



Good news for Uptown investors: Census data shows rapid economic growth in the borough

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Local median incomes and housing costs have increased dramatically in Upper Manhattan during the last decade, according to U.S. Census data released in mid-December.

The data from the Census Bureau's five-year American Community Survey does not go into the detail of the 2010 Census but does provide significant insights on several demographic and population trends. The survey also confirms what has been readily apparent to those who have witnessed the rapid development of Upper Manhattan in the last 10 years.

This new information gives Northern Manhattan real estate investors the following valuable pieces of information:

Median Income Surging

Looking at the broad spectrum of Northern Manhattan census tracts, the absolute level of median income ranges from \$20,000 to about \$65,000 depending on what area you are examining. As expected, such figures are lower than the majority of census tracts in lower Manhattan and prime areas of Brooklyn and Queens, most of which show median income levels between \$100,000 and \$150,000.

Yet when looking at the change in median income since 2000, Northern Manhattan registered some of the strongest growth in the city. Whether you're in East Harlem, Mount Morris Park, the Frederick Douglass corridor, or Washington Heights, the region is showing relatively consistent increases in median income ranging from 10% to as high as 200% (the higher range can be explained by parcels that were vacant and uninhabited during the last census but were developed since then).

High growth corridors that jump out of the study are 2nd Ave. between 106th St. and 118th St., Lenox Ave. between 116th St. and 126th St., The Strivers' Row area, and West 145th St. near Jackie Robinson Park. Ironically, the Manhattanville area, which is scheduled for redevelopment by Columbia University, posted the steepest declines in median income, but one can reasonably assume that this trend will be sharply reversed as the university's plans come to fruition this decade. Certainly much of this can be attributed to the influx of new residents flocking uptown to take advantage of the cheaper housing-but those prices are also starting to catch up quickly.

Housing Costs on the Rise

As one of epicenters of the real estate boom, the census data shows increases in housing costs of at least 20% across the overwhelming majority of the New York metropolitan area. In fact, many places easily surpass these figures and show 40%, 50% or even over 100% gains. Some parts of Harlem even top these figures and show increases of over 1,000%. However, this is misleading at face value for two main reasons. First, like some abnormally high increases in median income, some census tracts account for areas that had few if any residential sales before 2000 because parcels were undeveloped, so any sale starting from a base number close to zero will naturally show a

dramatic increase. Second, whereas people have bought and sold residential real estate elsewhere in the city for decades, the last decade was the first time in recent memory when many started to view Upper Manhattan as a place to buy, instead of simply rent, residential assets.

Since a rental market has existed for much longer than residential sales uptown, the data here is more revealing. Here we see median rent increasing by at least 20%. Notable increases took place around Second Ave. and 106th St. (76%), West 116th St. to 125th St. between Lenox and Frederick Douglas (35%) and Broadway between 146th St. and 150th St. (35%).

People can argue how long today's relatively soft economy and housing market will persist. But by looking at the American Community Survey and noticing the sharp distinction between Northern Manhattan and other New York City real estate markets, one can conclude that even a difficult economic environment will do little to stop significant growth in the area over the long run.

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