

SUMMARY OF FINDINGS
SURVEY OF RESIDENTS OF LOWER MANHATTAN

Alliance for Downtown New York
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SURVEY CONDUCTED BY



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Introduction

Alliance for Downtown New York engaged Audience Research & Analysis to update its 2004 residential community study. The objectives of the study were to:

- Provide a comprehensive profile of current residents including those who had moved to Lower Manhattan within the last three years
- Compare Lower Manhattan's new residents with longtime residents
- Understand the reasons why people choose to live in Lower Manhattan
- Investigate general concerns and areas in need of improvement

Methodology

ARA mailed questionnaires to about 4,000 randomly selected residents located below Chambers Street in Lower Manhattan.¹ Prior to sending out the questionnaire, ARA mailed a postcard to each resident informing them that a questionnaire would be arriving in the mail. The postcards were mailed on February 7, 2007. Respondents were given the option of taking the survey online, for which the URL address was included on the postcard and subsequently on the questionnaire. A total of 662 surveys were completed, including 67 online, for an overall response rate of 17% (about one out of six randomly selected Downtown residents).

Making Long-Term Commitments to Downtown

The boom in residential development in the post-9/11 era has added more than 17,800 new residents to the area south of Chambers Street. This residential growth, when coupled with a resurgent office market, brings with it tremendous opportunity to attract new retail and restaurant options to the Lower Manhattan market.

In recent years, residents have shown a stronger commitment to the area and have expressed greater interest in making a long-term investment Downtown. While the split of owners and renters remains about the same as in 2004 – 40% own versus 60% rent – a growing share of current residents expressed an interest in owning a home Downtown. Among renter households, 72% now say they would consider buying a home Downtown, up from 61% in 2004. Additionally, more residents expect to live in Lower Manhattan in the future – 82% say they are “very likely” or “somewhat likely” to live Downtown three years from now, up from 77% in 2004. Correspondingly, 18% said they would be “somewhat” or “very unlikely” to stay Downtown, down from 23% in 2004.

¹ Selected randomly from residential lists provided by Prime New York.

More and more current residents are making the choice to stay Downtown. In 2004, only 12% of survey respondents said that their last residence had been Downtown; in 2007, that number was up to 19%. Those who relocated within Lower Manhattan were more likely to own their residence (48% compared to 40% total) than new arrivals, and describe their household as a “couple with children” (29% versus 23%). Longer term residents were also more likely to work in the business services sector, which includes accounting, legal, and consulting firms (21% versus 14%).

Reasons to Live in Lower Manhattan

Respondents were asked to rate the importance of various reasons to live in Lower Manhattan. The top three reasons were “quality of the apartment”, “overall quality of life” and “access to mass transportation” – each considered very important by about seven out of ten residents. Over half the residents cited “size of apartment” and “value” as being among the main benefits of a Downtown residence, while over one third said that the ability to “walk to work” was also a very important factor in their choice to live Downtown. Among households with children under 18, almost eight out of ten rated local schools as important (very - 56%, somewhat - 22%).

Housing Costs

Given the strength of the New York City residential market in recent years, it is not surprising that one of the major changes observed between 2004 and 2007 is a significant increase in residents’ average housing costs. Mean monthly housing expenses rose to \$3,441, up more than \$1,000 from \$2,358 in 2004 – a whopping 46% increase. The highest costs were reported in Battery Park City (\$3,819), while the lowest were in the area between West Street and Broadway south of Liberty Street. (\$2,768).

Not surprisingly, new Downtown arrivals pay more than long-term residents to live in Lower Manhattan. For residents who have moved Downtown since 2004, monthly housing costs averaged \$3,722, about eight percent higher than for all households.

Income and Employment

Mean household income rose significantly in recent years, from \$152,800 to \$241,967.² Sixteen percent of households earned in excess of \$400,000 annually compared to nine

² The mean is a measure of average income over the sample and in this case may be skewed upward by the incomes at the very high end of the income ranges reported. The dramatic change

percent in 2004. In addition, 24% reported earning less than \$60,000 in 2004 compared to just 10% in 2007.³ Mean household income of recent arrivals was \$256,130, six percent greater than the overall Lower Manhattan population.

The survey also revealed a significant increase in the median household income of Downtown residents – rising from approximately \$111,000 in 2004 to \$162,700 in 2007. At this level, today’s typical Downtown household has an annual income that is nearly three times greater than the median household income in the rest of Manhattan.⁴

The study also found that more Lower Manhattan residents were currently employed, rising from 77% in 2004 to 83% in 2007. There was a notable shift in the proportion of retirees, which declined from 13% to 8%. In both survey waves, approximately five percent were not currently employed.

Among those who were employed, almost three out of ten worked in Lower Manhattan. The majority, however, were employed elsewhere in Manhattan. A similar distribution was reported in 2004.

Close to one out of four Lower Manhattan residents who are currently employed work in financial services, one out of seven in business services, and one out of five in advertising, public relations, or publishing.

Age

Mean age for survey respondents was 44, the same as in 2004. The proportion of residents between 45 and 64 years increased modestly from 31% to 35%, while seniors dropped from 11% to 7%.⁵ About 15% of the adult population is under 30, and only 9% of households are either recent college graduates or those who have moved out of a parent’s home.

in mean household income between 2004 and 2007 may be due in part to the introduction of new income categories provided in the most recent.

³ The median measures the center of the distribution of responses within the sample range. In this case, the median household income is the midway point of all reported sample incomes, with the 50% of the sample above and 50% below.

⁴ Based on Manhattan median household income of \$55,973, as cited by the US Census American Community Survey, 2005.

⁵ Neither of these changes are statistically significant at the 95% confidence level, and therefore the changes are merely suggestive, rather than indicative, of a trend.

Household Composition

On average 2.19 people occupied each residence, up from an average of 2.02 in 2004. Household size in Lower Manhattan exceeds the average for Manhattan as a whole by about five percent. Long-term residents of Lower Manhattan (more than five years) were more likely to have a greater number of people (including children) living in the household, on average 2.23 people.

Modest growth was seen in the proportion of residences with children under 18 living in the household. In 2007, nearly 25% had children under 18, an increase from 19% in 2004. This year, respondents were asked about future plans to have children. Four out of ten childless couples under 45 years of age responded that they were either extremely or very likely to have children in the next three years. Based on these responses, it is likely that the share of households with children could rise to a third of all Lower Manhattan households by the end of the decade.

Couples without children are the most common household type in Lower Manhattan, accounting for over 42% of all households. This is a significant increase from 2004, when only 32% of households described themselves as couples⁶. One out of four households was comprised of a single individual, down from 33% in 2004 and 39% in 2002.⁷

Couples without children accounted for an even greater share of households that moved to Lower Manhattan since 2004 – nearly 50% of all recent movers. On the other hand, couples with children only account for 15% of new Lower Manhattan households, compared to 22% among the overall Downtown households. This indicates that the growing number of children Downtown is due less to immigration of families and more to a maturing of the existing residential population who have chosen to stay Downtown to start their families.

⁶ In 2004, respondents were asked to describe their household as “single person”, “roommates”, “couple” or “family”. In making this comparison, we assume 2004 “couple” to be equivalent with 2007 “couples without children”, while “family” equates to “couples with children” and “single parent”.

⁷ Study conducted for the Alliance by Hamilton, Rabinovitz & Alschuler in November 2002.

**Summary Findings
2007 Survey of Lower Manhattan Residents**

	<u>2007</u>	<u>2004</u>		<u>2007</u>	<u>2004</u>	<u>Overall Manhattan (2005)</u>
Housing Tenure			Income and Employment			
Own	40.3%	38.6%	Median Household income	\$162,700	\$111,000	\$55,973
Rent	59.7%	61.4%	Average Household income	\$241,967	\$152,800	
of new households, % renters	73.0%		% households less than \$60,000	10.1%	23.8%	
of renter households, % that are interested in owning	72.1%	61.3%	over \$400,000	15.7%	9.0%	
Prior residence was:			% employed (all industries)	82.7%	76.7%	
In Lower Manhattan	18.6%	12.4%	Finance, Insurance, and Real Estate	28.0%	26.8%	
Other US + International	16.3%	12.7%	Business Services	14.4%	12.5%	
			Advertising, Public Relations, Publishing	11.3%	15.8%	
% hhlds anticipate living in LM 3 years from now	81.7%	77.4%	% walking to work	25.9%	29.0%	19.8%
			% working from home	9.5%	13.1%	
Monthly Housing Costs			Household Composition**			
Average household expenses	\$3,441	\$2,358	One-person household	26.1%	32.9%	
greatest in BPC	\$3,819		Roomates	6.9%	9.0%	
lowest in Southwest	\$2,768		Couples w/o children	42.4%	32.1%	
			Couples w/ children	22.5%	26.1%	
Reasons to Live in Lower Manhattan			Single parents	2.1%		
Quality of apartment	70.8%	69.7%	Average household size	2.19	2.02	2.09
Overall quality of life	68.6%	63.9%	% with children under 18	24.6%	19.1%	
Access to mass transit	67.3%		% likely to have children in 3 years***	39.1%		
Safety and security	61.0%	63.7%	Among singles, % male	37.8%		
Size of apartment	57.5%	53.8%	Among singles, % female	62.2%		
Value	56.1%					
Walk to Work	35.0%					
Local Schools*	56.0%					

* only among households with children

** in 2004, the survey asked households to describe themselves as "living by myself", "roomates", "couple" or "family".

*** among childless couples age 45 years and younger, % answering they are extremely or very likely

Summary Findings 2007 Survey of Lower Manhattan Residents

Newest Downtown Residents (moved Downtown since 2004)

Own	27.0%
Rent	73.0%

Prior residence was outside New York City	40.4%
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Average monthly housing costs	\$3,722
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Average age	37.3
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Average household income	\$256,130
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Average household size	2.00
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Household composition:

One-person households	25.0%
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Roomates	9.7%
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Couples w/o children	49.6%
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Couples w/ children	14.5%
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Single parents	1.2%
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