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Speech to New Yorkers

Good afternoon everyone, I am pleased to be speaking to you today in one of the greatest cities on earth, New York City. Our home and community, we all share this great city and wish to maintain it for future generations as well as for ourselves. There are many reasons that out of all the places in this big country, this is where we have chosen to settle, such as the many job opportunities, the countless available services, and the massive diversity among our fellow citizens that we share this city with. New York City has created many advancements in the sciences and arts thanks to the wide support and work of the large diverse discourse community of New Yorkers, we are the foundation that the city thrives on and essential for its success. Throughout the years however, especially as of recently we have witnessed clearly alarming problems that if continued will continue to drive people out of the city, and ultimately ruin what we loved about it. Many of you may be unfamiliar with what troubles many of the city's neighborhoods, and I must bring attention to it here today so that hopefully we can gather support for changes to be made. What I am speaking of is the alarming situation surrounding how the living situation, specifically the renting situation, has become very draining and limited for the general population. The community of New Yorkers are doing their parts, working and trying their best, but they cannot keep up with the overwhelming tide compared to their stagnating wages.

The living situation in the city has diminished so far that it has driven droves of people to leave the city, in such high numbers that we have seen a “237% increase in the number of people

leaving compared from the year before” from Dan Krauth “Despite Census numbers, COVID pandemic exodus continues in NYC” on abc7ny. Although there are many reasons why people would choose to leave, one of the top causes for this exodus of city dwellers can be linked to the ever increasing rent prices in the city, and how “some renters have experienced up to 70% increase in their rents” from Misyrlena Egkolfopoulou and Claire Ballentine on Bloomberg news. If people are spending most of their paychecks on rent, then we will see local businesses suffer too as not only will their rents also be increased, but consumers will have less available income to spend on these stores. Hearing that someone's rent has been increased by such high amounts could bring up advice such as “why not just find another building with lower rents”, here comes the wider more pervasive factor that makes it so that isn't really an option.

The issue of rent increases can mainly be tied back to corporations and individual investors using the buildings they purchase as investments similar to the stock market or franchises. The idea follows that when they purchase a building, the easiest and most common way for that building's value to go up is by increasing the rents, as increased rents will signify that a building is worth more than it was when first purchased. This provides a simple way for investors and corporations to double or even triple their investment on a property within a relatively short amount of time, and the government of a city will be more than happy with such a situation because increased rents and property value equals increased property taxes coming in from these buildings, so the city officials allow it since it will bring in more revenue for the city. This creates a constant issue where rent prices will never go down because that would mean the owners of the property will lose money if trying to sell the building, since that would signify a property has lost its value since purchase, thus based on property owners and city officials own interests the rent prices will only continue to increase.

The next major factor is the increase in foreign investors into the American property market, now by itself the fact that the investors are foreign is not the problem, the problem stems from the unique way they are handling their newly purchased properties. Many of these foreign buyers see the American Property market as a much more secure investment compared to their residing countries' stock and property markets which would be less established and prone to more instability compared to the American side, which has more money circulating through it and has various insurances from the government. David Gelles gave a deep dive into this issue in his article "The Logic of an Empty \$100 Million Pad" in The New York Times, "We have the greatest influx of foreign buyers that we've ever seen," Ms. Liebman said. "The Chinese have made a huge impact on New York real estate along with Latin, European, Russian buyers. The past year has brought us a lot of Middle Eastern buyers.", "It can be a good idea to have money outside your home markets," Mr. Henckels said. "Hardly any of these people are actually New York City residents.". These buyers want to essentially purchase american properties because they know it is a safe way to store their money, these properties serve as the equivalent of a bank vault to them, they can purchase a building for say one hundred million, and they can have confidence that the building will still be worth that amount or potentially higher throughout the years. The problem that this leads to is that the buyers don't really care about collecting rents or similar revenue streams from a building, they simply desire to purchase a building, and hold it. That is why a new trend has been increasingly apparent where these massive properties throughout the city will have no occupants residing in them, because the owners aren't looking for revenue, but also they see the hassle of owning it as more trouble than it's worth. Being the owner for a residential property comes with a lot of responsibilities, regulations, fees, taxes, and other requirements to maintain it, this would have even more added caveats for an owner who is

a non US citizen and living abroad, so the investors don't even bother to allow renters to live there, in the grand scheme of things the amount of money they can make from rents is peanuts compared to what they would have paid for the property in the first place.

This is creating a perfect storm of living hardships on people where not only are rents going up drastically, but they now cannot even look for cheaper living locations since the pool of available apartments is constantly shrinking due to rich buyers choosing to have their properties sit uninhabited. The people do not have to be stuck with such a bad situation however, and there are some policies that could be implemented that would solve the crisis for our community. Such policies could include further restrictions on how much and how frequently rents can be increased, such policies have worked in high numbers on instances such as rent controlled apartments, “Rent Controlled and Rent Stabilized apartments are the primary choices of many New Yorkers and they make up 1 million apartments in the city” “Formerly, the increase in rent of rent-stabilized apartments was at the mercy of landlords and they had the authority to increase rental by 20%. But under the new rule, they can’t do so” from Abdullah Haroon on nyrentownsell. Expanding this to a general rent policy could help alleviate the pressure that renters are facing. New York City has always been a hub for great cultural, technological, and artistic advancements throughout the history of America, and it must be liveable for the general community of New Yorkers if it is to continue that way. I hope i have been able to alert many of you to this ever worsening problem and we can work together for a solution,

Sources:

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