



Why Do Some Sites Remain Underdeveloped in Strong Markets?

New York City's capacity to grow depends in part upon whether land that is now under-utilized can be developed to its full zoning capacity. We don't know enough about what causes some property owners to develop their land to the fullest FAR (floor area ratio) permitted by the applicable zoning, or about why some owners continue a current use when development to full FAR appears to make economic sense. We are gathering data and constructing models to identify which sites in the City currently are developed under the maximum permitted FAR, and to evaluate the characteristics of the properties, their owners, and the neighborhoods in which they are located. Using information gleaned from our data analysis, case studies and interviews and with owners and real estate professionals, we will construct a model that can predict which lots will build out and which won't, and will suggest policies that the City could adopt to encourage landowners to develop under-used land.

What Teardowns Tell Us About Land Value

In cities with very little vacant land, "teardowns" (acquisitions of existing buildings that are immediately demolished to provide new building sites) represent a unique opportunity to measure land values. The Furman Center is matching property sales data with demolition permit data to compile a list of teardowns in New York City in the past several years. From these observations we will replicate similar research in other cities to estimate land prices and to construct a model that can predict where teardowns may occur.

Rezoning & Housing Capacity

Since 2002, the Department of City Planning has initiated about 100 neighborhood rezonings, affecting about 20% of the city's land. These rezonings have increased the amount of permitted building density in neighborhoods the City deems underdeveloped, and decreased the permitted building capacity in neighborhoods the City believes cannot support additional development or should not be developed further in order to protect the neighborhood's character. The Furman Center is analyzing these rezonings to determine their net impact on the City's capacity for new development. We will also evaluate the characteristics of the neighborhoods in which rezonings are designed to spur more development versus those where existing neighborhood character is being preserved.

Transferable Development Rights in NYC

As the New York City real estate market boomed in recent years, countless new construction projects depended on the transfer of unused development rights from existing buildings that were smaller than the applicable zoning allowed. Because most of these transfers were made pursuant to an as-of-right administrative process, there is no centralized tracking of them. In order to better understand where and how development rights have been transferred in New York City, the Furman Center is building a database to systematically track recent development right transfers. We will then use this database to analyze the way the market for transferrable development rights currently works and begin to think about how development rights transfer rules could be changed to facilitate the development of affordable housing.

Minimum Parking Requirements: A Continuing Role in a Dense Metropolis?

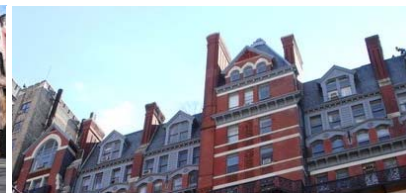
New York City contains some of the most transit-rich neighborhoods in the country, and its residents are far less likely to own cars than their compatriots elsewhere. Despite this, the City's zoning code still mandates that new residential construction in most neighborhoods be accompanied by a minimum number of new off-street parking spaces. This requires developers to bundle parking spaces with new housing, even if the market does not otherwise demand it. These requirements potentially have significant implications for travel and environmental behavior, housing affordability and density. The Furman Center will investigate whether there is a coherent relationship between minimum parking standards, on the one hand, and the availability of on-street parking and proximity to transit, on the other. We will also collect data from new residential construction to determine whether developers are providing only the minimum amount of required parking spaces (an indication that the requirements are more than the market would dictate) or if they are providing more than is required.

Foreclosure & School Performance

Foreclosures significantly disrupt the lives of children and families. The Furman Center is studying how this disruption impacts the school mobility of children from families who suffered foreclosure. By linking data from the NYC Department of Education to our data on foreclosures, we can examine whether children who live in properties that enter foreclosure are more likely – after the foreclosure notice is issued – to switch schools. For children who moved after a notice of foreclosure, we will look at the characteristics of the school they left, and the school to which they moved.

Live and Learn: Does Subsidized Housing Affect Children's School Outcomes?

The Furman Center, in cooperation with NYU's Institute for Education and Social Policy and the NYC Department of Housing Preservation and Development will study how living in subsidized housing affects the educational experiences and outcomes of school-aged children. The study will exploit the fact that the City of New York uses a lottery system to allocate subsidized apartments. We will compare the school outcomes of school-aged children who receive apartments through the lottery with the outcomes of those children who do not.



Outcomes of Distressed Mortgage Borrowers

Once a borrower falls behind on payments, a variety of possible outcomes can occur. Some delinquent borrowers catch up with mortgage payments and remain in their homes, either on their own or through a loan modification. Others refinance or sell the home and repay the loan before foreclosure proceedings are completed. And some borrowers are unable to prevent the foreclosure process from progressing to an auction of the home. For policymakers, the likelihood of these various outcomes have important consequences. Will the property remain vacant? Will a new owner maintain the building properly, and will tenure change from owner-occupied to renter-occupied? The probability of a distressed loan following each pathway likely will be correlated with observable and unobservable characteristics of the borrower, property, neighborhood, lender or loan terms. By combining datasets on foreclosure filings, loan terms, loan performance, initial borrower characteristics, as well as physical and neighborhood characteristics of distressed properties, we will examine which factors are correlated with the pathways and eventual outcomes of distressed loans in New York City.

Better Understanding Neighborhood Change

In recent work, the Furman Center has found that neighborhood economic gain has become more common among poor urban neighborhoods around the country, but no work exists that sheds light on either the underlying factors driving these changes, or their consequences. Popular accounts of neighborhood revitalization frequently use the term gentrification, which implies a particular form of change. Simply put, the conventional view of gentrification describes a process through which the influx of higher income, white households (usually childless) pushes up rents and attracts amenities that cater to more affluent residents. As these changes occur, and housing gets more expensive, the original poorer (minority) residents are pushed out of an increasingly white neighborhood. This stylized story is both undocumented and likely simplistic. We in fact know very little about the underlying dynamics of neighborhood economic transition. Through the use of unique, nationally-representative Census data, the Furman Center aims to shed light on both the residential decisions underlying neighborhood change as well as the consequences of such change.

Starbucks Comes to Harlem: Gentrification & Change in Retail Services

During the prolonged economic expansion of the late 1990s and early 2000s, a number of formerly run-down central city neighborhoods experienced significant gentrification. One such neighborhood that has received considerable attention is Harlem. Most of the academic literature on gentrification has focused on changes in demographics and housing markets, but almost no academic research has examined whether and how gentrification alters the composition of commercial real estate. The Furman Center aims to fill this gap by examining the composition, entry, and exit of commercial outlets, and analyzing how changing commercial characteristics have interacted with shifting residential populations in Harlem over the past two decades. These changes will be examined in the context of local investments and incentive programs for commercial properties and businesses, such as Business Improvement Districts, Enterprise Zones, rezonings and the Industrial and Commercial Incentive Program.

Responding to the Current Mortgage Crisis

After facing insolvency one year ago, Fannie Mae and Freddie Mac were placed in government conservatorship in September 2008. The Obama Administration's recently released report on financial regulatory reform calls for a "wide-ranging process" to explore options for the future of the GSEs. The Furman Center is engaged in research to better understand six primary options for the future of the enterprises, ranging from nationalization to dissolution. The aim of this project is to prepare a comprehensive review of the literature of the costs and benefits of each of the six proposals, plus others, highlighting key papers and identifying individuals who might participate in discussions on the issue.

Building Sustainable and Inclusive Communities

HUD's 2010 budget includes 'encouraging sustainable and inclusive communities' as one of its five core objectives. But few have had time to think systematically about what this new goal means for HUD practices and programs. What characteristics make communities sustainable and inclusive? Are there examples of communities with these characteristics, and if so, what role did policies play in creating or stabilizing them? What changes need to be made to HUD's basic programs to encourage sustainability and inclusiveness at the local community level? What additional tools does HUD need to advance these goals? Do inclusive communities help to promote sustainability? Are there points of tension between the two goals and if so, how can HUD resolve or balance these tensions? The Furman Center is researching these questions and will produce a report that defines what 'inclusive and sustainable' means, provides a few case-studies of exemplary communities, and offers recommendations for HUD policies.