

Rental Vacancy Rate Study

A Survey for the City of Kingston, NY

February 2020



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City of Kingston

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Acknowledgements

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Staff Team

Principal Paul Bishop provided guidance and oversight throughout this study. Senior Associate David Riley managed the project. Kieran Bezila, Kate Bell and Karen Yorks assisted with site visits and phone calls to property owners and managers.

About CGR

Since 1915, CGR has delivered results to the municipal, education, nonprofit and business-civic sectors through objective analysis, mission-critical data and strategic counsel. We have become a thought leadership partner of choice by empowering innovative solutions in the public interest. Trusted for our independence and breadth of experience spanning a century, CGR delivers expert solutions in government & education, economics & public finance, health & human services and nonprofits & communities.

Proudly headquartered in Rochester, New York and currently supporting 13 staff, CGR has served communities throughout the Northeast and Great Lakes regions. We note that CGR is a nonpartisan and independent research organization. As such, we have no position on the subject of the ETPA. Our mission is to inform and empower leaders driving positive organizational change or public policy action.

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Introduction

The City of Kingston retained the Center for Governmental Research (CGR) in September 2019 to conduct a housing vacancy rate analysis. The analysis is intended to help the City determine whether it may declare an emergency regarding available apartments, as defined in the New York State Emergency Tenant Protection Act (ETPA) of 1974. An emergency is defined as a vacancy rate of less than 5 percent for all or any class or classes of rental housing accommodations within a locality's jurisdiction. The Housing Stability and Tenant Protection Act (HSTPA) of 2019 allows any locality in New York State to enact rent stabilization under ETPA if it has determined the existence of an emergency.¹ This study is intended to provide the City with actionable and accurate data from which to make an informed decision about the ETPA.

In this engagement, CGR was asked to identify the rental vacancy rate for the City of Kingston through a survey. The City asked CGR to focus on rental properties that were completed before 1974 and contain at least six dwelling units. These are the properties that could be directly regulated under the ETPA. Properties that would not be subject to ETPA regulation – for example, government-subsidized housing or publicly-owned apartment buildings – were to be excluded from the study group. The study took 3 ½ months and was conducted from November 2019 to February 2020.

Project Overview

Methodology

Municipalities are typically responsible for obtaining a survey to determine the existence of a housing emergency for a particular class or classes of rental housing to establish ETPA eligibility. The ETPA, however, does not prescribe any methodology for this type of survey, and New York State Homes and Community Renewal – the agency responsible for administering the ETPA – does not provide guidance on how best to approach such a survey. The process is primarily guided by the municipality.

In consultation with the City, CGR modeled its approach on established methodology used in other ETPA surveys. We based our survey on the same definition for vacancies that the U.S. Census Bureau has used since 1965 to estimate the rental vacancy rate in New York City. We also reviewed methodology used in surveys for other communities that recently opted into the ETPA, including the Village of Ossining,² which enacted rent stabilization in 2018. The Census Bureau's approach estimates the percentage of

¹ Housing Stability and Tenant Protection Act of 2019.

https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=A08281&term=2019&Summary=Y&Text=Y

² Village of Ossining – Housing Vacancy Rate Analysis. 2018.

https://www.villageofossining.org/sites/ossiningny/files/uploads/2018_housing_vacancy_rate_analysis.pdf

apartments that are vacant, habitable and available for rent out of the total number of apartments in the class being studied.³ Units that are vacant but not available for rental – for example, because they are dilapidated, undergoing renovation, or are under lease but not yet occupied – are not counted as vacant. The intent is to capture the percentage of vacant units that are readily available for rent out of all rental units, or a snapshot of the share of units that are open to renters seeking apartments. This is called the net vacancy rate.

To obtain this information for Kingston, and in a manner similar to other ETPA surveys, CGR primarily surveyed property owners and managers for identified properties. We developed a brief survey⁴ asking each relevant owner to confirm the total number of units in his or her rental property; the number that were occupied at the time of the survey; how many were unoccupied; and how many unoccupied units were off the market due to renovations, uninhabitable conditions, a tenant moving in at a later date, or other reasons.

Properties Surveyed

To determine whom to survey, we worked with the City Assessor's Office to obtain a list of rental properties in the City of Kingston that were completed before 1974 with at least six units. We then obtained ownership information for each of these parcels from a database maintained by Ulster County. CGR then distributed its survey by Certified Mail to owners at their address on record the last week of October 2019, requesting responses in early November.

Following the mail survey, CGR staff visited Kingston in November to view the vast majority of rental properties on the survey list. CGR spoke with tenants if they were available to ask if they knew how many apartments there were in their building and how many were currently occupied. We also asked for contact information for property owners who had not yet responded. The purpose of these conversations was twofold: to verify information submitted by property owners, to the extent possible, and to inform follow-up efforts to reach property owners. CGR made a return visit for similar purposes in January 2020.

CGR obtained contact information from the City's Building Safety and Zoning Enforcement office to follow up by phone and email with property owners who did not respond to the initial mail survey. CGR typically made at least three phone calls to owners who did not respond to the initial request or follow-up messages. In some cases, properties had changed hands and county records had not reflected the new owner at the time of the mail survey. In these cases, CGR attempted to obtain phone

³ Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey. 2018. <https://www1.nyc.gov/assets/hpd/downloads/pdfs/about/2017-hvs-initial-findings.pdf>

⁴ A sample of the survey is attached.

numbers for new owners or managers. In limited instances, CGR sent a second Certified Mail survey to the new address on record if the current owner could not be reached by phone.

It is important to note that this is a survey, both looking at conditions during a limited time period and subject to the accuracy of information provided by property owners and managers. While tenants were valuable in confirming information about buildings with fewer than 10 units, there were few practical ways to verify figures for larger apartment complexes. The net vacancy rate provided here should be considered an estimate, developed using the most complete and accurate data available.

Survey Findings

CGR considered 82 properties⁵ with 6 or more units built before 1974. These properties had a reported 1,793 units.

As of Feb. 11, CGR had received substantive responses for 61 properties or was able to count or exclude them based on a site visit and / or additional ownership information. This represents 74% of the properties on the initial survey list. These parcels represent 1,600 of the reported units, or 89% of the total units in the class of properties potentially subject to the EPTA.

Of the 61 properties, CGR included 46 in the study group for the purposes of calculating a net vacancy rate. Fifteen of the 61 properties were excluded for reasons discussed in further detail below.

The 46 properties that we included in the study group represent 1,145 units. Of these, property owners reported that 1,048 units were occupied, 77 were vacant, and 20 were not occupied, but were off the market for renovation or other reasons and thus were not counted as vacant. **Using the methodology established by the Census Bureau, this results in a net vacancy rate of 6.7% for this class of rental properties in the City of Kingston.**

There are 21 properties with 193 units that were surveyed, but are not counted in the study group because owners or managers did not provide the requested information. **Even if every one of the units whose owners did not respond to the survey were counted as occupied, with no vacancies, the net vacancy rate would be 5.8% — still above the threshold to declare a housing emergency.**

⁵ 80 properties were identified from city records and property owners identified 2 additional relevant properties to CGR. Another owner provided information about four additional properties that were outside the scope of this study; one property was built after 1974, while the three others were not located in the City of Kingston.

Vacancy Rate Calculation Table

Potential Properties	82
Total Reported Potential Units	1,793
Properties with Response or Determination	61
Properties Included in Study Group (Minus Excluded)	46
Units Included in Study Group	1,145
Units Reported Occupied	1,048
Units Reported Vacant	77
Units Reported Unoccupied but Not Available to Rent	20
Net Vacancy Rate (Vacant/Total Reported Units)	6.7%
Net Vacancy Rate if Units Without Survey Responses Are Counted as Having No Vacancies	5.8%

Excluded Properties

CGR did not survey three properties on the initial list whose owners were listed as the State of New York or a state agency, or were owned by the Kingston Housing Authority, none of which would be subject to the ETPA. These were 1 Albany Ave. (the Governor Clinton Apartments), 320-324 Fair St. and 206 Flatbush Ave.

Based on follow-up correspondence, discussions with owners and site visits, CGR ultimately excluded 12 other properties from its calculation of a net vacancy rate. These were generally types of subsidized housing, including several properties owned by Rural Ulster Preservation Company (RUPCO), or had fewer than 6 units, based on the owner's survey response and / or a site visit by CGR staff. All those excluded totaled 468 excluded units, according to the city's records.

We note that RUPCO indicated two of its properties, 2 Main / 253-255 Clinton (8 units) and 134 Hunter (7 units), are not subsidized. Similarly, the nonprofit Family of Woodstock indicated that its property at 55-57 Green is not subsidized. As such, we included these properties in the study group.

Non-Responsive Properties

CGR received no information from owners of 21 properties with a combined 193 units. As noted above, these properties would not have a material impact on whether the City's vacancy rate falls below the threshold to declare a housing emergency.

Three of the 21 properties were sold during the course of the study, or property records were updated during the study to reflect a recent sale. CGR sent surveys by Certified Mail to the new owners, but did not receive responses. Two owners representing four properties with 40 units declined to respond to the survey. Another owner of a fifth property with 12 reported units responded, but could not provide an exact count of occupied units, and was therefore excluded from the study group.

Conclusion

Our survey found the net vacancy rate for the study group of properties is 6.7%. If units whose owners were non-responsive were counted as full, with no vacancies, the net vacancy rate would be 5.8%. Both rates are above the threshold to declare a housing emergency for this class of properties.

Our team heard a mix of views from property owners, managers and tenants on whether the ETPA was the most appropriate intervention to address concerns about housing costs in Kingston. Anecdotally, however, concerns about affordability and rising rents were common in many of our conversations.

Like any survey, this study is best viewed a snapshot of a specific period in time. Given its concerns about affordability, the City may wish to gather additional data in the future to continuously measure rental market conditions and determine whether a housing emergency exists in Kingston in the future, regardless of whether or not it chooses the ETPA as an option to pursue.

One option is to explore the feasibility of gathering this data through the City's existing rental property registration and inspection programs, under which Building Safety staff are expected to inspect rental properties every two years. The City does not currently gather information on occupancy, vacancies or renovations during the registration or inspection process. Adding these data points to the list of information that the City gathers, along with conducting inspections more often, are potential ways for the City to understand the rental market in the level of detail it requires and inform any future strategies to address affordability. This approach also would allow the City to verify occupancy information firsthand during inspections.

Appendix 1 – Sample of Survey



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Dear Property Owner,

We're conducting a study on behalf of the City of Kingston on vacancy rates in larger rental properties in the City. We're contacting you because Ulster County records show that you are the owner of a rental property at [address].

Please choose one of the following options: 1) complete the brief survey below and return it in the enclosed envelope (no postage necessary); 2) enter your responses at surveymonkey.com/r/KingstonVacancySurvey; or 3) provide answers by phone by calling (585) 327-7071. If you are not the current owner of this property, please notify us using any of the options listed above so that we can correct our records.

This study will help the City and Common Council determine whether Kingston qualifies for rent stabilization under New York State's Emergency Tenant Protection Act (ETPA). Your participation is important to ensure that our study accurately captures the state of rental housing in Kingston and helps the City make an informed decision about ETPA. For your information, we have enclosed a fact sheet on ETPA from the New York State Division of Housing and Community Renewal.

If you have any questions or concerns about this survey, please contact CGR Senior Research Associate David Riley at driley@cgr.org or (585) 327-7071.

Kingston Rental Vacancy Survey

- 1.) Are you the current owner of the property listed above? Yes No
- 2.) How many rental units are there in your property? _____
- 3.) As of today's date, how many units are occupied? _____
- 4.) As of today's date, how many units are not occupied? _____
- 5.) Are any of the unoccupied units you listed above currently off the market or unavailable to rent? Yes No
- 6.) If you answered "Yes" to Question #5, how many are off the market and why? (e.g. undergoing renovation, uninhabitable, a tenant is moving in at a later date) _____
- 7.) Please provide a phone number and / or email address where we can reach you to verify the information you have provided: _____
- 8.) Is there anything else we should know that should inform this study? _____

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Appendix 2 – Response Tables

Units Counted Toward Net Vacancy Rate							
Property Address	Total units in city records	Total units reported in survey	Occupied	Vacant	Off market / under renovation	% vacant	Notes
277 Albany	7	9	8	1	0	11%	Owner responded to survey by email
1 Broadway	14	14	14	0	0	0%	Owner responded to mail survey
11 Broadway	17	17	14	3	0	18%	Owner responded by email
357 Broadway	6	6	6	0	0	0%	Spoke with owner or manager in person
578 Broadway	6	6	6	0	0	0%	Owner responded to mail survey
585 Broadway	6	6	5	0	1	0%	Owner responded to mail survey
620 Broadway	16	21	19	2	0	10%	Spoke to owner or manager by phone
753-755 Broadway	17	16	14	2	0	13%	Spoke with owner or manager by phone
253-255 Clinton	8	8	8	0	0	0%	Owner responded to mail survey
17-19 Downs	6	6	6	0	0	0%	Spoke with owner or manager by phone
177 Fair	6	6	5	1	0	17%	Owner responded to mail survey

Units Counted Toward Net Vacancy Rate							
Property Address	Total units in city records	Total units reported in survey	Occupied	Vacant	Off market / under renovation	% vacant	Notes
58 Fair	7	7	7	0	0	0%	Spoke with owner or manager by phone
82 Fair	8	7	6	0	1	0%	Owner responded to survey online
203 Fair	8	8	7	0	1	0%	Spoke to owner or manager by phone
90 Fairview	152	152	144	8	0	5%	Spoke to owner or manager in person
319 Foxhall	6	6	5	0	1	0%	Spoke to owner or manager by phone
79 Franklin	8	8	8	0	0	0%	Spoke with owner or manager by phone
53 Garden	6	7	5	2	0	29%	Spoke with owner or manager by phone
3 Garraghan	121	122	121	1	0	1%	Spoke with owner or manager in person
31 Green	9	9	8	1	0	11%	Spoke with owner or manager by phone
55-57 Green	8	8	6	0	2	0%	Owner responded by email
79-83 Green	21	24	24	0	0	0%	Owner responded to mail survey

Units Counted Toward Net Vacancy Rate							
Property Address	Total units in city records	Total units reported in survey	Occupied	Vacant	Off market / under renovation	% vacant	Notes
121 Green	11	12	12	0	0	0%	Owner completed mail survey
147 Henry	7	7	6	0	1	0%	Spoke with owner or manager in person
91-95 Hunter	6	6	4	2	0	33%	Owner responded to online survey
134 Hunter	6	7	7	0	0	0%	Owner responded to mail survey
184 Hurley	7	15	14	1	0	7%	Spoke with owner or manager by phone
305 and 389-429 Hurley (two parcels)	266	266	249	15	2	6%	Owner responded by email
2 John	6	6	6	0	0	0%	Spoke with owner or manager by phone
23 John	11	11	4	3	4	27%	Owner responded by email
124 Lucas	20	20	18	2	0	10%	Spoke with owner or manager by phone
52 Maiden	8	8	7	1	0	13%	Owner responded to mail survey
106 Maiden	6	6	6	0	0	0%	Spoke with owner or manager by phone
1 Millers	48	46	43	3	0	7%	Spoke with owner or manager by phone

Units Counted Toward Net Vacancy Rate							
Property Address	Total units in city records	Total units reported in survey	Occupied	Vacant	Off market / under renovation	% vacant	Notes
18 Pearl	6	6	5	1	0	17%	Owner responded to mail survey
86-90 Pine	6	6	6	0	0	0%	Owner responded to mail survey
7 Russell	6	6	6	0	0	0%	Owner responded to mail survey
124 Smith	6	6	4	2	0	33%	Spoke with owner or manager by phone
76-88 Spring	6	6	6	0	0	0%	No response; count based on property visit and tenant interview
142-144 St James	8	10	5	5	0	50%	Owner responded to mail survey
22 Stuyvesant	8	8	7	0	1	0%	Owner responded to mail survey
500 Washington	139	139	120	14	5	10%	Owner responded by email
166 W. Chestnut	59	59	51	7	1	12%	Owner responded by email
84 Wilbur	16	9	9	0	0	0%	Spoke with owner or manager by phone
152 Wilbur	7	7	7	0	0	0%	Spoke with owner or manager by phone
GRAND TOTALS	1,132	1,145	1,048	77	20	6.72%	

Units Excluded from Net Vacancy Rate						
Property Address	Total units in city records	Total units reported	Occupied	Vacant	Off market / under renovation	Notes
105 Abeel	7	4	4	0	0	Owner responded to mail survey; excluded, fewer than 6 units
1 Albany	88	N/A	N/A	N/A	N/A	Not surveyed; excluded, subsidized housing
295 Albany	6	5	5	0	0	Owner responded to mail survey; excluded, fewer than 6 units
27-33 Broadway	6	5	5	0	0	Spoke with owner and excluded; fewer than 6 units
10 Conway	6	N/A	N/A	N/A	N/A	Excluded after property visit; appears to have fewer than 6 units
165 Cornell	55	55	55	0	0	Owner responded to mail survey; excluded as subsidized housing
83 Downs	6	4	4	0	0	Owner responded to mail survey; excluded, fewer than 6 units
320-324 Fair	6	N/A	N/A	N/A	N/A	Not surveyed; excluded, owned by State of New York
202 Flatbush	120	120	108	0	12	Owner responded to mail survey; excluded as subsidized housing
206 Flatbush	98	N/A	N/A	N/A	N/A	Not surveyed, excluded; owned by Kingston Housing Authority
135 Green	6	3	2	1	0	Spoke with owner in person; excluded, fewer than 6 units
434-438 Hasbrouck	7	7	7	0	0	Owner responded to mail survey; excluded as subsidized housing

Units Excluded from Net Vacancy Rate						
Property Address	Total units in city records	Total units reported	Occupied	Vacant	Off market / under renovation	Notes
16 John	6	N/A	N/A	N/A	N/A	Excluded after property visit; has fewer than 6 units
37 John	40	40	40	0	0	Owner responded to mail survey; excluded as subsidized housing
21 Main	11	N/A	N/A	N/A	N/A	Excluded; operated by Northeast Center for Rehabilitation and Brain Injury
GRAND TOTAL	468					

Units with No Response		
Property Address	Total units in city records	Notes
16 Abeel	6	No response
50 Abeel	8	No response
111 Abeel	8	No response
131 Albany	9	No response
231 Albany	14	No response
208 Albany	10	Initial survey returned; surveyed new owner, no response
609 Broadway	12	Initial survey returned; surveyed new owner, no response
672 Broadway	6	Survey returned, no response to follow-up calls
55 Cedar	6	Initial survey returned; surveyed new owner, no response
279 Clinton	7	No response
18-24 East St James	10	No response
87 Green	8	No response
95 Green	12	Owner responded but could not provide an exact count
189 Hurley	9	Owner declined to respond
22-24 Maiden	7	No response
91-97 Main	7	No response
127 Murray	6	Owner declined to respond
58 St James	17	Owner declined to respond
130 St James	8	Owner declined to respond
137 St James	15	No response
173-177 Washington	8	No response
GRAND TOTAL	193	

Appendix 3 – Map of Properties

