

Neighborhood Changes in New York City during the 1970s

Are the “Gentry” Returning?

Since the late 1970s, a number of journalists and scholars have been calling attention to an emerging “back-to-the-city” movement of high-income households. Observers note that, after two decades of suburbanization, high-income households have begun to rediscover the central city and have been buying up property in or near low-income neighborhoods for renovation and owner occupancy. This process is sometimes called the “regentrification” of the inner city, with the modern “gentry” characterized as young, upwardly mobile executives.

Until now, the evidence of these changes had been largely anecdotal. For instance, a 1979 *New York Times Magazine* article heralding the “urban renaissance” and the “new elite” who had been rediscovering the city reported on the perceptions and observations of the *Times* author and others.¹ Even academic journals are often short on numbers. One recent paper described gentrification in Washington, D.C., only qualitatively, with assertions such as “downtown residential areas [are] increasingly populated by rich professionals who walk or bicycle to work.”²

Regentrification is a controversial subject. Community groups have strongly opposed the process, citing neighborhood disruption and displacement of the poor

and of nonwhite households. In contrast, regentrification has its adherents, notably government officials unwilling to discourage economic investment and property owners hoping for capital gains.

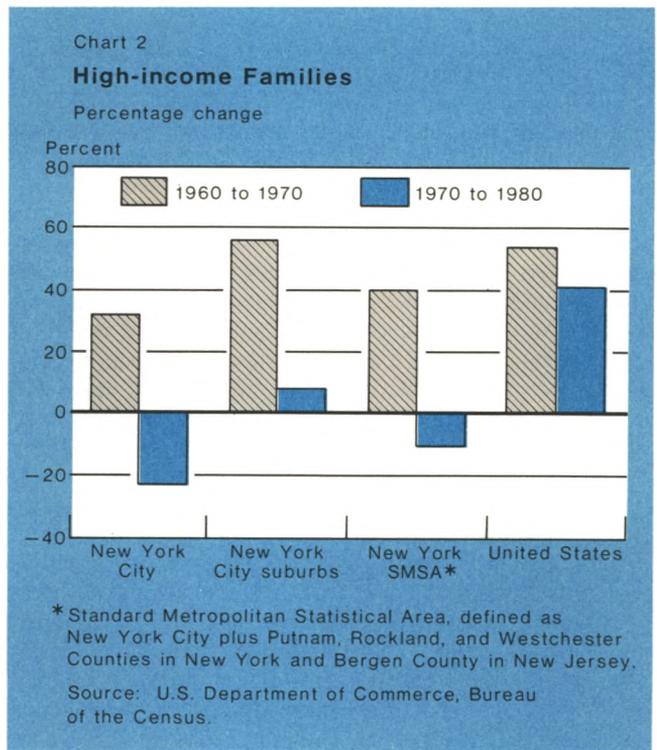
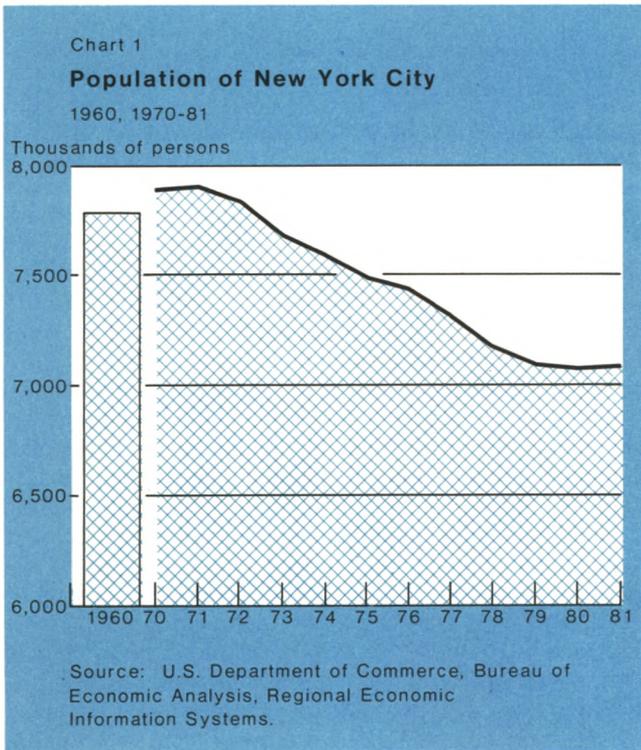
The analysis in this article does not—and is not intended to—support either side of the dispute. The social costs and benefits of regentrification in New York City have been well discussed in many forums. To add some quantitative evidence to the public discussion, this article presents a detailed analysis of the extent of regentrification over the decade of the 1970s.

Last year, 1980 census tract data for New York City were released, making this article possible. They permit an analysis of demographic shifts since the 1970 Census both citywide and at a geographically fine level of detail. In general, this analysis shows some specific instances of regentrification, but not of sufficient magnitude to offset the aggregate trend of continuing out-migration. Specifically,

- Citywide, New York City has not increased its population share of the metropolitan area’s high-income households, college graduates, or any other high-status group.
- Census tract data for several individual neighborhoods which have been the focus of public discussions, however, provide some quantitative support for the existence of gentrification. Even so, changes in neighborhood income distributions were modest.

¹Blake Fleetwood, “The New Elite and an Urban Renaissance”, *New York Times Magazine* (January 14, 1979).

²Stephen F. LeRoy and Jon Sonstelie, “Paradise Lost and Regained: Transportation Innovation, Income, and Residential Location”, *Journal of Urban Economics*, 13 (1983).



- Citywide, there were many areas with especially large increases in the share of the adult population with at least four years of college. Neighborhoods most commonly labeled as gentrifying had some, but by no means all, of the largest gains. These increases were accompanied by corresponding occupational shifts.
- Changes in neighborhood income distributions were generally much smaller than the increases in educational attainment. Some of the largest income shifts, moreover, occurred in areas where regentrification has not been widely discussed.
- Structural and ownership characteristics of the housing stock did not change dramatically. Rents did increase substantially faster than the inflation rate in many areas, though. Neighborhoods commonly regarded as gentrifying had some, but not all, of the largest increases.

Citywide statistics: continued decline

Aggregate data provide scant evidence that a back-to-the-city movement has begun. In fact, there is a good

deal of evidence to the contrary. The city's total population, which rose during the 1960s, fell continuously from 1971 to 1980 by a total of 800,000 people (Chart 1), or about 10 percent. Even this number understates the magnitude of the demographic change; the decrease in white persons, for example, was over 1.8 million, nearly 30 percent of the 1970 level.

The census data also show that overall the city did not become more attractive to high-income families. During the 1960s, the number of families in New York City with incomes greater than \$50,000 (in inflation-adjusted 1980 dollars) rose about 30,000, but the growth rate was slower than in the suburbs (Chart 2).³ Accordingly, the city's share of all high-income families in the Standard Metropolitan Statistical Area (SMSA) fell from 66 percent in 1960 to 62 percent in 1970.⁴ During the 1970s, however, national economic growth was

³In current dollars, the definitions for high income were \$50,000 or higher in 1980, \$25,000 or higher in 1970, and over \$18,500 in 1960. In 1980 the high-income group numbered 5 percent of the city's families.

⁴Unless otherwise noted, all references to the New York metropolitan area refer to the 1980 composition of the New York-Northeastern New Jersey SMSA. New York's suburbs include Putnam, Rockland, and Westchester Counties, New York, and Bergen County, New Jersey. (Nassau and Suffolk compose a separate metropolitan area.)

slower, and the number of high-income families in the New York SMSA even fell. The city's share of this smaller total dropped again, to 54 percent in 1980. In the aggregate, then, the city's relative attractiveness to high-income families with respect to the suburbs fell during both decades.

Two large demographic groups have grown over the decade, despite the overall population decline: there was an increase in the city's population between ages twenty-five and thirty-four and in the number of its one-person households. Both these increases reflected demographic trends occurring nationwide rather than increased attractiveness of the city. In fact, New York City failed to keep up with the SMSA or the U.S. growth rates for either group. As the baby-boom generation ages and if the rate of household formation slows, even these segments of the population may decline by the 1990 Census.

The city posted significant gains in educational attainment from 1970 to 1980. Over the decade, the number of its college graduates grew by roughly 50 percent, from about 500,000 to over 750,000. This follows a national trend of soaring numbers of college graduates, but again New York City lagged the national pace: the number of college graduates in the United States nearly doubled between 1970 and 1980. The number of graduates also grew more slowly in New York City than in the entire metropolitan area (which recorded a 64 percent increase), so that the city's share of the area's graduates declined.

By all these measures, then, New York City's share of the metropolitan area's gentry decreased over the decade. While there were increases in the number of one-person households, young people, and college graduates, the city did not share fully in the nationwide or metropolitanwide growth of these groups since the proportion of each group choosing the suburbs over the city increased. The census data do not indicate an aggregate back-to-the-city movement for any of these population groups.

Census tract level analysis

Although the aggregate data indicate a continued outflow and further declines in the relative attractiveness of New York City to high-income families overall, it is still possible that particular parts of the city have become more attractive to certain identifiable segments of the population.⁵ To assess the extent of regentrification, it is necessary to examine demographic changes

⁵Several city neighborhoods are widely believed to have undergone regentrification. Among the areas most widely discussed are Brooklyn Heights and nearby neighborhoods in Brooklyn and Greenwich Village in Manhattan. (For a close-up of five such neighborhoods, see box on pages 44 and 45.)

at a geographically disaggregated level. Such an analysis is possible with the use of census tract level data. Census tracts in New York City have an area of eight or more square blocks, and contain an average of 3,200 people or 1,300 households. There is a good deal of variation, however; 10 percent of the city's tracts have fewer than 900 residents, and 10 percent have more than 6,200. New York City has over 2,000 tracts. This level of analysis is sufficiently fine to pick up relatively subtle neighborhood shifts and is useful in measuring the demographic and housing stock shifts that have received public attention.

The tabulations provide strong—though only indirect—evidence on the extent of gentrification and displacement. The ideal study would follow successive occupants of individual units and would determine the extent to which low-income families move because of eviction or large rent increases. Private and government surveys often take this approach, but such studies generally provide limited geographic information. The best information available on the extent of neighborhood shifts between 1970 and 1980, then, is obtained by comparing tract-level tabulations for the two census years.⁶

Some words of warning are appropriate, however. While these census numbers are the most comprehensive and detailed source available, they are not without limitations. Observing only census years may ignore important increases and decreases occurring in between, and after 1980. Moreover, the data also must be interpreted with caution:

- Most of the census tabulations are based on a sampling of the population, rather than on a 100 percent enumeration. The sampling procedure may cause percentages and totals to differ from the actual values.
- In many cases, census tract tabulations are not reported to preserve confidentiality. As a result, some tracts (generally those with a very small population) had to be eliminated from some of the analyses.⁷

⁶Most of the data used in this article came from computer tapes created by the Census Bureau. For 1980, the files were Summary Tape Files 1 and 3 for New York State. For 1970, they were the Second Count tape and the Fourth Count tapes for Population and Housing for New York State.

⁷There were other technical problems which caused census tracts to be dropped. The 1970 census files had missing records, and there were a few partitions and consolidations of census tracts over the decade. For some tabulations of 1970-80 comparisons, missing observations amounted to about 1 percent of the city's 1980 population. In many cases, five tracts accounted for most of the total.

- Many of the statistics reported here are based on preliminary data, subject to revision.
- The socioeconomic and housing data are based on the responses of households. There may be systematic errors in rent and income tabulations. For example, the Census Bureau found that respondents tended to overstate the utility cost component of gross rent. They also tended to understate sources of income components which are "minor or irregular". (Comparisons of 1970 and 1980 data would not be adversely affected, however, if the extent of overreporting and underreporting were about the same for the two censuses.)
- Changes in census procedures may affect some 1970-80 comparisons. For example, the 1980 census form had more racial categories than did the 1970 form, and the procedure for handling certain write-in responses was changed.
- The New York City government has charged that the Census Bureau disproportionately undercounted blacks, Hispanics, aliens, and poor people in the city. This charge is currently under adjudication in Federal District Court in Manhattan.

To identify tracts with significant changes, the extent of the socioeconomic and housing-stock shifts in specific neighborhoods are measured by the changes in proportions of a demographic group or housing type. Arbitrary cutoffs were selected, in most cases at a 10 percentage point increase (or decrease). Thus, for example, an increase in the proportion of high-income households from 1 percent to 2 percent would not be counted as a significant change with respect to the tract population, even though the share doubled.

Socioeconomic shifts

Increases in high-income households

Between 1970 and 1980, the number of high-income households (those with incomes of \$50,000 or more, in 1980 dollars) in New York City fell about 16,000. Despite the citywide decrease, however, the number of high-income households increased in almost one third of the city's census tracts. These tracts were distributed all across the city, and together their increase totaled over 18,000 high-income households (Map 1).

The largest increases per square mile took place between 70th Street and 90th Street across Manhattan. But these inflows did not drastically change neighbor-

hood income distributions. In fact, the proportion of high-income households rose by 10 percentage points in only six census tracts—one in Manhattan and none in Brooklyn. Only one of these six tracts had more than a few low-income families in 1970.⁸

When the definition of high income is broadened to include those over \$30,000 in inflation-adjusted 1980 dollars, there still were few dramatic changes in neighborhood income distributions.⁹ The percentage of households with high incomes so defined rose by 10 points over the decade in thirty-two tracts (Map 2).¹⁰ The increase exceeded 20 percentage points in only four tracts. And, despite the focus of attention on Manhattan and Brooklyn, most of the thirty-two tracts were outside these boroughs.

If regentrification implies income distribution shifts specifically in low-income areas, such changes were rare. The proportion of low-income families exceeded the 1970 citywide average of 16 percent in only nine tracts with significant increases in the high-income (\$30,000) population share. Of these nine tracts, the largest increase in the high-income share took place in a low-population tract near Canal Street and Broadway in lower Manhattan.

Decreases in low-income families

Another subject of public discussion is the displacement of low-income households by renovation, increased rent, or eviction for owner occupancy. These changes may take place without significant shifts in the upper end of the income distribution, if high-income households are not the group moving in or if there is a delay between the exit of one group and the entry of another—such as for major structural renovations. Examination of changes in neighborhood proportions of low-income families may identify significant income distribution shifts which do not involve high-income households.

Citywide, the number of families with incomes below 125 percent of the poverty level increased more than 50,000. However, in over a third of the city's census tracts, the number of such families decreased. The total decline for these tracts was over 60,000 families. About one third of the tracts losing low-income families gained

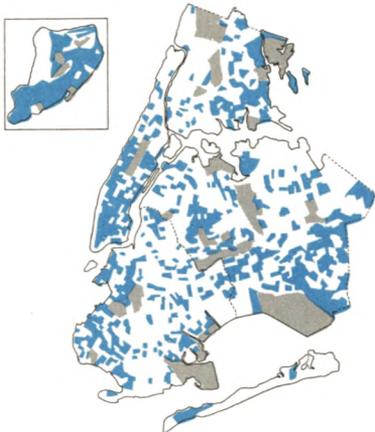
⁸Low income is defined as less than 125 percent of the Census Bureau's poverty level (which varies by family size and other factors). A low-income tract is one with a concentration of low-income families greater than the citywide average of 16 percent. About 30 percent of the city's tracts met this criterion in 1970. Other definitions of poverty—families below the poverty level and households with incomes below \$5,000 in 1969—gave qualitatively similar results in these and other tabulations.

⁹The 1970 income cutoff was \$15,000 in current (1970) dollars.

¹⁰In two of these tracts, moreover, the number of high-income households fell, even though the population share rose. The other income groups left these tracts even faster.

Map 1

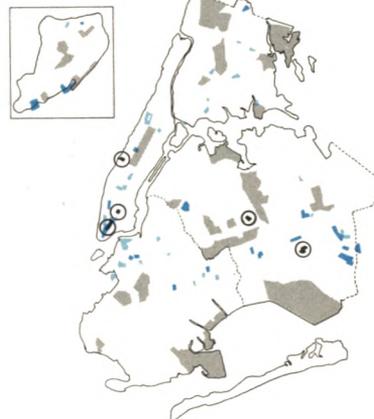
High-income households in New York City



- Number of high-income households increased during 1970-80.
- Major parks, cemeteries, airports, etc.

Map 2

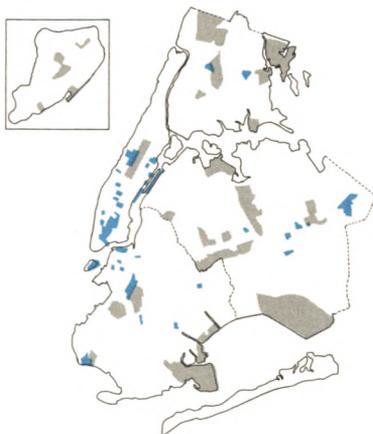
Income distribution shifts in New York City



- 10 percentage point increase in high-income population share.
- 10 percentage point decrease in low-income population share.
- ⊙ Both of the above changes.
- Major parks, cemeteries, airports, etc.

Map 3

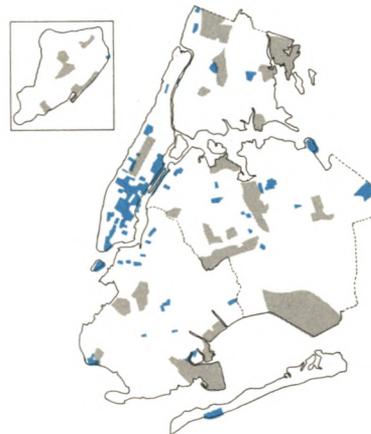
College graduates in New York City



- 20 percentage point increase in the proportion of college graduates.
- Major parks, cemeteries, airports, etc.

Map 4

In-migration to New York City



- 25 percent of population lived outside New York City in 1975.
- Major parks, cemeteries, airports, etc.

high-income households. These 270 tracts gained 7,500 high-income households and lost 15,000 low-income families during the 1970s.¹¹

However, as with the high-income population, few census tracts had large declines in the low-income share of the population. Across the city, the neighborhood percentage of low-income families fell by 10 points or more in thirty-four tracts. These tracts mostly had very small populations and generally were not the same as the tracts with significant high-income increases (Map 2). In fact, in four of the twenty-one Brooklyn and Manhattan tracts with large declines of low-income families, the number of high-income households also dropped to zero.

In summary, some parts of the city have been moving against the aggregate trend of out-migrating high-income people and in-migrating low-income people. Such areas are found all over the city, not just in Manhattan and nearby Brooklyn. Changes in neighborhood income distributions were proportionately large in only a few areas.

Changes in racial composition

A definition of "gentry" based exclusively on income may be inappropriate. Significant neighborhood shifts might have occurred along other dimensions. Widespread shifts in neighborhood demographics and extensive displacement could be taking place without notable shifts in the income distribution.

One measure of demographic change that is highly visible is racial composition. If predominantly nonwhite areas were entered by whites in large numbers, perceptions of regentrification could arise, even if the incoming people did not have higher incomes than current residents.

The census data show almost no sign of increasing concentration of white persons. About 90 percent of the city's census tracts recorded a net decrease in the proportion of white persons over the decade; the white population share rose 10 percentage points or more in only eight census tracts, of which three were in Brooklyn or Manhattan. Moreover, three of these eight tracts had low-income concentrations below the citywide average. In 1980, these eight tracts collectively encompassed only 900 households. An influx of high-income white persons did not materially affect racial balance in poor nonwhite neighborhoods.

Increases in neighborhood educational attainment

As mentioned earlier, the city experienced a gain of

250,000 college graduates, despite the fact that its population fell by nearly a million. The increase in graduates was widespread within the city: the proportion of the population with four or more years of college increased in 85 percent of the city's census tracts. In fact, the population proportion of graduates rose 10 percentage points or more in over 300 census tracts and 20 percentage points in over sixty tracts (Map 3). Despite the size of these increases, however, the city's share of the SMSA's college graduates still declined over the decade. The city's numbers probably indicate a broadly based increase in the extent of educational attainment of New Yorkers, then, rather than indicating a sudden influx of graduates to the city.

There appears to have been a good deal of movement between neighborhoods, though. The sharpest educational gains were in Manhattan and nearby Brooklyn. About one third of the tracts with significant gains were low-income tracts in 1970; several of these were in neighborhoods widely cited as gentrifying. In fact, many of these neighborhoods had concentrations of college graduates two or three times the citywide average (box).

These educational gains were paralleled by changes in the kinds of jobs held by neighborhood residents. Over the decade the number of New Yorkers with managerial, professional, or technical occupations grew by 74,000, almost 10 percent of the 1970 level. The neighborhoods with the sharpest educational gains also had significant increases in the proportion of people with such jobs.

Census tabulations, then, lend some quantitative support to the direct observations of gentrification. It is unlikely that such dramatic gains found in some of these neighborhoods could have occurred without substantial in-migration. But the failure of the income numbers to match these changes is noteworthy. It suggests that the new residents may be young professionals, early in their careers, with prospects for substantially higher incomes. In coming years, many may choose to live elsewhere.

In-migration to New York City

Despite New York City's population loss between 1970 and 1980, many people went against the flow and moved into the city. In fact, 10 percent of New Yorkers in 1980, over 600,000 people, reported addresses outside the city for 1975. This level of in-migration was about equal to that for the 1965-70 period.¹² In the

¹¹This comparison refers to the over-\$50,000 definition of high income, for which increases are displayed in Map 1. Almost 40 percent of these tracts lost low-income families.

¹²This comparison ignores 400,000 people in 1970 who moved since 1965 but indicated no prior address. Thus, the actual extent of in-migration might have been significantly higher during the 1965-70 period than during 1975-80.

Close-up of Five New York City Neighborhoods

Population and housing statistics, 1980

Tract number	Population	Ages 25-34* (%)	In-migrants† (%)	College‡ (%)	High income§ (%)	Low income (%)	Rental units¶ (%)	Gross rent** (\$)
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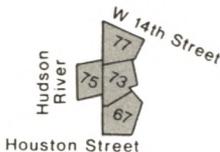


Park Slope								
153	3,252	27	17	41	20	9	78	256
155	3,737	27	10	39	15	18	81	243
157	4,168	31	14	48	20	11	83	271
159	4,676	33	18	54	22	10	84	262
165	4,936	29	13	56	28	1	76	273
167	4,993	26	16	34	19	13	82	260

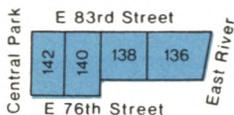


Brooklyn Heights								
1	4,902	24	24	48	27	2	70	290
3.01	5,353	33	24	53	36	2	85	325
5	6,173	31	24	52	24	5	91	295
7	3,272	35	27	55	31	6	83	293

Brooklyn	2,231††	16	8	12	12	27	77	234
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West Village								
67	5,614	33	24	47	13	14	95	261
73	6,918	33	25	50	17	8	95	289
75	3,344	42	37	62	28	4	92	358
77	6,216	33	21	56	25	6	94	312



East Side								
136	14,702	31	27	57	36	4	84	377
138	12,169	33	29	52	28	4	94	384
140	7,843	22	22	66	52	6	66	448
142	6,035	15	20	59	62	2	59	500+



West Side								
169	9,219	33	26	50	21	19	96	337
171	9,343	30	21	52	26	9	94	338
173	8,665	30	18	54	26	14	90	320
175	10,357	25	14	50	31	7	89	341

Manhattan	1,428††	22	18	33	20	24	92	264
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*Percentage of the total population.

†Persons outside New York City in 1975 as a percentage of the population over the age of five.

‡Persons with four years of college or more as a percentage of the population over the age of twenty-five.

§Households with incomes over \$30,000 in 1979 as a percentage of all households.

||Families with incomes below 125 percent of the poverty level as a percentage of all families.

¶Percentage of all occupied units.

**Median, including contract rent plus fuels and utilities.

††Borough population in thousands.

Close-up of Five New York City Neighborhoods *(continued)*

Neighborhood change, 1970 to 1980

Tract number	Col-lege ^{††}	High income ^{††}	Low income ^{††}	Rental units ^{††}	Gross rent ^{§§}
	(In percentage points)				(%)
Park Slope					
153	29	2	0	-1	149
155	27	0	1	0	144
157	28	5	-9	-5	149
159	33	6	-10	-6	136
165	26	1	-8	-4	134
167	25	4	-1	0	168
Brooklyn Heights					
1	15	0	-2	5	145
3.01	13	.8	-4	-7	110
5	12	4	0	-5	125
7	17	8	-5	-3	143
Brooklyn					
	5	-3	7	2	125
West Village					
67	19	-1	1	-1	176
73	14	0	0	-2	160
75	26	14	-2	-5	212
77	19	6	-5	-2	141
East Side					
136	12	1	1	-9	77
138	20	5	-4	-1	124
140	22	5	-2	-3	107
142	12	-1	0	-5	80
West Side					
169	21	-2	6	-3	690
171	22	2	-2	-1	122
173	20	2	3	-3	126
175	15	1	0	-3	108
Manhattan					
	12	0	6	1	128

^{††}Change, in percentage points, of the corresponding columns on the facing page, from their 1970 values.

^{§§}Percentage change of medians between 1970 and 1980.

^{|||}1980 median is reported only as over \$500; actual growth rate may be larger than the number shown.

Much of the discussion about gentrification suggests that the phenomenon has been occurring extensively in a few specific neighborhoods, including Greenwich Village, Chelsea, the Upper West Side, and the East Side in Manhattan, as well as Park Slope, Brooklyn Heights, Boerum Hill, and other Brooklyn neighborhoods with easy access to Wall Street.

Detailed 1980 Census data for five such neighborhoods draw a picture of a young, highly educated, high-income population (table). The most striking indicator is the educational attainment in these areas: in almost every census tract, at least half of the residents over the age of twenty-five had four years of college or more, compared with a citywide proportion of 17 percent. The proportions of households with incomes greater than \$30,000 also tend to exceed the citywide concentration of 16 percent, and the proportions of families with incomes below 125 percent of the poverty level are similarly below the citywide average of 22 percent. And, in most of these neighborhoods, median gross rents were significantly above the citywide median of \$248 in 1980.

Comparison to 1970 data provide some evidence that gentrification has taken place. With the exception of Park Slope, the proportion of in-migrants generally ranged from one fifth to over one third. Moreover, these in-migrants seem to be very highly educated. The increase in the proportion of college graduates ranged from 12 percentage points to 33 percentage points in these tracts during the 1970s.

In contrast, the income distribution showed much less change. The high-income proportion of households rose 10 percentage points or more in only one tract. Similarly, the low-income share of the family income distribution fell in most of these tracts, but these declines were rather modest.

Brownstone purchases and "co-op" conversions did not have a drastic effect on the composition of the housing stock in these tracts; the rental share of the occupied housing stock fell during the decade but not by dramatic amounts. In the Brooklyn neighborhoods, for example, the rental share generally remained above the citywide and boroughwide average of 76 percent. In Manhattan, about a third of the tracts were below the boroughwide average of 93 percent by roughly the amount of the ten-year decline in the share. But in no case did the rental proportion fall by as much as 10 percentage points.

Finally, most of these tracts had larger than average rent increases. Citywide, the median gross rents rose by about 120 percent, a figure surpassed by all but five of these census tracts. A West Side tract had an especially large increase, as a number of single-room occupancy (SRO) buildings, containing several thousand units with rents below \$30 per month, were eliminated.

aggregate, then, New York City has not been attracting more people to relocate here.

Many neighborhoods, however, had significantly greater inflows from outside New York City. There were over 200 tracts, in which 20 percent of the 1980 population (over the age of five) were recent in-migrants, and about 130 tracts where the proportion exceeded 25 percent (Map 4). The greatest concentrations were in Manhattan, where the boroughwide average was about 18 percent. Brooklyn neighborhoods near Manhattan also had large concentrations of recent in-migrants.

However, significant amounts of in-migration occurred in pockets of other areas of the city, areas out of the focus of most popular discussions of gentrification—the Bronx, Flatbush, Flatlands, Greenpoint, and Williamsburg. Much of midtown Manhattan also had significant in-movements in the latter half of the 1970s.

Despite all this in-migration, the data show very little movement to the city from its own suburbs. Ten percent of neighborhood residents were suburbanites in 1975 in only five census tracts—one in the Bronx near Westchester, one in Brooklyn on Jamaica Bay, one on the waterfront near Williamsburg, and two in lower Manhattan. The citywide total of 30,000 suburb-to-city movers was half that of the 1965-70 period.¹³

It is also noteworthy that much of the migration to New York City came from outside the United States. As of 1980, about 5 percent of the city's residents, or half of the in-migrants, lived abroad in 1975. In Brooklyn, 68 percent of the people living outside the city in 1975 also lived outside the country. In Manhattan, about a third of the new residents were immigrants.

Housing stock changes

Significant changes in the socioeconomic characteristics of a neighborhood also may have an impact on structural and occupancy characteristics of the housing stock. Sometimes the housing stock changes may be more conspicuous than the socioeconomic changes, as when several buildings on a block are being renovated at the same time. If the income distribution is an inappropriate measure of one group displacing another, housing stock statistics might indicate significant shifts not reflected in other tabulations.

Units per structure

One variable useful for investigating the extent of a particular kind of gentrification is the number of units per structure. If brownstones with several rental units are bought by high-income households and remodeled

for owner occupancy, there would be more one- and two-unit structures and fewer structures with three, four, five (or more) units.¹⁴

In the aggregate, the number of one- and two-unit structures stayed about constant. But, in one third of the city's census tracts, the number of such structures rose, by an additional 50,000 units in one- and two-unit structures.

The proportion of units in this type of structure increased by 10 percentage points or more in about 50 census tracts. Only one such tract was in Manhattan, however, and about three in the areas of Brooklyn generally characterized as gentrifying. The rest of the tracts were throughout Brooklyn, the Bronx, Staten Island, and Queens.

The conclusion is that remodeling of structures with several units to structures with one or two units had a significant effect on the composition of the housing stock in only a few isolated pockets of the gentrified areas of Manhattan and nearby Brooklyn. If gentrification has brought dramatic changes in the housing stock in some of these areas, it is necessary to look to other housing variables for statistical confirmation.

Owner occupancy

Another commonly discussed neighborhood change involves widespread purchase of brownstones and similar rental properties for owner occupancy (at least in part of the purchased structure). If high-income households have been buying up rooming houses and rental structures in large numbers, and these trends are concentrated in specific neighborhoods, then these changes should show up in the census data as significant shifts in the proportions of owner occupants—especially considering that one owner can replace three or more renters.¹⁵

Only two census tracts in the regentrified part of Brooklyn—the area broadly encompassing Park Slope to Brooklyn Heights—experienced a significant replacement of owner-occupied units for rental units, however.¹⁶ In fact, the rental proportion did not decline

¹⁴Renovation and subdivision of one-unit structures into multi-unit rental properties is also consistent with regentrification. The analysis presented here looks only for a specific renovation activity which may reduce the rental stock and displace the most low-income families per high-income household. If both subdivision and consolidation are going on, regentrification may not affect the renter-owner composition of the housing stock.

¹⁵Of course, three high-income renters can also replace one low-income owner of an unimproved brownstone. But, if the rental statistics are to show any regentrification, it would have to be as an increase in "co-op" or building ownership.

¹⁶A significant shift is defined as a 10 percentage point increase in the rental proportion of the occupied housing stock, provided that the number of rental units falls and the number of owner-occupied units rises.

¹³The tabulations for 1970 referred to the then-prevailing definition of the SMSA. In 1970, Nassau and Suffolk were included in the New York SMSA and Putnam and Bergen were not; these changes may explain part of the statistical decline in suburb-to-city migration.

by 10 percentage points in any Park Slope or Brooklyn Heights tract.

In Manhattan, one Greenwich Village tract, three in the East 60s, and three other tracts on or near the East Side experienced such changes. Many of these locations suggest "co-op" or condominium conversion of housing that already was serving high-income residents. Four Queens tracts also showed significant increases in owner occupancy.

Rent increases

For the city as a whole, rent increases seem to have been fairly moderate for the 1970s. Citywide, the median gross rent (which includes fuel and utilities) grew from \$112 to \$248, an increase moderately greater than that of the general price level (which about doubled). And high-rent units on average had similar rent increases. Ten percent of gross rents were at or above \$200 in 1970; the comparable figure in 1980 was about \$430.

But in many neighborhoods typical rent increases were much larger: the growth of median gross rent exceeded 150 percent in nearly 250 census tracts. Sixty of the tracts were in Manhattan, generally south of 100th Street. There were ninety-six in Brooklyn, a third of which were in neighborhoods near lower Manhattan. About forty-five of the tracts were in Queens, thirty-five in the Bronx, and thirteen in Staten Island.

The change in median gross rent is an ambiguous indicator of housing market conditions. Increases in the median might indicate rent increases only for below-median units, the construction of high-rent units, or the demolition of low-rent units. Conversion of rent-stabilized buildings to "co-ops" or condominiums can also increase a tract's median rent by removing low-rent units from the rental stock. Moreover, differences in rent increases may be largely a reflection of differential coverage of rent control and stabilization, as well as the varying impacts on units subject to these controls (due, for example, to areas with high or low turnover).¹⁷

Nevertheless, rents increasing faster than the citywide average may to some extent be an indication of gentrification. To the extent that the new gentry push up rents in some neighborhoods by outbidding the former tenants for some units, large rent increases may be indicative of conditions which force some of the original occupants to leave. In Brooklyn, however, most areas with rapid rent growth were not in prime gentrification territory. In Manhattan, areas below 14th Street had

many tracts with large rent increases, but so did the less-discussed Midtown South area.

Summary and conclusions

Tract-level tabulations from the 1980 Census provide the first opportunity to investigate empirically the extent and nature of changes of New York City's neighborhoods. Heretofore, much of the discussion about the shifts during the 1970s was based on limited observations and anecdotal evidence. An analysis of socioeconomic and housing data has led to the following conclusions:

- The overall attractiveness of New York City to the "gentry", by various definitions, did not grow between 1970 and 1980. The city's share of the metropolitan area's high-income households, college graduates, and managers/professionals/technical workers all fell over the decade.
- Neighborhood takeovers by high-income households did not occur. Even moderate changes in income distribution were fairly rare, and most of the larger shifts generally occurred outside Manhattan and Brooklyn.
- The population shares of low-income families did not decline significantly except in small pockets of some neighborhoods. Many of these changes, moreover, took place outside the prime gentrification areas of Manhattan and nearby Brooklyn.
- The numerically smallest changes were of racial composition. Only 10 percent of the city's census tracts posted *any* net increase in whites; fewer than 1 percent experienced substantial increases in population share.
- The strongest evidence of gentrification comes from increased educational attainment. Park Slope and other well-known gentrified areas posted some of the largest gains. Corresponding shifts in the occupational mix were also observed. But many of the young professionals, with incomes similar to those of the 1970 occupants, may have prospects for higher incomes in coming years. Whether they will stay in New York City is an open question.
- There was little evidence of widespread remodeling of multi-unit structures to create one- and two-unit structures in Manhattan and nearby Brooklyn. And increases in the latter structure type took place in several areas not associated with gentrification.

¹⁷There is evidence that median rent increases do not reflect uniform rent increases. The 10th and 90th percentiles of tract rent distributions often grew significantly faster or slower than the tract median rents.

- Few instances were observed of especially large owner-occupancy shifts. Substantial decreases in renters were not observed in Brooklyn neighborhoods near downtown Manhattan, and many of the other shifts could be attributed to "co-op" or condominium conversion of high-income rental buildings.
- The most dramatic housing stock changes were rent increases. Sections of the neighborhoods most commonly cited as gentrified had some of the largest increases, but median rent increases in many other areas were equally large.

In summary, the census data indicate that some areas of the city have indeed moved counter to the citywide trends of declining high-income households and increasing low-income families. The most discussed neighborhoods in Manhattan and Brooklyn were among those areas, but some of the largest income distribution

shifts were found in parts of the Bronx, central Brooklyn, and other areas not noted for much gentrification. Other kinds of socioeconomic and housing-stock changes generally associated with the phenomenon were observed only in moderate degrees, were not widespread, and were not limited to neighborhoods widely recognized as gentrifying.

It should be realized that regentrification is not a simple phenomenon whose essence can be captured by any dozen census variables. The tabulations presented in this article can only reflect the order of magnitude of neighborhood changes. These census variables cannot describe the changing *appearance* of neighborhoods—the departed people, the new faces, the closed ethnic restaurants, and the new boutiques. And the statistical significance of gentrification may not reflect the importance to neighborhood residents or other interested parties. Nevertheless, the numbers are still an important part of the picture and the individual stories must be balanced with an overall perspective.

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