

Subsidized 'Luxury'

New York's housing jinx is reliably at work. One of the city's earnest efforts to get more housing for more people has boomeranged.

An attempt to encourage the supply of apartments in 1971, when construction was at a standstill, offered a ten-year tax break to developers—a law that was renewed and extended by the Board of Estimate for buildings through 1974. This was to make possible rents lower than in fully tax-paying structures. The city's rosy vision was of middle-class families restoring New York's fiscal base in apartments they could (barely) afford but would welcome as a substitute for suburban flight.

The program has worked in one way. Instead of zero housing, there are now a number of visible new luxury towers in Manhattan. Unfortunately, this housing is too expensive for most people, except the very affluent, the overextended, the corporate tenant, career groupies, and young men in pink Cadillacs whose friends work evenings—a representative cross-section of New York luxury apartment life.

But there is an additional twist no simple politician could have foreseen. Instead of the anticipated family-sized apartments, the trend is to one-bedroom units. The arithmetic is clear. Small units are more profitable, on balance, than larger ones, which also rent more slowly, even at discount rates, because they are preposterously costly.

Therefore these subsidized apartments continue to serve primarily transient singles and young marrieds who move on before the particle-board doors fall off the closets. The idea of building for the stable families the city needs to survive has been bypassed. Sociology has been successfully subverted by the speculative process.

The New York builder can find a way to turn anything into a more profitable mousetrap. Once more, the city has been had.