

## Gentrification and Displacement Revisited

A fresh look at the New York City experience

by Kathe Newman and Elvin K. Wylie

Rutgers University and University of British Columbia

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### 1. Introduction

In 2005, *USA Today* published an article with a bold headline: "Gentrification a boost for everyone." The article showcased the surprising findings of several recent studies suggesting that gentrification does not, after all, cause much displacement of low-income urban residents. The studies are being used to dismiss concerns about the harmful effects of market-oriented urban policies of privatization, homeownership, "social mix" and dispersal strategies designed to break up concentrated inner-city poverty.

This conclusion is not new. For at least a generation, proponents of gentrification have argued that the process involves little or no displacement—and that, in any case, its benefits for cities far outweigh the costs imposed on a few unfortunate households. Recently, some proponents have even argued that the process is inherently good, even for its victims. In 2001, the New Urbanist architect Andres Duany wrote in *American Enterprise* magazine, "Three cheers for gentrification," contending that it "rebalances" concentrated poverty while offering the improved tax base, "rub-off work ethic," and political power of the middle class.

But gentrification proponents have carefully selected from the research—ignoring the careful qualifications and warnings even in studies that minimize the effects of displacement.

Given the controversy surrounding gentrification and displacement, we undertook a mixed-method evaluation of

displacement in New York City using the New York City Housing and Vacancy Survey, conducted every three years. We also undertook field investigations and interviews to gain insight into the ways that individuals, organizers and neighbourhoods understand and resist displacement pressures. We conducted 33 field interviews with community residents, community organization staff and staff at city-wide agencies in seven gentrifying areas to understand individual displacement stories and the neighbourhood context for gentrification.

### 2. A generation of debate on gentrification and displacement

Since the 1960s, researchers and policy-makers have sought to resolve the sharp dividing line between equitable reinvestment in inner-city neighbourhoods and polarizing displacement. Residential displacement is one of the primary dangers cited by those concerned about the exclusionary effects of market- as well as state-driven gentrification. Residents may be displaced as a result of housing demolition, ownership conversion of rental units, increased housing costs (rent, taxes), landlord harassment, and evictions. Those who avoid these direct displacement pressures may benefit from neighbourhood improvements, but may suffer as critical community networks and culture are dismantled. Increased housing expenses associated with gentrification displace current residents as well as those who might have moved there in the future. Neighbourhoods become off-limits, forcing lower-income



residents to look elsewhere for housing, producing what Peter Marcuse has called “exclusionary displacement.”

HUD weighed these questions in the 1970s and concluded that neither gentrification nor the displacement it produced was of sufficient scale to warrant concern. HUD’s inaction stemmed in part from an inability to quantify the problem. Estimating the scope and scale of displacement and exploring what happens to people who are displaced have proved elusive. It is difficult to find people who have been displaced, particularly if those people are poor. By definition, displaced residents have disappeared from the very places where researchers or census-takers go to look for them.

Despite the challenges, researchers have used a variety of methods and datasets since the 1970s to make inferences about the extent of displacement. But in recent years Freeman and Braconi (2004) and Vigdor (2002) questioned whether low-income residents are indeed displaced and whether gentrification hurts the poor. Both studies assert that the literature on gentrification has failed to quantify accurately the negative impacts of gentrification. In their view, questions about how gentrification affects low-income residents remain in the absence of strong evidence.

Freeman and Braconi used the New York City Housing and Vacancy Survey (NYCHVS), conducted by the US Bureau of the Census about every three years, to measure the number of people displaced during the 1990s, calculate displacement rates, and measure whether low-income people in gentrifying areas are more mobile than those in non-gentrifying areas. They found that 37,766 renters were displaced between 1996 and 1999, and calculate this as 5.47% of all moves by renters. They also found that disadvantaged households in gentrifying areas were less likely to move away than similar households in non-gentrifying areas. They concluded that gentrification does not cause the displacement of low-income households.

These findings are provocative, but they raise many questions. First, can we fully understand displacement if we measure it only as a snapshot in time? The areas of the city selected by Freeman and Braconi cover much of Manhattan below 96th Street and brownstone Brooklyn. Few low-income residents were left in these areas after

1990 and those who remained stayed through some combination of regulatory protection and individual sacrifice or creativity.

Second, Freeman and Braconi’s control group (moves from non-gentrifying neighbourhoods) includes residents of some of the poorest areas of the city, including all of the Bronx and parts of Brooklyn and

Queens with high poverty rates. We might expect that these residents move more frequently than those in other areas of the city, producing an artificially high standard to use as a comparison for displacement rates from gentrifying neighbourhoods.

Third, their study area includes several distinct neighbourhoods, each with its own trajectory of class transformation, housing market pressures, and demographic trends. Tabulating displacement rates by sub-borough area ignores the fine-grained context and contingency of gentrification.

We find Freeman and Braconi’s work provocative on the basis of its methodological innovations and we applaud their call for research on the adaptive strategies that low-income renters use to stay put in gentrifying neighbourhoods. But we dispute the conclusion that displacement is not a problem.

### ***Displacement***

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### ***3. Measuring displacement***

Our analysis began with a quantitative evaluation of displacement in New York City and its changes over the past decade. The New York City Housing and Vacancy Survey provides information on a longitudinal sample of approximately 18,000 housing units every three years. Households in occupied units are asked questions pertaining to demographic characteristics, employment, housing conditions, and mobility. One question asks residents who recently moved into the unit to choose the primary reason for their relocation. We analysed the last five surveys—1991, 1993, 1996, 1999 and 2002—to identify current renters who moved into their units since the previous survey. We excluded those who moved from another unit in the same building and those moving from anywhere outside the city: our analysis is centred on the dynamics of local, intraurban mobility and sets aside the question of how gentrification is affected by newcomers to the city and those forced to leave it.

Although surveys from different years are not strictly comparable, the results provide a rare and valuable glimpse into the phenomenon.

#### **4. The extent of displacement**

Overall, our criteria yield estimates of displacement from New York City neighbourhoods ranging between 25,023 and 46,606 households for each of the time-periods covered by the separate surveys. This translates to 8,341 a year in the 1991–93 period and 11,651 a year between 1999 and 2002. The displacement rate fluctuated between 6.2 and 9.9% of all local moves among renter households in the City. The vast majority of these households were forced to move by cost considerations.

In calculating the displacement rate, our denominator does not include renters who moved from outside New York City. Those in the numerator—displaced households—disappear from view if they leave the city. If we then define the denominator to include renters arriving from elsewhere, the measure captures only half of the city's role in regional, national and global migration circuits.

Our estimates are constrained by the fact that households can choose only one reason from a long list of alternative explanations of mobility. The measure ignores a variety of scenarios in which displacement pressures are embedded in the social and economic complexity of everyday urban life.

Nevertheless, the analysis confirms that, although displacement affects a small minority of households, it cannot be dismissed as insignificant. Ten thousand displacees a year should not be ignored, even in a city of 8 million. Citing low figures to support an argument that displacement is not a problem takes us perilously close to a tyranny of the statistical majority in which we would dismiss other signs of inequality on the same grounds: racial profiling, illegal employer retaliation against union organizers, employment discrimination, homelessness, racially disparate exposure to environmental toxins, and so on. These phenomena reflect the aggressive reassertion of class privilege that comes with the imposition of market principles in so many areas of social life. Displacement is the leading edge of the central dilemma of American property—the use values of neighbourhood and home, versus the exchange values of real estate as a vehicle for capital accumulation.

Looking beyond the aggregate displacement rate, the effects of gentrification are dynamic and vary widely with context. First, displacement appears to fluctuate substantially over time as the housing market fluctuates. Although the temporal cycle of the NYCHVS is

a bit coarse, results can be stratified by the year in which each renter household moved into their current unit, revealing pronounced spikes in the displacement rate in 1992, 1996, and 2001.

Second, we found that displacement varies widely by neighbourhood. We believe that urban and metropolitan housing market dynamics create a variety of displacement pressures at the city-wide level and that these pressures are expressed in varied combinations at the neighbourhood scale.

Overall, the quantitative analysis indicates that displacement affects 6 to 10% of all rental moves within the city each year. For displaced renters who find new accommodations in the city, and who are not forced to double-up, our research suggests that they are looking farther afield in the outer boroughs to find affordable arrangements. As gentrification swept with renewed intensity across Manhattan through the 1990s, renters forced to seek homes elsewhere moved farther into Brooklyn and increasingly into Queens and the Bronx.

#### **5. A view from the neighbourhoods**

In the second part of our study, we conducted field research in neighbourhoods within the seven sub-borough areas identified by Freeman and Braconi as gentrifying—Fort Greene, Greenpoint/Williamsburg and Park Slope in Brooklyn and the Lower East Side, Chelsea/Clinton, Central Harlem and Morningside Heights in Manhattan.

Interviewees from all seven study neighbourhoods described dramatic changes in their communities from the mid 1990s onwards as a tremendous surge of gentrification increased displacement pressures. Even though many of these neighbourhoods experienced some form of gentrification during earlier economic booms in the 1970s and 1980s, the transformations that occurred in the late 1990s were different in scale and scope. Interviewees describe an influx of new residents, gentrification processes that expanded further into not-yet-fully gentrified parts of the neighbourhoods, dramatic demographic changes, housing revitalization and new construction, and commercial corridor revitalization.

The changes in Lower Park Slope are typical of the changes in many of the study neighbourhoods. Lower Park Slope, home to many older Italian families, Latinos, and long-time and more recent white residents, experienced a massive influx of gentrification that transformed Fifth Avenue, a major commercial corridor, and drove up housing prices. Residents appreciate many of the changes, but fear that the changes ultimately will displace them.

Similarly, the northern part of Brooklyn’s Fort Greene neighbourhood has been rapidly gentrifying since the mid 1990s, pricing out many lower-income residents who had remained there despite the earlier rounds of gentrification during the 1970s and 1980s. Myrtle Avenue, once known as “Murder Avenue” because of crack cocaine violence in the 1980s, became the site of rapid gentrification in the late 1990s, which transformed it into a neighbourhood asset with fashionable restaurants and shops. The transformation brought higher rental prices for the units above the commercial properties and helped set off a rapid transformation of the housing stock to the north, which had until recently been one of the few remaining affordable areas.

Central Harlem received an influx of middle-class residents throughout the 1970s and 1980s, but the changes during the late 1990s and early 2000s are different. One resident described the housing demand: “People are coming up while you’re on the street asking who owns the building. It’s a daily thing.” The neighbourhood also appeals to renters seeking livable space with manageable commutes to downtown Manhattan.

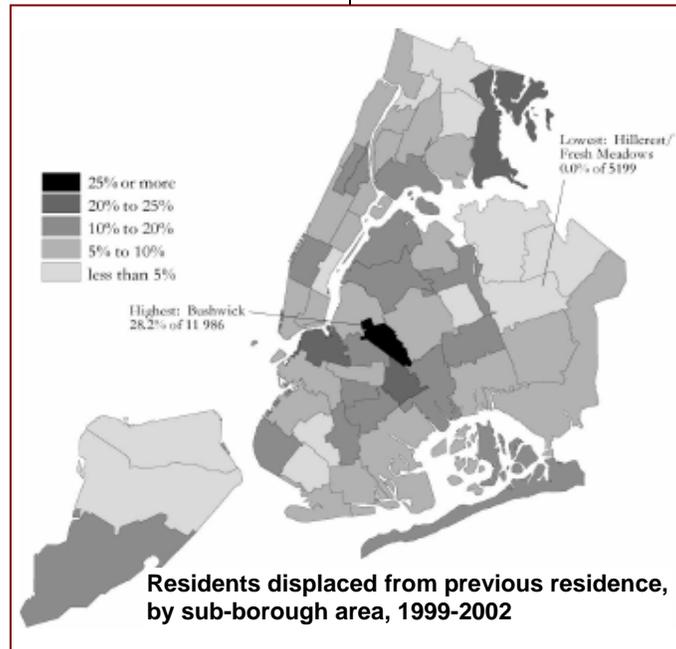
Many residents of gentrifying neighbourhoods like Park Slope, Fort Greene, and Harlem view gentrification as a mixed blessing. But they fear that the new shopping venues come with a high price tag and may spur the revitalization that will ultimately displace them. Longtime residents are frustrated that after years of fighting to improve their neighbourhoods during periods of severe disinvestment, now that the neighbourhoods are improving, they will not be able to stay.

## 6. Gentrification and low-income residents

While it is difficult to understand what happens to residents when they move, community leaders report that residents often double- or triple-up with family and friends, become homeless or move into the city shelter

system, or move out of the city. None of these dynamics is captured in the NYCHVS dataset, suggesting that it underestimates displacement by a significant but unmeasurable amount.

According to interviewees, many displacees are moving to upstate New York, New Jersey, and Long Island. Community residents and organizers in Fort Greene and Harlem also described a reverse migration, as many residents return to their communities of origin in the South.



Seniors find it particularly difficult to remain in the gentrifying city when housing prices increase while their incomes do not. In neighbourhoods throughout Central and Northern Brooklyn, we heard about elderly women occupying apartments for decades while paying less than market rate rent. As gentrification transformed their neighbourhoods, pressure to raise their rents increased. Landlords of rent-regulated buildings that offer below-market rents to senior citizens can receive a tax abatement called

SCRIE, the Senior Citizen Rent Increase Exemption, but unregulated buildings provide little protection from the increases. There are few alternatives within the city, since most seniors’ buildings are full, with long waiting lists. Elderly women frequently double-up or move in with family outside the city.

New immigrants face similar issues, including accepting poor housing quality, overcrowding, or the need to leave the city to find housing.

For those with no alternative, there is the city’s shelter system. Community organizers described their frustration when efforts to find affordable housing for tenants failed and tenants turned to the shelter system. The number of people in New York City’s shelter system suggests the severity of the city’s housing affordability crisis. In July 2003, more than 38,000 people, including 8,249 families and more than 16,500 children, used the New York City shelter system, far exceeding the last peak of 28,737, reached in March 1987.

## 7. How low-income residents stay in gentrifying neighbourhoods

Not all residents are displaced, but what enables them to stay?

### Public programs

Of the forms of assistance available, interviewees identified the city's rent regulations as the single most important form of public intervention. In 2002, 49% of housing units in New York City were rent-stabilized, 3% were rent-controlled, and another 17% were regulated in some other way, leaving 32% unregulated. Changes to rent regulation legislation over the past 10 years, however, have reduced the regulated housing stock by about 105,000 units city-wide, suggesting that the role of this safeguard has diminished over time.

Interviewees identified problems affecting the regulated stock in gentrifying neighbourhoods. Landlords illegally charge excessive rents for stabilized units, send tenants threatening notices to leave the regulated stock, stop providing services, and threaten to look at immigration papers. The *Rent Regulation Act* of 1997 allows landlords to increase the rent of regulated apartments by between 18 and 20% upon vacancy. When the rent reaches \$2,000, landlords can remove the unit from the regulated housing stock.

Community organization staff members report a sharp increase in the number of residents seeking help with landlords who file personal holdover evictions, and suggest that the process is being abused to remove tenants illegally. Tenants in designated SROs (single room occupancy units) are also facing displacement pressures, even though they have eviction protection. Since 1983, landlords are required to get a certificate of no harassment before removing tenants in certified SROs. Technically, landlords cannot convert units without the consent letter, but community leaders report that landlords remove tenants by buying them out, converting the units illegally, or cutting off services with the intention of wearing the tenants down until they leave.

Interviewees listed assisted housing as the next most used support. Thousands of residents live in housing with some form of public subsidy, including federal public housing, housing vouchers and Section 8, or New York State's Mitchell-Lama program. Public housing offers considerable protection against displacement for 181,000 households. Vouchers provide another critical form of support, but are threatened by proposed federal cutbacks. Another 20,000 people with HIV/AIDS receive rental assistance from the city's Human Resources

Administration. Even with these supports, the supply of affordable housing is inadequate to meet needs.

Some of these programs, like the federal Section 8 program and the state Mitchell-Lama program, are time-delimited, enabling owners to opt out when their contracts expire. Many contracts are due to expire within the next 10 years, threatening thousands of affordable housing units. Community leaders and residents are working aggressively to ensure that landlords renew contracts, but this is time- and energy-intensive and produces contracts that last for only a few years, forcing tenants to battle constantly to save their homes.

Some low-income residents benefit from the city's voluntary 80/20 inclusionary zoning program, but community groups argue that, given the city's recent upzoning of many neighbourhoods and the expected high production rates in the private housing market, the program should be mandatory. Upzoning enables landowners to capture windfall profits; the city should capture some of this benefit in the form of affordable housing units. Mandating inclusionary zoning in developing neighbourhoods could produce units for low-income residents, rather than simply assuming that by increasing supply, units will somehow trickle down. This is particularly an issue as the number of low-income units decreases. The waiting lists for these programs suggest the extent of outstanding need.

### Private strategies

For many low-income residents, staying in gentrifying neighbourhoods means accepting poor housing quality, coping with high housing cost burdens, or sharing housing with other residents.

Housing quality and affordability become a trade-off; residents fear that complaining about housing quality will result in displacement. Some displaced, especially single parents, the elderly, immigrants, and younger families, remain in the city by doubling up with family or friends. Overcrowding is a particularly serious problem in poor immigrant communities.

While many low-income residents are forced to live in sub-standard housing to find affordable rents, many other low-income residents live in good-quality private rental housing and pay below market rents. Interviewees throughout many of the study communities described an informal housing market in which landlords know the tenants, in many cases for decades, and charge rent that the tenants can afford. The informal housing market provides housing to many otherwise vulnerable residents, but it is unstable. These are tenuous relationships that end as landlords die or sell their buildings. And

gentrification itself has been chipping away at the informal housing market as landlords realize the extent of their lost income and raise rents accordingly.

Homeownership is often viewed as a protection against gentrification, but, as housing values increase, rising property taxes often make homeownership impossible, especially for the elderly and other residents on fixed incomes.

Community organizations play an important role in ensuring the availability of affordable housing through their organizing and housing production efforts. For example, Lower Park Slope's Fifth Avenue Committee (FAC) launched an anti-displacement campaign to challenge landlords who displace residents through excessive rent increases.

Groups throughout Central and Northern Brooklyn have adopted FAC's strategies. In 2001, the Pratt Area Community Council created Brooklyn Community Action to build leadership among people who might be faced with displacement. Their initial efforts quickly expanded into Displacement Watch, a program that holds meetings for tenants, negotiates with landlords, and organizes letter-writing campaigns, prayer vigils, and demonstrations. These actions are designed to pressure landlords into reducing rents, but the long-term effects are uncertain. It is hard to say whether landlords are altering their behaviour beyond individual cases.

The city's community development corporations and other non-profit housing developers have also produced thousands of units of affordable housing. But these efforts are a drop in the bucket compared with the housing need. Also, support for higher-end housing and the need for affordable homeownership opportunities in many neighbourhoods have shifted the agenda of the bigger organizations to producing affordable homeownership housing, leaving few organizations producing housing for very low-income residents. The housing market boom has also made it more difficult for community organizations to purchase property for development. Up to the 1990s, groups often acquired property from the city for free or for a small cost. The city's Third Party Transfer program allowed the city to transfer ownership of buildings with unpaid property taxes at risk of abandonment to other entities. Community organizations now find themselves competing with private developers for properties.

The interventions that enable low-income households to stay in gentrifying areas all have serious limitations. Publicly assisted programs are losing support and the informal private market is crumbling. Inclusionary zoning holds the most potential to capture some of the advantage of the booming real estate market.

## 8. Conclusion

Underestimating displacement involves high costs for theoretical understanding of neighbourhood change and even higher ones for the displaced themselves.

Those who are forced to leave gentrifying neighbourhoods are torn from rich local social networks and thrown into an ever more competitive housing market shaped by increasingly difficult trade-offs between affordability, overcrowding, and access to jobs and services.

Although the historically specific web of housing supports that developed in New York City from the 1920s to the 1970s has mediated the effects of current rounds of gentrification, for low-income residents of cities with few regulatory mechanisms, the situation is precarious. As affordable housing protections are dismantled, we are likely to see the end-game of gentrification, as the last remaining barriers to complete neighbourhood transformation are torn down.

U.S. cities are at a critical turning point and New York City, as a global city with a long history of gentrification, is facing these issues earlier than many other places. It is an instructive case that suggests the benefits of housing protections for low-income residents in gentrifying communities and the potential pitfalls of weakening these supports. The goal of homeownership and revitalization of mixed income/mixed race neighbourhoods will not produce the beneficial changes policy-makers seek if protections for low-income residents are not also included.

Gentrification is not a minor phenomenon that affects a few communities; it is evidence of vast urban restructuring. The recent wave of gentrification washed through the city with a speed and a force that few, if any, predicted. Low-income residents who manage to resist displacement may enjoy a few benefits from the changes brought by gentrification, but these bittersweet fruits are quickly rotting as the supports for low-income renters are steadily dismantled.

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### *A precarious situation*

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**Kathe Newman** is in the Department of Urban Planning and Policy Development, Edward J. Bloustein School of Planning and Public Policy, Rutgers University, New Brunswick, New Jersey. [knewman@rci.rutgers.edu](mailto:knewman@rci.rutgers.edu)

**Elvin K. Wyly** is in the Department of Geography, University of British Columbia, Vancouver, B.C. [ewyly@geog.ubc.ca](mailto:ewyly@geog.ubc.ca)

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### Centre for Urban and Community Studies

UNIVERSITY OF TORONTO

455 Spadina Ave, 4<sup>th</sup> Floor, Toronto, Ontario, M5S 2G8; fax 416 978-7162

[urban.centre@utoronto.ca](mailto:urban.centre@utoronto.ca) [www.urbancentre.utoronto.ca](http://www.urbancentre.utoronto.ca)

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