8 percent over the October 1964 population. The projected annual growth rate for the next two years of 3.9 percent is somewhat higher than the 2.5 percent annual average of the past 4-1/2 years and more than double the annual rate of growth of the population in the 1950-1960 period. The increased rate of growth is expected to result from an influx of population upon the completion of the Verrazano bridge.

Population Changes Staten Island, New York 1950-1966

<u>Year</u>	<u>Population</u>	<u>Annual average change</u> <u>from previous year shown</u>	
		<u>Number</u>	<u>Percent</u>
1950 (April)	191,555	-	-
1960 (April)	221,991	3,044	1.6
1964 (October)	246,600	5,469	2.5
1966 (October)	265,800	9,600	3.9

Source: 1950 and 1960 Censuses of Population.
1964 and 1966 estimated by Housing Market Analyst.

Natural Increase and Migration. Since April 1960, there have been 20,925 resident births and 10,050 resident deaths on Staten Island. Net natural increase (births minus deaths) therefore totaled 10,875. When compared with the current population increase of 24,600, it appears that there has been a net in-migration of 13,725 persons to the HMA over the 4½-year period.

Age Distribution. The 1950 and 1960 population totals of the HMA are distributed by age groups in the following table. As is typical with most areas, the youngest age group increased most rapidly, followed by the oldest group. The demand for housing by these two groups will be of special significance during the next two years. By 1966, a few persons in the younger age group will be finishing their schooling and will be seeking their own housing units for the first time. The housing needs of the older age group provide the demand for housing to an important extent and often of a specialized type.

Distribution of the Population by Age
Staten Island, New York
1950 and 1960

<u>Age group</u>	<u>1950</u>	<u>1960</u>	<u>Decennial change</u>	
			<u>Number</u>	<u>Percent</u>
0 - 14	46,141	66,536	20,395	44.2
15 - 29	43,574	39,977	-3,597	-8.3
30 - 44	44,038	47,597	3,559	8.1
45 - 59	34,042	37,870	3,828	11.2
60 and over	<u>23,760</u>	<u>30,011</u>	<u>6,251</u>	<u>26.3</u>
Total	191,555	221,991	30,436	15.9

Source: 1950 and 1960 Censuses of Population.

Households

Current Estimate. The number of households on Staten Island is now about 69,300. This is 7,569 more than were recorded in the 1960 census, or an increase of 12.3 percent. The annual rate of increase of 2.7 percent during this period was considerably higher than the annual rate of 2.0 percent between 1950 and 1960, when 10,224 households were added. The increase in households between 1950 and 1960 was due in part to a conceptual change from "dwelling unit" in the 1950 census to "housing unit" in 1960.

Estimated Future Households. The number of households on Staten Island is projected to 74,900 as of October 1966. This will be an increase of 5,600 households over the present total. The annual rate of increase in the forecast period, 4.0 percent, will be twice the average annual rate of the 1950's and nearly one and a half times the rate of the past 4-1/2 years.

Population Change
Staten Island, New York, 1950-1966

<u>Year</u>	<u>Households</u>	<u>Average annual change</u> <u>From previous year shown</u>	
		<u>Number</u>	<u>Percent</u>
1950 (April)	51,507	-	-
1960 (April)	61,731	1,022	2.0
1964 (October)	69,300	1,682	2.7
1966 (October)	74,900	2,800	4.0

Source: 1950 and 1960 Censuses of Housing.
1964 and 1966 estimated by Housing Market Analyst.

Household Size. Average household size has declined slightly during the past decade and a half. In 1950, the average Staten Island household contained 3.52 persons. By 1960, the average dropped to 3.40 and to 3.37 persons per household currently. The average size of households is expected to remain at about the current size during the forecast period.

Housing Market Factors

Housing Supply

Current Estimate. There are 72,800 housing units in the HMA, at present. This total is 7,644 or 11.7 percent more than the 65,156 unit total recorded by the U.S. Census of Housing in 1960 (see table III). The 1960 supply of housing units, in turn, was 9,336 (16.7 percent) above the 1950 total of 55,820 units.

Type of Structure. In 1960, single-family units accounted for 58.2 percent of all housing units in the HMA. Units in two- to four-family structures accounted for 33.2 percent of the total and units in multifamily structures made up the remaining 8.6 percent. There were no trailers enumerated on Staten Island in 1960. Single-family units currently account for 57.9 percent of total units, down slightly from the 1960 ratio. Structures containing two- to four-family units declined to 31.4 percent of total units, whereas units in multifamily structures increased by 2.1 percentage points to 10.7 percent of the total.

Age of Structure. According to the 1960 Census of Housing, 60.1 percent of the housing units on Staten Island in 1960 were built prior to 1930, 20.6 percent were built between 1930 and 1950, and 19.3 percent were built in the 1950 decade. Currently, the proportion of units constructed since 1950 is approximately 29.2 percent of total units. Units constructed between 1930 and 1950 declined in proportion to 18.0 percent and units constructed prior to 1930 declined to 52.8 percent. The proportion decline in the latter two categories is partly due to the demolition of 1,000 units since April 1960, and partly due to the increased size of the housing supply, which has been enlarged by the addition of 8,600 units since April 1960.

Condition. The condition of the housing supply on Staten Island in 1960 was generally sound. Only 3,825 units, or 5.9 percent of the total supply, were dilapidated or lacked some or all plumbing facilities. Of the substandard units, 563 were owner-occupied and 2,268 were renter-occupied. The remaining 994 substandard units were vacant, of which 84 were available for sale or rent and 910 were "other vacant units" (including many seasonal cottages).

Value and Rent. The median value of owner-occupied housing units in 1960 was \$15,200, as compared with a median asking price of \$19,000 for vacant units available. Median gross rent in 1960 was \$83.00 per month and the median asking rent for vacant units available for rent was \$80.00.

Residential Building Activity

During the decade of the 1950's, residential construction on Staten Island averaged 1,250 units annually, including 775 units in single-family structures, 175 units in two- to four- family, and 300 units in multifamily structures. The year of greatest construction activity was 1951, when 2,262 units were completed. The low year was 1952 with only 661 completions.

In the 1960-1964 period residential construction averaged slightly under 1,900 units annually; 1,100 units in one-family structures, 350 in two- to four-family, and 450 in multifamily structures. The number of completions in 1962 and 1963 (2,677 and 2,423) were more than double the number in the two preceding years (1,106 in 1960 and 1,152 in 1961). Although the number of units in single-family and in two- to four-family structures increased in 1962 and 1963, most of the increase was in multifamily units (see following table). Completions in the first eight months of 1964 totaled 1,216 units. At this rate, total 1964 completions will be lower than in the two previous years. There are approximately 1,475 units under construction at the present time. Of the total units under construction, 785 or 53 percent are single-family structures; the remainder are in structures of two or more units (the bulk in large multifamily structures).

Housing Unit Completions and Demolitions
Staten Island, New York, 1960-1964

Completions

<u>Year</u>	<u>1-family</u>	<u>2-4 family</u>	<u>Multifamily</u>	<u>Total</u>
1960	783	313	10	1,106
1961	834	248	70	1,152
1962	1,425	338	914	2,677
1963	1,212	408	803	2,423
1964 (8 mos.)	<u>659</u>	<u>174</u>	<u>383</u>	<u>1,216</u>
Total	4,913	1,481	2,180	8,574

Demolitions

1960	108	68	19	195
1961	170	24	18	212
1962	100	76	35	211
1963	218	30	-	248
1964 (8 mos.)	<u>82</u>	<u>40</u>	<u>-</u>	<u>122</u>
	678	238	72	988

Source: Department of Buildings, New York City.

Demolitions. As the table above shows, about 1,000 housing units were removed from the housing supply through demolition during the past 4-1/2 years. Most of the demolished units (69 percent) were single-family structures, 23 percent were units in two- to four-family structures, and eight percent were in multifamily structures.

Tenure

At present, 61.0 percent of the occupied housing units on Staten Island are owner-occupied; the remaining 39.0 percent are renter-occupied. In April 1960, 60.4 percent of the occupied units were owner-occupied, indicating a slight shift to owner-occupancy since 1960. The shift to owner status was much more pronounced in the 1950-1960 period, when the proportion of owner-occupancy increased from 52.6 percent to 60.4 percent.

Vacancy

Last Census. In 1960, there were 1,093 vacant housing units available for sale or rent in the HMA, a net vacancy ratio of 1.8 percent. Of these, 443 (a vacancy ratio of 1.2 percent) were available for sale and 650 (a ratio of 2.6 percent) were available for rent. Only 12 of the sales vacancies and 72 of the rental vacancies lacked one or more plumbing facilities or were dilapidated.

Postal Vacancy Survey. In mid-October 1964, a postal vacancy survey was conducted by the Staten Island Post Office. The survey covered a total of 66,612 housing units, equal to 91.5 percent of the estimated 72,800 housing units in the HMA (see table IV). Of the units surveyed, 1,274 (1.9 percent) were vacant; 762 residences (1.5 percent) and 512 apartments (3.2 percent). The survey revealed nearly a 50 - 50 division between new and used vacant residences, and a 70 - 30 division between new and used vacant apartments.

The results of the postal vacancy surveys are not entirely comparable with those published by the Bureau of the Census, because of differences in definition, area delineations, and methods of enumeration.

Current Vacancies. Present indications are that there are 1,500 vacant housing units available for sale or rent in the HMA, or a net vacancy ratio of 2.0 percent. Approximately 600 of the vacant units are available for sale and 900 are available for rent, or vacancy ratios of 1.4 percent and 3.2 percent, respectively. Approximately 25 of the vacant for sale units and 75 of the vacant for rent units are estimated to be substandard and, therefore, are not competitive with other vacant units.

It is assumed that a sales vacancy ratio of 1.5 percent and a renter vacancy ratio of 4.0 percent would offer adequate selections to prospective owners and tenants. The suggested renter vacancy ratio of 4.0 percent is slightly lower than that usually suggested for an area with growth characteristics of Staten Island and is prompted by the existence of rent control in New York City, which tends to maintain a low vacancy level in older rentals. Based on these ratios, 650 vacant units for sale and 1,125 vacant units for rent would provide a balanced demand-supply relationship, about 375 additional vacancies over the present total of about 1,400 good-quality vacancies.

Sales Market

General Market Conditions. The market for new and used sales housing appears to be sound, although several sub-market areas appear to be slightly over-built. The Great Kills area, on the south shore, with a sales vacancy ratio of 6.8 percent, is a case in point. It is however, an area of very active single- and two-family home building and, as a result, would tend to have a higher vacancy level than slower growth areas. Altingville and Prince Bay are also experiencing relatively high vacancy levels and these are also active small home construction areas. The market for used small homes appears to be slightly sluggish in Great Kills, St. George, and Rosebank.

Unsold Inventory. The result of the January 1964 survey of houses completed in ten subdivisions during 1963 is shown in table V. The survey revealed that slightly more than 62 percent of the 254 houses completed in 1963 were sold before construction started. Of the remaining 95 houses (built speculatively) 78 had been sold at the time of the survey and 17 remained unsold. Four of the unsold houses had been completed less than one month, seven had been completed two to three months, and six had been completed for four to six months. Developers of all ten subdivisions reported that only conventional first mortgage financing was available to prospective buyers.

Rental Market

According to the vacancy survey conducted by the Staten Island Post Office, the occupancy level in apartments is currently just under 97 percent. Occupancy in the older rental units is believed to be very high. The only apparent weakness in the market for older rental units is in St. George. Inasmuch as St. George is one of the oldest settled sections of the island, however, a significant portion of the used vacant rental units in this sub-area may be substandard or of poor quality and, therefore, are not competitive with the rest of the vacancies on the market.

The occupancy level in new rental projects is, quite naturally, lower than the level in the older projects. Although this is generally true for most housing markets throughout the country, the occupancy experience in new rental projects on Staten Island has not been encouraging and appears to be somewhat sluggish at present. Occupancy data as of October 1964 have been obtained for a sample of projects completed since January 1962. These occupancy data give an indication of the sluggish-

ness in the market for new rental units. It appears that an initial renting period of at least two years is necessary to attain reasonably full occupancy at the completion rate of 800 rental units per year which has existed in the HMA in the past few years.

There are nearly 700 units of rental housing under construction on Staten Island at the present time. Virtually all of these units are concentrated in four projects, two of which are in Rosebank, near the Verrazano Bridge approach, and two of which are in Stapleton. All are scheduled for completion in the spring of 1965.

Public Housing

There are, at present, 4,107 units in seven public housing projects on Staten Island. Of this total, 1,468 units are in three New York City-aided projects, 693 are in one State of New York-aided project, and the remaining 1,946 are in four Federally-aided projects. One hundred fifty units are designed for elderly households. All seven projects have had continued high occupancy levels and waiting lists have been common for the past several years. An additional 144 units for elderly occupancy are under construction at Stapleton Houses (the State-aided project).

Rents in public housing range from a low of \$30 for a three-room unit in an old Federally-aided project to a high of \$109 for a seven-room unit in the newer projects. The income limits for admission are as low as \$3,300 for a two-person family and as high as \$7,850 for a family of seven or more persons. For continued occupancy, income for the two-person families can rise to \$6,000, and for the largest families income can rise to \$9,250.

Demand for Housing

Quantitative Demand

The demand for new housing is derived primarily from a projected household growth of 2,800 annually for the next two years. Consideration also is given to the present tenure composition and to a continuation of the gradual shift to owner-occupancy. Giving due regard to each of the foregoing adjustments, the demand for new housing for each of the next two years is projected at 2,900 units, 1,700 sales and 1,200 rentals. These demand projections are substantially higher than the actual completions experience of the past several years. This increase in demand will be prompted by the opening of the Verrazano-Narrows Bridge.

Qualitative Demand

Sales Demand. The annual demand for new sales housing, based on expected future household growth and on past income-housing expense relationships, is distributed by price range in the following table.

Estimated Annual Demand for New Sales Housing
Staten Island, New York
October 1964 - October 1966

<u>Price range</u>	<u>Number of units</u>	<u>Percent distribution</u>
\$14,000 - \$15,999	75	4
16,000 - 17,999	75	4
18,000 - 19,999	175	11
20,000 - 24,999	700	41
25,000 - 29,999	425	25
30,000 - 34,999	175	11
35,000 and over	75	4
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Total	1,700	100

The distribution above suggests that nearly 60 percent of the sales demand will be for units priced between \$20,000 and \$30,000. The majority of this (41 percent), however, will be for units priced between \$20,000 and \$25,000. Demand thins out quite rapidly below \$20,000 and above \$30,000. Because of high land costs, as well as the high cost of labor and materials, it is not considered feasible to construct single-family houses on Staten Island for less than \$14,000.

Rental Demand. The monthly rentals at which privately-owned net additions to the aggregate rental housing inventory might best be absorbed by the rental market are indicated for various size units in the following table. Net additions in these rentals may be accomplished either by (1) new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition; or (2) production of units at higher rentals which competitively effect a filtering of existing accommodations to the rentals specified.

Estimated Annual Demand for New Rental Units
Staten Island, New York
October 1964 - October 1966

<u>Monthly ^{a/} gross rent</u>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>1-BR</u>	<u>2-BR</u>	<u>3-BR</u>
\$105 and over	90	-	-	-
110 " "	85	470	-	-
115 " "	75	425	-	-
120 " "	65	370	470	-
125 " "	60	330	435	170
130 " "	50	285	390	155
135 " "	45	245	350	140
140 " "	35	210	315	125
145 " "	30	180	275	115
150 " "	25	155	250	105
160 " "	20	100	165	75
170 " "	10	70	115	55
180 " "	10	45	75	40
190 " "	-	30	50	25
200 " "	-	15	25	15

^{a/} Includes all utilities.

Note: Figures are cumulative; the columns cannot be added vertically.

It is quite evident from the table above that demand for all sizes of rental units drops off quite rapidly with each higher rent level. This sharp drop-off is occasioned by the generally low incomes of renter families. Approximately 60 percent of the renter families may be considered as middle-income families (between \$5,000 and \$10,000). Another 25 percent are lower-middle to low-income families and only 15 percent are upper-middle to high-income families. As a result, demand is strong for low- and moderate-rent units, but weak for the high rent units.

Demand for Rental Housing Among the Elderly

The population aged 60 and over on Staten Island is currently about 33,900, an increase of 3,900, or 13.0 percent (2.9 percent annually) since 1960. This rate is slightly more than the 11.1 percent increase in total population since 1960. As a result, the population aged 60 and over has increased from 13.5 percent of total population in April 1960 to 13.7 percent in October 1964. It is expected that the elderly population will increase to 35,900 by October 1966, an increase of 2,000, or 5.9 percent above the current level. The projected increase in the elderly population of 5.9 percent is somewhat less than the projected 7.8 percent increase in the total population. Consequently, the ratio of elderly to total population will decrease from the current ratio of 13.7 percent to 13.5 percent by October 1966.

Elderly households are believed to total 16,700, at present, an increase of 2,060, or 14.1 percent since April 1960. Of the current elderly household total, approximately 12,900 are two- or more-person households and 3,800 are one-person households. Only 3,200, or 25 percent, of the two-or more-person households are renters, whereas 49 percent (1,850) of the single-person households are renters. Since 1960, the number of elderly households has been increasing at a faster pace than has the number of elderly persons, indicating a decreasing size of elderly households.

The current median after-tax income of elderly renter households is \$5,400. This is \$1,075 less than current after-tax median for all renter families. The projected elderly after-tax renter median of \$5,675 is \$1,175 below the October 1966 projected all renter family after-tax median. Because the after-tax income of elderly renter-families is generally lower than that of all renter families, many elderly households are not able to pay the rents required in new rental units. Consequently, demand by the elderly is limited to approximately 125 rental units per year. Many elderly families will choose to live in regular rental units. Therefore, the demand for new rental housing designed specifically for the elderly is estimated to be limited to approximately 75 units a year for the next two years.

Demand for Nursing Home Accommodations

There is one proprietary nursing home on Staten Island. There are no publicly-owned nursing facilities on the island, other than a few nursing care beds in the two general hospitals. These few beds are used almost exclusively for hospital patients for whom less intensive care will suffice, but who cannot be released from the hospital.

Estimates of the need for nursing care beds is based on the size of the population aged 65 and over, the current number of adequate available beds and income levels in the community. On this basis, a calculated need exists for as many as 900 additional nursing care beds on Staten Island, both publicly and privately owned. However, the availability of nursing home beds in adjacent counties in New York and New Jersey must be given consideration in testing the Staten Island market.

Welfare cases are estimated to comprise nearly 70 percent of nursing home patients in the city of New York. The basic rate paid by the New York City Welfare Department for room and board is \$355 a month. The city will also pay for additional expenses, such as doctor bills, medicine, etc. Inasmuch as the city will pay up to \$355 for basic nursing care, any demonstrated need on Staten Island can be fulfilled entirely by proprietary homes, provided that approximately 70 percent of the added beds are available within the welfare payment limit.

Table I

Workers Covered Under New York Unemployment Compensation Law
Staten Island, New York
June 1959, 1960, 1961, 1962, 1963

<u>Industry</u>	<u>June</u> <u>1959</u>	<u>June</u> <u>1960</u>	<u>June</u> <u>1961</u>	<u>June</u> <u>1962</u>	<u>June</u> <u>1963</u>
Agric., forestry, & fisheries	46	49	68	64	88
Construction	2,416	1,624	1,909	2,304	3,091
Durable goods	3,507	3,203	3,058	3,028	3,124
Nondurable goods	6,123	5,967	5,743	5,678	5,134
Pub. utilities	1,634	1,634	1,885	1,785	1,932
Trade-wholesale & retail	6,233	6,816	6,619	7,037	7,359
Fin., insurance, & real estate	1,096	1,207	1,217	1,208	1,189
Service and other	<u>2,067</u>	<u>2,407</u>	<u>2,333</u>	<u>2,504</u>	<u>2,453</u>
Total	23,122	22,907	22,832	23,608	24,370

Source: State of New York Department of Labor, Division of Employment.

Table II

Estimated Family Income Distribution ^{a/}
Staten Island, New York
October 1964 and October 1966

Annual income after tax	Percentage Distribution			
	All families		Renter families	
	1964	1966	1964	1966
Under \$3,000	7.5	7.0	10.0	9.5
\$3,000 - 3,999	4.5	4.0	7.0	6.0
4,000 - 4,999	6.5	5.5	11.0	9.0
5,000 - 5,999	10.0	8.5	15.5	14.5
6,000 - 6,999	13.0	11.5	13.5	13.0
7,000 - 7,999	13.0	13.0	12.5	12.5
8,000 - 8,999	10.5	11.5	9.0	10.5
9,000 - 9,999	9.0	9.0	7.0	7.5
10,000 -12,499	13.5	15.0	8.5	10.0
12,500 -14,999	7.0	7.5	3.5	4.5
15,000 and over	5.5	7.5	2.5	3.0
Total	100.0	100.0	100.0	100.0
Median	\$7,625	\$8,050	\$6,475	\$6,850

^{a/} After deduction of Federal income tax.

Source: Estimated by Housing Market Analyst.

Table III

Housing Supply and Characteristics
Staten Island, New York
1950, 1960, and 1964

<u>Tenure and vacancy</u>	<u>April 1950</u>	<u>April 1960</u>	<u>October 1964</u>	<u>Change 1960-1964</u>	
				<u>Number</u>	<u>Percent</u>
Total housing supply	<u>55,820</u>	<u>65,156</u>	<u>72,800</u>	<u>7,644</u>	<u>11.7</u>
Occupied housing units	<u>51,507</u>	<u>61,731</u>	<u>69,300</u>	<u>7,569</u>	<u>12.3</u>
Owner occupied	<u>27,089</u>	<u>37,265</u>	<u>42,250</u>	<u>4,985</u>	<u>13.4</u>
Percent of all occupied	52.6%	60.4%	61.0%	-	-
Renter occupied	<u>24,418</u>	<u>24,466</u>	<u>27,050</u>	<u>2,584</u>	<u>10.6</u>
Percent of all occupied	47.4%	39.6%	39.0%	-	-
Vacant housing units	<u>4,313</u>	<u>3,425</u>	<u>3,500</u>	<u>75</u>	<u>2.2</u>
Available	<u>669</u>	<u>1,093</u>	<u>1,500</u>	<u>407</u>	<u>37.2</u>
For sale only	<u>173</u>	<u>443</u>	<u>600</u>	<u>157</u>	<u>35.4</u>
Homeowner vacancy rate	0.6%	1.2%	1.4%	-	-
For rent only	<u>496</u>	<u>650</u>	<u>900</u>	<u>250</u>	<u>38.5</u>
Renter vacancy rate	2.0%	2.7%	3.2%	-	-
Other	<u>3,644</u>	<u>2,332</u>	<u>2,000</u>	<u>-332</u>	<u>-14.2</u>

Source: 1950 and 1960 Censuses of Housing.
1964 estimated by Housing Market Analyst.

Table IV

STATEN ISLAND, NEW YORK AREA POSTAL VACANCY SURVEY

OCTOBER 12, 1964

Postal Area	TOTAL RESIDENCES AND APARTMENTS						RESIDENCES						APARTMENTS						HOUSE TRAILERS		
	Total Possible Deliveries	Vacant Units				Under Const.	Total Possible Deliveries	Vacant Units				Under Const.	Total Possible Deliveries	Vacant Units				Under Const.	Total Possible Deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
Staten Island Total	66,612	1,274	1.9	513	761	1,482	50,402	762	1.5	356	406	785	16,210	512	3.2	157	355	697	NOT APPLICABLE		
GPO	11,750	376	3.2	197	179	36	8,490	115	1.4	102	13	36	3,260	261	8.0	95	166	-			
Stations:																					
Castleton Corners	7,972	52	0.7	26	26	224	6,534	49	0.7	23	26	224	1,438	3	0.2	3	-	-			
Eitingville	3,815	112	2.9	27	85	47	3,671	108	2.9	25	83	45	144	4	2.8	2	2	2			
Great Kills	2,894	205	7.1	74	131	73	2,585	176	6.8	69	107	47	309	29	9.4	5	24	26			
Mariners Harbor	2,909	22	0.8	4	18	14	2,077	22	1.1	4	18	14	832	-	-	-	-	-			
New Dorp	9,513	231	2.4	10	221	191	7,296	67	0.9	6	61	186	2,217	164	7.4	4	160	5			
Port Richmond	4,162	48	1.2	33	15	42	2,668	37	1.4	22	15	42	1,494	11	0.7	11	-	-			
Prince Bay	1,874	48	2.6	7	41	41	1,698	48	2.8	7	41	41	176	-	-	-	-	-			
Rosebank	6,014	105	1.7	76	29	282	4,337	82	1.9	53	29	60	1,677	23	1.4	23	-	222			
Stapleton	6,960	41	0.6	27	14	500	3,862	28	0.7	17	11	63	3,098	13	0.4	10	3	437			
Tottenville	1,705	20	1.2	20	-	16	1,278	19	1.5	19	-	16	427	1	0.2	1	-	-			
West New Brighton	7,044	14	0.2	12	2	16	5,906	11	0.2	9	2	11	1,138	3	0.3	3	-	5			

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, and public housing units and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i.e.: a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

Source: FHA Postal Vacancy Survey conducted by cooperating postmasters.

Table V

Completed Unsold Houses by Sales Price Class
Staten Island, New York
January 1964

<u>Sales price</u>	<u>Houses completed</u>			<u>Speculative houses</u>		
	<u>Number</u>	<u>Percent</u>	<u>Sold before constr. start</u>	<u>Total spec.</u>	<u>Number sold</u>	<u>Number unsold</u>
\$15,000-\$17,499	57	22.4	-	57	51	6
17,500- 19,999	74	29.1	74	-	-	-
20,000- 24,999	87	34.3	71	16	8	8
25,000- 29,999	33	13.0	14	19	17	2
30,000- 34,999	3	1.2	-	3	2	1
Total	254	100.0	159	95	78	17

Source: Annual survey of unsold inventory of new houses conducted by the Hempstead Insuring Office of the FHA.