

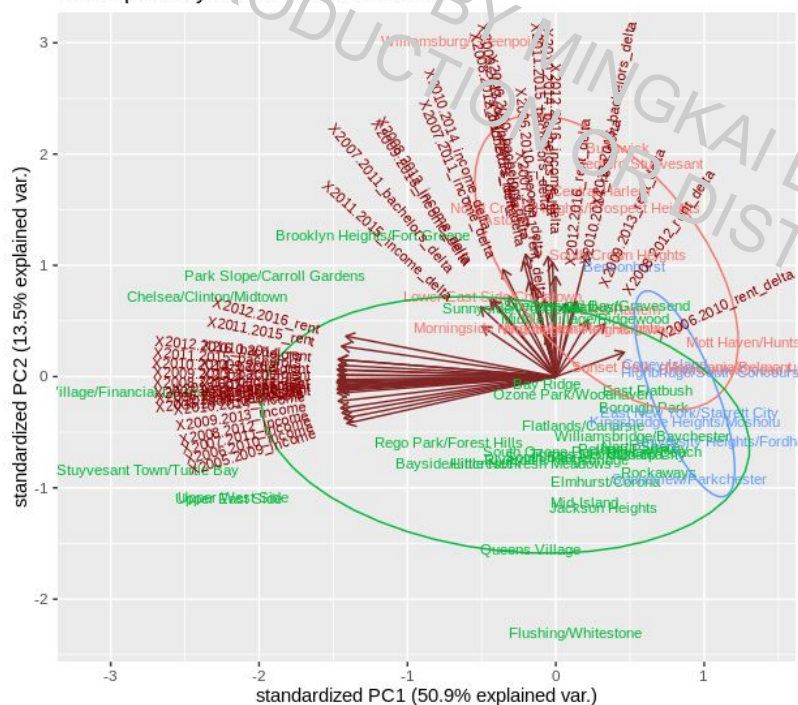
# Hudson Analytica – Key Insights

1. Data-based, granular definition of gentrification
2. Time-referenced description of gentrification process
3. Leading indicator of gentrification from external dataset:  
Business license approval share
4. Prediction of possible neighborhoods for next step of  
gentrification

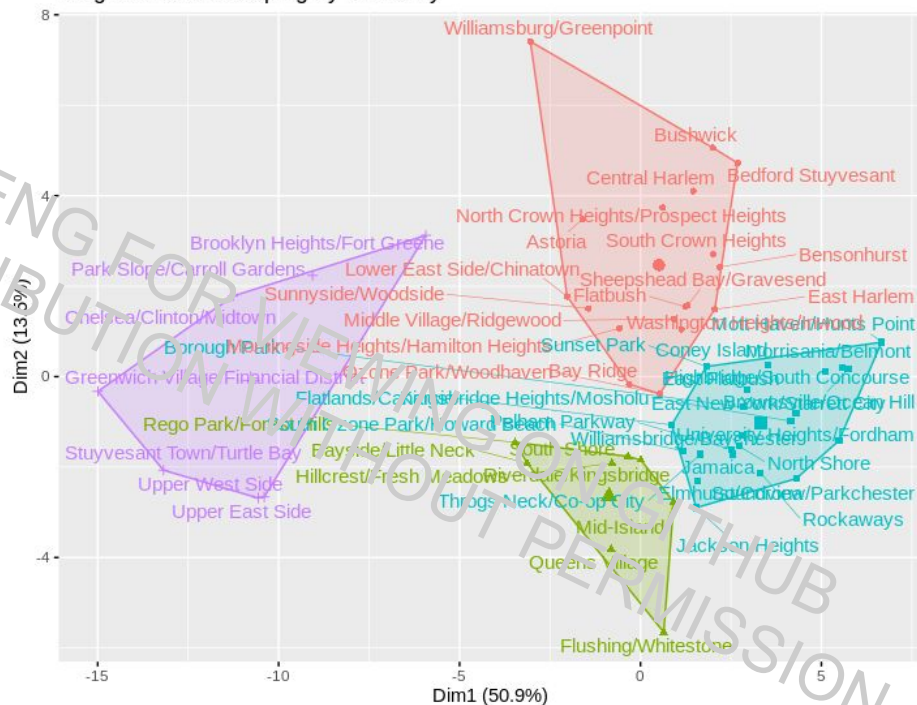
Team Members: Mingkai Deng, Yvonne Zhou, Jerry Shi

# Granular Classification Based on Income, Education and Rent

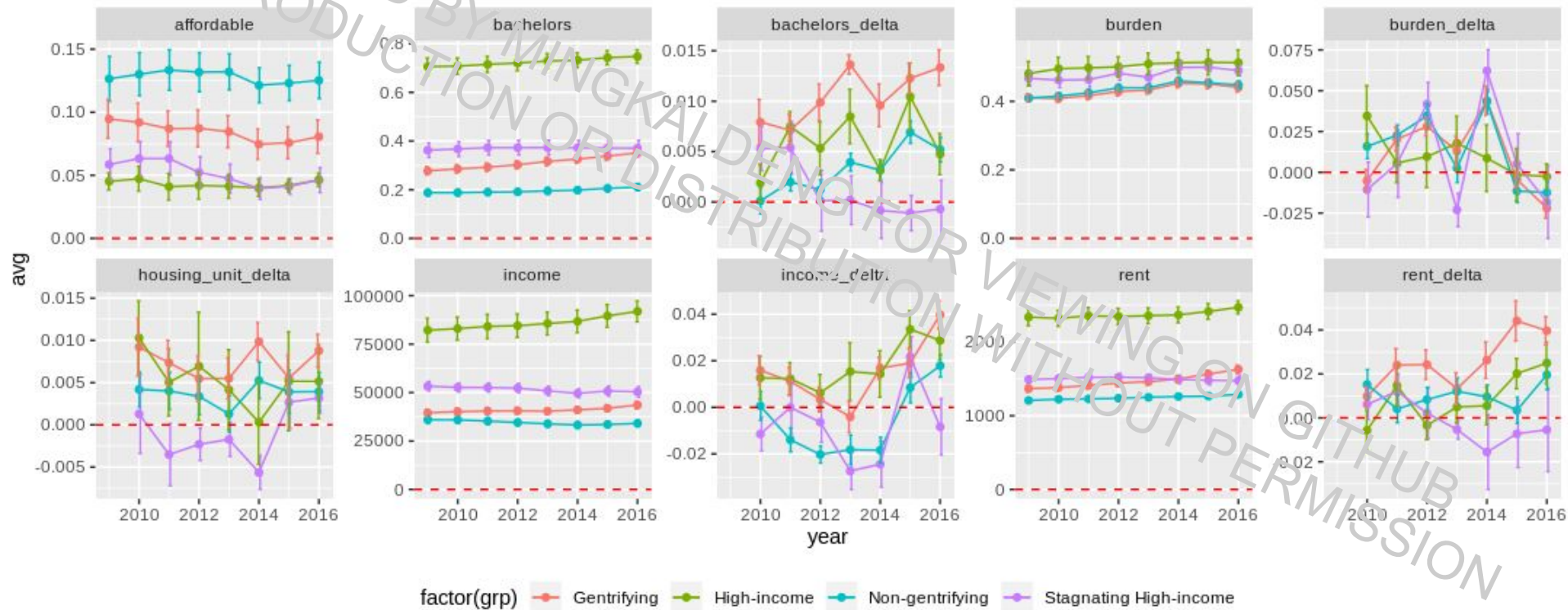
Descriptors by Furrer Classification



Neighborhood Grouping by Similarity



# Comparison of each type of neighborhood



# Regression on key features

- Dummy variables on time and boroughs (controlled for year and region fixed effects)
- Variable **"Percent"** (significant at 0.01): Neighborhood's approved business licenses as share of all new licenses in the calendar year
- **Interpretation:** A neighborhood's new businesses share is a useful indicator of whether the region is undergoing the gentrification process

	gentrification	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
	population	.2470752	.161048	1.53	0.128	-.0721836	.5663341
	single_persons	.0802513	.0467509	1.72	0.089	-.012427	.1729295
	labor_force_ppe	-.021793	.0390857	-0.56	0.578	-.0992759	.0556898
	percent_white	-.1247843	.1722805	-0.72	0.472	-.4658108	.2172411
	percent_black	-.1305269	.1759065	-1.06	0.289	-.5451881	.1641344
	percent_asian	.2512036	.1326889	1.90	0.060	-.0106472	.5130543
	higher_cost_hvs	-.0140052	.0206777	-0.68	0.500	-.0549964	.0269859
	mean_commute_ve	-.0448522	.0427506	-1.05	0.297	-.1296597	.0399553
	percent	.0716388	.0266011	2.69	0.008	.0189051	.1243724

R-squared = 0.9412  
 Adj R-squared = 0.9154  
 Root MSE = 1.483

# Prediction of future gentrification

- Based on our previous factor analysis, we look at business approval shares in neighborhoods which our cluster analysis identify as non-gentrifying
- Prediction of likelihood of gentrifying:
  - 1: Flatlands/Canarsie
  - 2: East Flatbush
  - 3: Borough Park
  - 4: Elmhurst/Corona
  - 5: Jackson Heights

