PACE LAW SCHOOL
LAND USE & SUSTAINABLE DEVELOPMENT CONFERENCE

PRESENTED BY: WILLIAM V. CUDDY, JR.

December 8, 2016

Multifamily Residential Development as a driver and consequence of economic development

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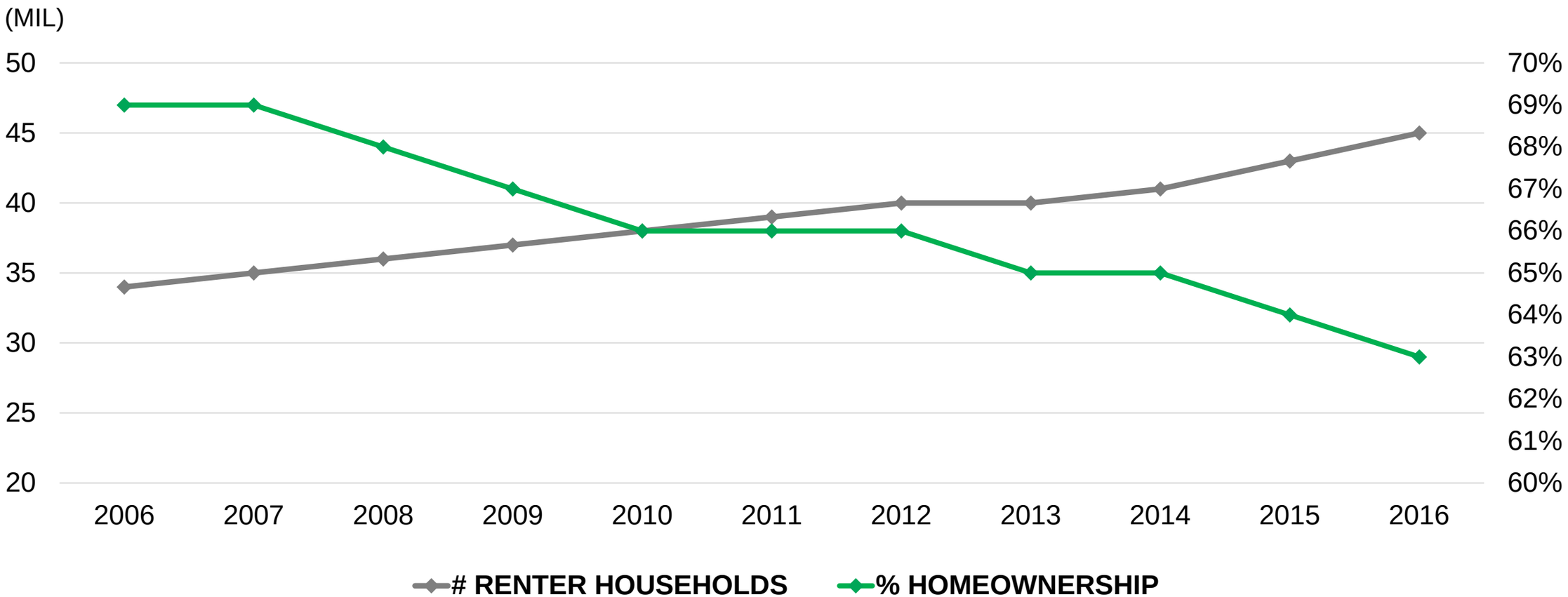
NATIONAL MULTIFAMILY RESIDENTIAL STATISTICS



# of renters increase 24.4% between 2006 – 2016

% of home owners decreased 6% between 2006 - 2016

Source: CBRE Research

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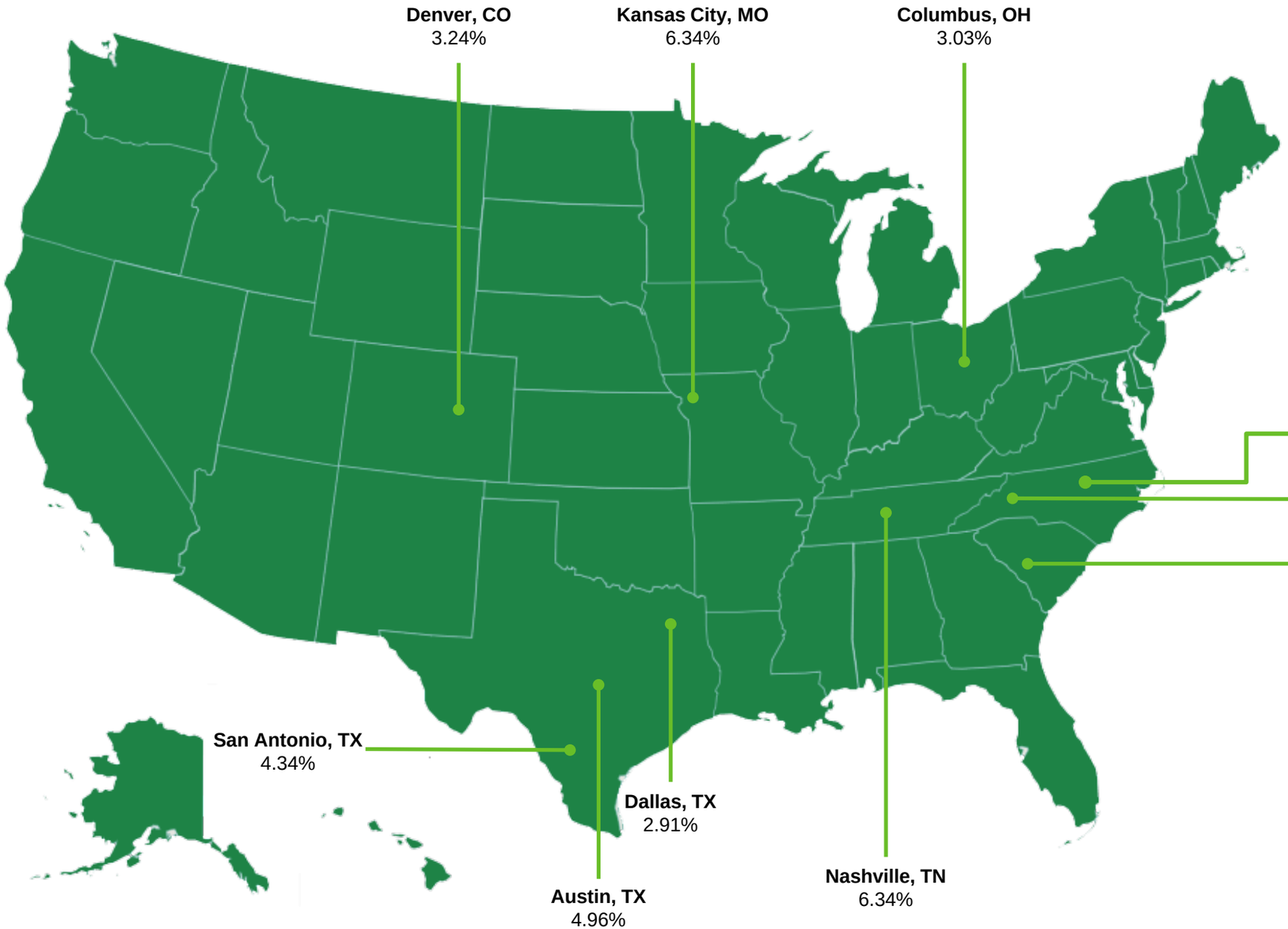
TOP 10 U.S. CITIES FOR UNIT DELIVERY RATIO



Top 10 U.S. Cities	Ratio of Deliveries	GDP Growth	Population Growth	Income Growth
Nashville	6.34%	9.06%	6.77%	14.29%
Greenville	5.61%	6.90%	4.86%	11.03%
Charlotte	5.01%	10.02%	7.23%	11.09%
Austin	4.96%	14.34%	11.11%	11.83%
San Antonio	4.34%	12.65%	7.64%	9.92%
Raleigh	3.60%	14.54%	8.41%	9.94%
Kansas City	3.28%	5.81%	1.97%	7.51%
Denver	3.24%	10.06%	5.44%	12.10%
Columbus	3.03%	6.68%	4.80%	9.49%
Dallas	2.91%	10.33%	7.89%	10.92%

Source: CBRE Econometrics Advisors

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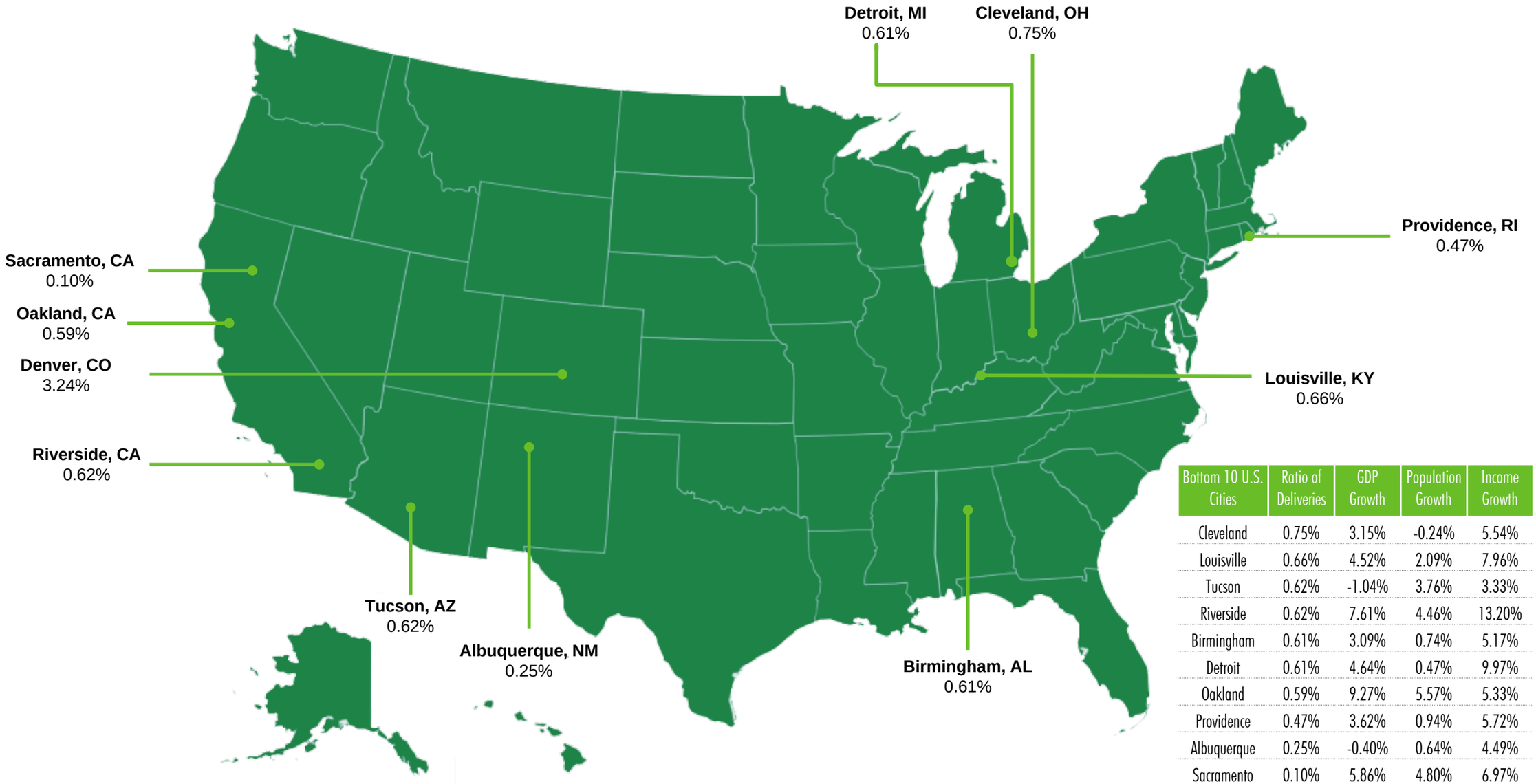
BOTTOM 10 U.S. CITIES FOR UNIT DELIVERY RATIO



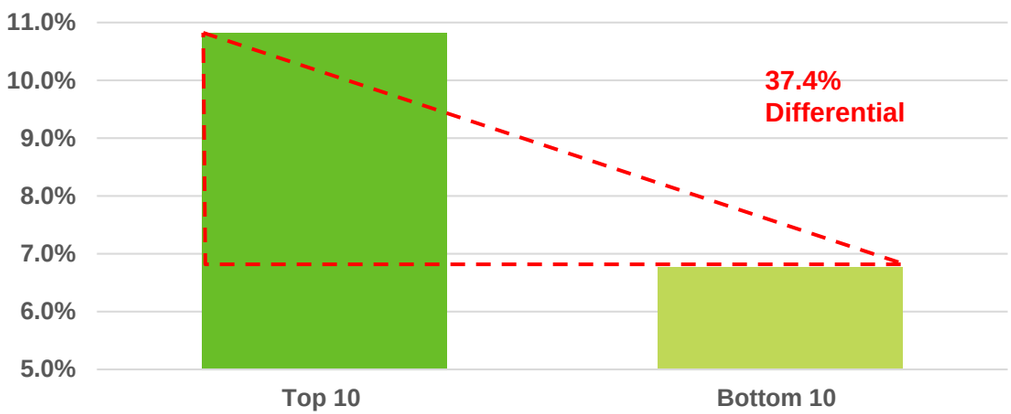
Bottom 10 U.S. Cities	Ratio of Deliveries	GDP Growth	Population Growth	Income Growth
Cleveland	0.75%	3.15%	-0.24%	5.54%
Louisville	0.66%	4.52%	2.09%	7.96%
Tucson	0.62%	-1.04%	3.76%	3.33%
Riverside	0.62%	7.61%	4.46%	13.20%
Birmingham	0.61%	3.09%	0.74%	5.17%
Detroit	0.61%	4.64%	0.47%	9.97%
Oakland	0.59%	9.27%	5.57%	5.33%
Providence	0.47%	3.62%	0.94%	5.72%
Albuquerque	0.25%	-0.40%	0.64%	4.49%
Sacramento	0.10%	5.86%	4.80%	6.97%

Source: CBRE Econometrics Advisors

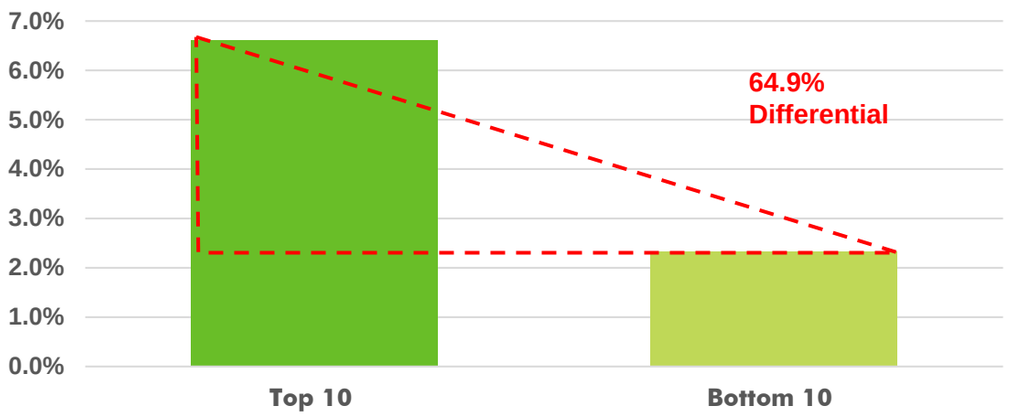
MARKET METRICS

2012-2016

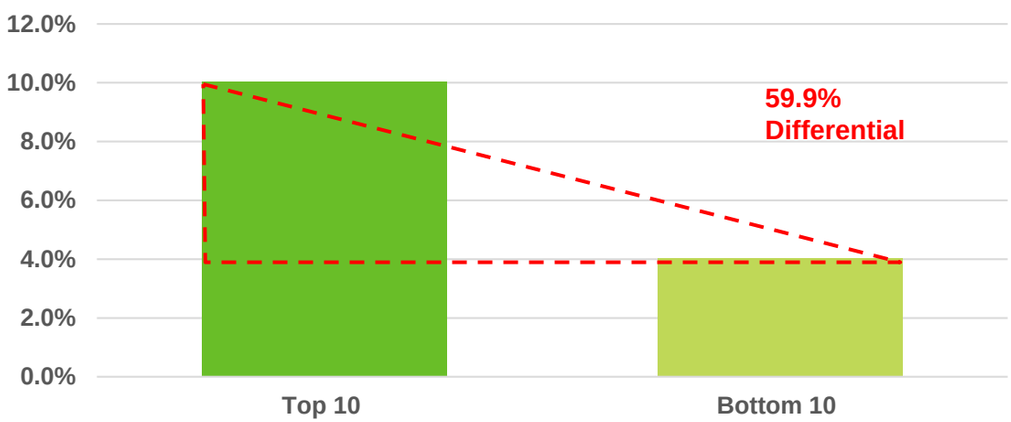
INCOME GROWTH



POPULATION GROWTH



GDP GROWTH



Source: CBRE Research | Bureau of Economic Analysis

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WESTCHESTER COUNTY AFFORDABLE HOUSING

STATISTICS AND DEFINITIONS

PROGRAM	PROPERTIES	UNITS	DEFINITION
SECTION 8	61	5,690	Provides rental assistance to low-income families unable to afford market rents.
LOW-INCOME HOUSING TAX CREDIT (LIHTC):	64	4,514	A tax incentive intended to provide an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects.
SECTION 202	13	1,008	Provides capital advances to finance the construction, rehabilitation or acquisition of structures that will serve as supportive housing for very-low-income elderly persons to help make them affordable and provides rent subsidies for the projects to help make them affordable.
SECTION 811	2	12	Provides capital advances to finance the construction, rehabilitation or acquisition of structures that will serve as supportive housing for very-low-income individuals with disabilities and provides rent subsidies for the projects to help make them affordable.
PUBLIC HOUSING	27	4,518	Housing assisted under the provisions of the U.S. Housing Act of 1937 or under a state or local program having the same general purposes as the federal program. Distinguished from privately financed housing.
TOTAL	**120**	**11,339**	

Source: HUD

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WESTCHESTER COUNTY MULTIFAMILY RESIDENTIAL STATISTICS

WESTCHESTER	MARKET SIZE	DELIVERIES	RENT	POPULATION
2006	85,500	52	$2,214	931,426
2007	85,748	248	$2,110	933,414
2008	86,696	948	$2,120	937,449
2009	87,213	517	$2,036	944,201
2010	87,213	0	$ 2,193	950,544
2011	87,553	340	$2,129	957,271
2012	88,203	650	$ 2,191	961,849
2013	88,347	144	$2,274	969,296
2014	88,595	248	$2,393	972,634
2015	89,115	520	$2,474	977,910
*2016	89,644	1498	$2,549	979,590

10-year average deliveries 2006 – 2015: 367 per annum

***2016 deliveries are 4X the prior 10-year average**

Source: CBRE Research | U.S. Census

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WESTCHESTER COUNTY MULTIFAMILY RESIDENTIAL STATISTICS

WESTCHESTER COUNTY AREA MEDIAN INCOME (AMI)

	100% AMI	80% AMI	60% AMI	30% AMI
Westchester County AMI	$107,800	$86,240	$64,680	$32,340
Family of 4 Annual Rent @ 30% AMI	$32,340	$25,872	$19,404	$9,702
Monthly Rent	$2,695	$2,156	$1,617	$809

If valued members of our communities do not qualify for market rate apartments or even qualify at the 60% AMI guidelines level, can we represent we have a responsible housing policy?

	Teachers Salary	Nurses Salary	Policeman Salary	Fireman Salary
Westchester County AMI	$60,015	$76,000	$59,186	$49,525
Family of 4 Annual Rent @ 30% AMI	$18,005	$22,800	$17,756	$14,858
Monthly Rent	$1,500	$1,900	$1,480	$1,238

Source: Bureau of Labor Statistics

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WESTCHESTER COUNTY MULTIFAMILY RESIDENTIAL MYTHS

- Multifamily Residential development overburdens schools
- Multifamily Residential development requires high parking ratios
- “Affordable” means “deplorable”

Source:

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OPPORTUNITIES

WHERE

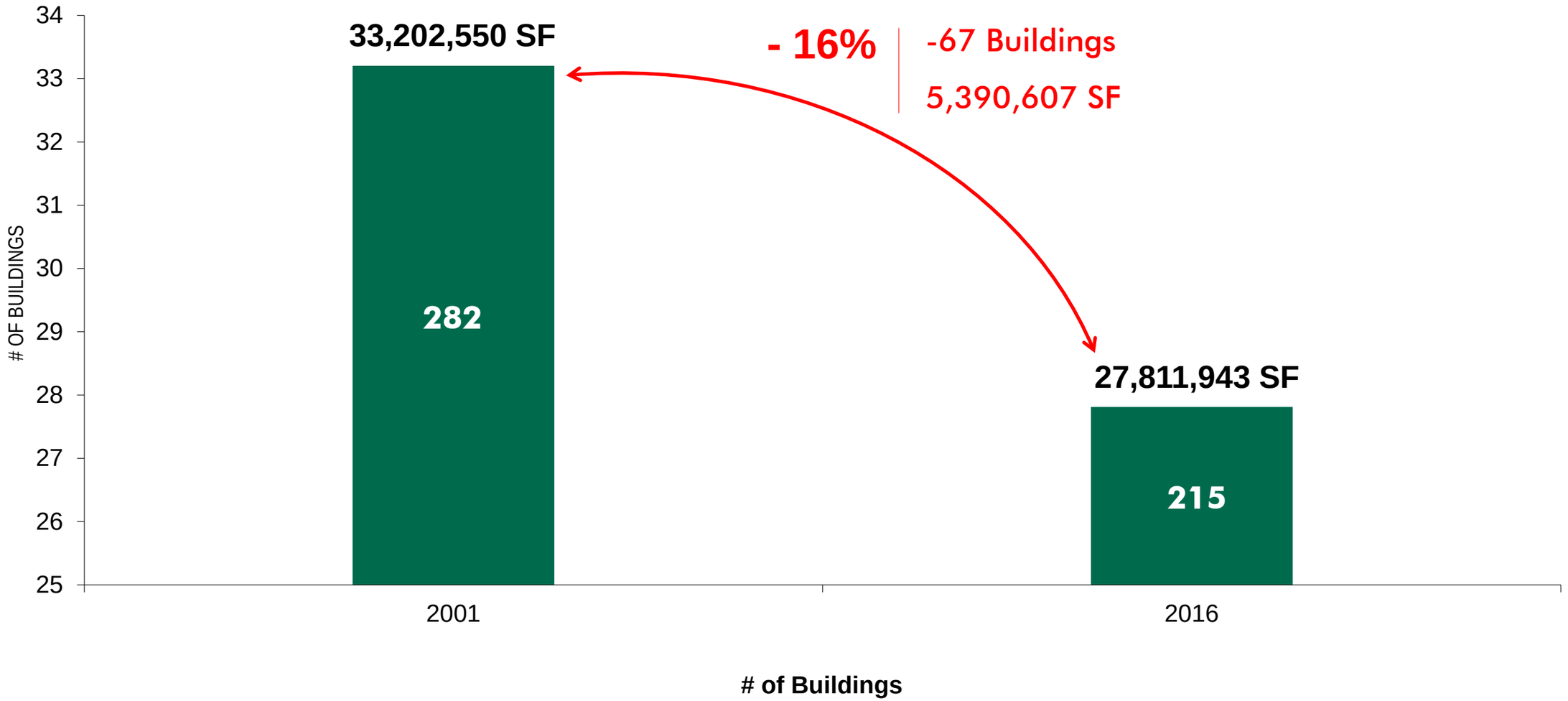
- Conversion of underperforming commercial real estate
- Transit-oriented development (TOD)
- In-fill locations

BENEFITS

- Creates jobs
- Generates fees and tax revenue
- Alleviates burden of NYS 2% tax cap
- “Renters spend more of their income locally than homeowners” – *National Multifamily Housing Council*

Source: CBRE Research

EXISTING OFFICE INVENTORY MIGRATION: CLASS A AND B OFFICE



Source: CBRE Research

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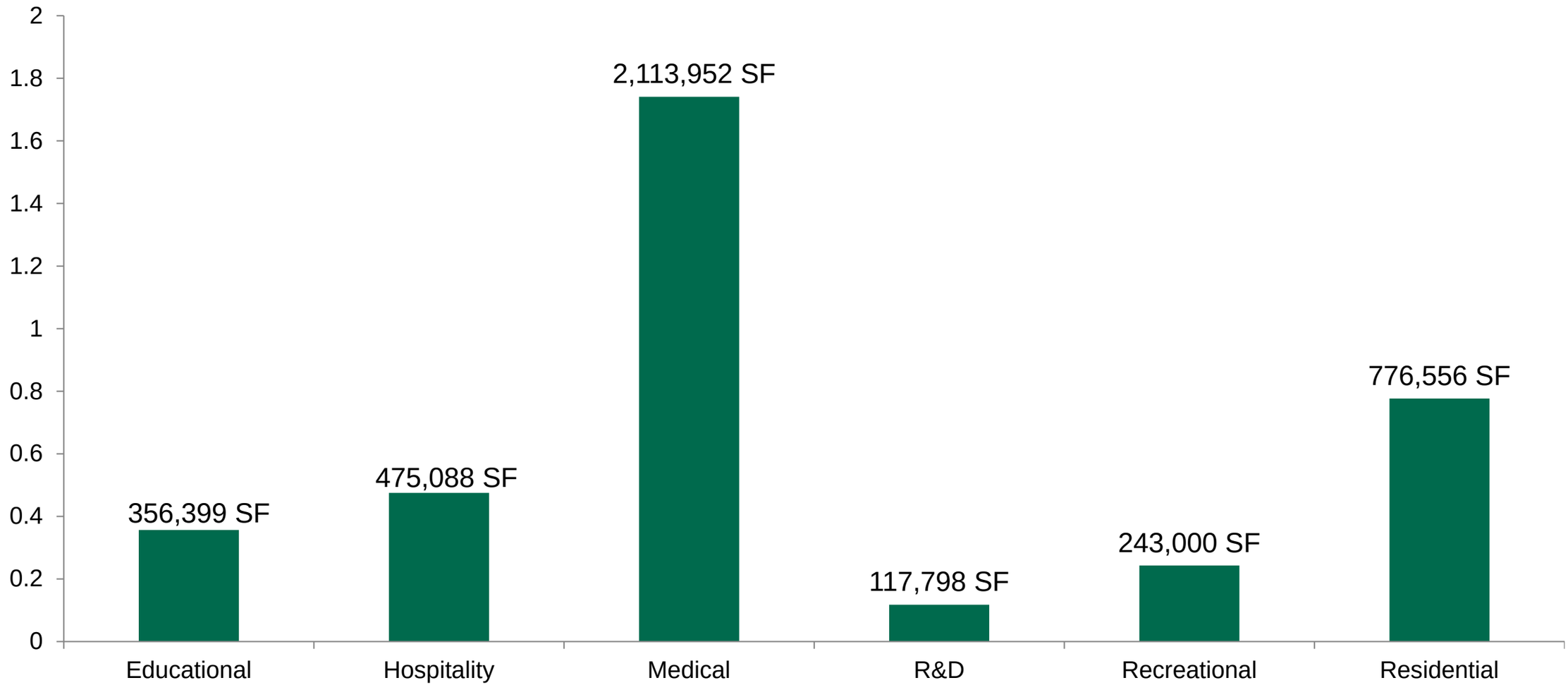
REPURPOSING OF INVENTORY BREAKDOWN

2001-2015



Source: CBRE Research

EXISTING COMMERCIAL INVENTORY BREAKDOWN

2015

	OFFICE "A"	OFFICE "B"	OFFICE "C"	R&D	MEDICAL	WAREHOUSE INDUSTRIAL	FLEX
# OF BLDGS.	68	150	136	14	51	227	73
TOTAL EXISTING	16,274,407	12,035,420	5,986,452	2,022,996	3,618,269	11,199,840	4,301,516
± AVERAGE NNN RENT	$16.00 NNN	$12.00 NNN	$7.00 NNN	$15.00 NNN	$14.00 NNN	$9.00 NNN	$14.00 NNN

Source: CBRE Research

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KEY RESIDENTIAL PROJECT

The Residences at Corporate Park Drive
103-105 Corporate Park Drive, Harrison, NY

- Pending final approval for a 421-unit rental apartment complex on 10.35 acres including related amenities and a restaurant
- First apartment complex on the Platinum Mile in Harrison
- Illustrates trend of repurposing aging suburban office parks
- Eliminates 164,884 RSF of existing under performing office space

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WESTCHESTER HINDRANCES

- Lack of a coherent public policy
- SEQRA
- Limited availability of developable land
- Costs
- Community opposition

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CONCLUSIONS

- Multifamily Residential development is a driver and consequence of economic development
- Residential deliveries should encourage and promote the desired economic development objectives of the community
- Urban residential development with fewer cars promotes walkable cities, reduces congestion and pollution, allows for more capital to be deployed locally and creates a safer and more dynamic community
- A residentially focused development policy will have a direct and dynamic impact on the financial viability and performance of the region

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THANK YOU

WILLIAM V. CUDDY, JR.
T 203 325 5380
William.Cuddy@cbre.com

CBRE RESEARCH TEAM: Roger Galindo and Carter Lovejoy

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