APPENDIX C

RECENT TRENDS ANALYSIS

Appendix C: Recent Trends Analysis

BASELINE REAL ESTATE CONDITIONS

City Environmental Quality Review (CEQR) recommends that the analysis year for existing conditions be within one year of Draft Environmental Impact Statement (DEIS) publication. Accordingly, the DEIS and FEIS existing conditions analysis year is 2006. However, during scoping, Manhattan Community Board 9 and others requested that the EIS select an earlier year, before Columbia announced its plans and began acquiring properties, to determine whether impacts of the Proposed Actions would have already occurred. In response to that request, this section analyzes land use and socioeconomic trends before 2006, focusing on the years 2000 to the present. The analysis considers whether public awareness of Columbia's proposed plans for the Manhattanville university area significantly changed real estate conditions in the Project Area and surrounding neighborhoods. Specifically, three issues of concern are analyzed: 1) whether Columbia's announcement has already resulted in increases in residential sales and median rents in the surrounding neighborhoods, leading to indirect residential displacement; 2) whether the former affordable housing development at 3333 Broadway "opted out" of the Mitchell-Lama program due to added real estate pressure generated by Columbia's announcement; and 3) whether Columbia's acquisition of properties has interrupted a commercial real estate trend and/or caused a climate of disinvestment within the project area itself.

METHODOLOGY

The analysis examines local real estate conditions before and after public awareness of the Proposed Actions to establish whether there is an identifiable correlation between real estate trends and Columbia's announcement. There are two primary indicators of real estate growth or decline in an area: 1) the number of real estate sales transactions that have occurred, indicating overall activity and interest in an area; and 2) an increase or decrease in the value of property, as typically reflected by its sales price or rental rate. Analyses of both sales transaction volumes and property values were completed, as described below.

The analysis is based on the comparison of two areas: 1) a study area comprising the neighborhoods most likely to be impacted by Columbia's real estate activity, identical to the socioeconomic secondary study area (generally bounded by West 146th Street to the north, West 114th Street to the south, Manhattan Avenue to the east, and Riverside Drive to the west); and (2) a "control area" comprising all of Northern Manhattan north of 91st Street on the West Side and 96th Street on the East Side. The control area includes all zip code areas (the geographic entity for which sales data is most efficiently obtained) in Northern Manhattan, generally considered to be all of Manhattan north of 96th Street. Additionally, the control area has been delineated into neighborhoods to better understand whether control area trends were more heavily influenced by activity in certain neighborhoods (see Figure C-1).

Northern Manhattan was selected as a control area because transaction volumes and property values in this region are similarly influenced by a variety of economic forces unrelated to Columbia's development plans. These include Harlem's construction boom; the availability of undervalued, high-quality housing stock in Northern Manhattan; readily available credit for financing acquisitions of residential and commercial properties; relatively low interest rates for home mortgages; the area's decrease in crime rates; and, most importantly, population and employment growth in New York City. Additionally, if public awareness of Columbia's proposed plans had significantly altered real estate conditions, it would be expected that activity in areas surrounding the proposed university area (the study area) would have demonstrated a higher rate of growth in the years after the announcement compared with the years prior to the announcement, and could demonstrate a higher rate of growth in the years after the announcement compared with the Northern Manhattan control area as a whole.

To sufficiently account for potential impacts before and after public awareness of the Proposed Actions, and to understand overall real estate trends in the area, sales transaction data were analyzed for all years from 2000 through 2005. Rental rates were analyzed for the years 2000, 2003, and 2005. Columbia's first purchase of property within the Project Area, a parking lot at 603–611 West 129th Street, occurred in November 1967. Twenty years later, in 1987, the University leased space and purchased an option on the Studebaker Building at 615 West 131st Street, and on the adjacent parking lot at 635 West 131st Street. Those options were converted into contracts in mid 2005, and the University expects to close on the property in the second half of 2007. Columbia purchased additional property at 624–628 West 131st Street on January 13, 2000, and 3233 Broadway on December 28, 2001, followed by four properties in 2002: 3205–3219 Broadway in February, 613–615 West 129th Street in March, 631-639 West 130th Street in April, and 635 West 125th Street in July. By 2002, these purchases may have collectively raised speculation that Columbia planned to purchase additional land in the Project Area to redevelop for institutional or back-office use; however, knowledge as to the comprehensive nature and extent of Columbia's plans, such that they could have substantially affected real estate trends within the broader study area, was more likely to have occurred when the University publicly announced its plans for a Manhattanville university area in February 2003.[1] Therefore, it is reasonable to assume that public awareness of the Proposed Actions would have the potential to substantially affect property values beginning in 2003.

Since 2000, there have been no Columbia University property acquisitions outside of the Project Area within the primary study area, and two purchases within the secondary study area were not related to the Proposed Actions.[2]

The analysis also considers whether Columbia's recent influence on real estate activity has led to disinvestment in the Project Area through an examination of non-Columbia real estate sales prior to the announcement, land use changes, property ownership histories, and current tenant leasing arrangements for Columbia-owned properties. Land use changes were analyzed using LotInfo

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[1] Columbia News: The Public Affairs and Records Homepage, "University Announces Campus Plan Study," February 19, 2003. Available at: http://www.columbia.edu/cu/news/03/02/campus_plan.html.

[2] Columbia University has purchased two properties from St. Luke's-Roosevelt Hospital since 2000. A 37-unit apartment building at 44 Morningside Drive, purchased in Fall 2001, has been renovated and is currently occupied by graduate students and faculty. The St. Luke's Development Site (between West 114th and West 115th Streets, east of Amsterdam Avenue) was purchased in 2002 and will be redeveloped in the future; however, use has not been determined.

data from both 2000 and 2006. Because land uses were categorized differently by LotInfo in these two analysis years, 2006 data was adjusted to reflect the 2000 categorization style so that a side-by-side comparison could be made.

Data Sources

Sales transactions data for this analysis were obtained through Comps, Inc., a private company that compiles property information for the New York City metropolitan area, using information collected from the New York City Department of Buildings and New York City Department of Finance. For residential analysis, median price per square foot (sf) figures were calculated and used as a basis for comparison of sales prices, from year to year and between the control and study areas. Comparisons were made in 2005 dollars to adjust for sales price increases due to inflation alone. Each sales record was reviewed individually and removed if common sense would indicate there may have been an error in filing, or when the transaction appeared not to represent the exchange of a residential unit or units. For example, properties with a price per sf far below market rate (typically less than $10/sf) or with a total sales price below $85,000 were removed from the data. Transactions for which square footage information was not available were not included in the median price per sf calculations. Because the sample size of commercial sales transactions was too small to calculate statistically accurate average median price figures, the location and number of sales directly in and around the Project Area were analyzed in an attempt to determine if a trend of commercial sales was disrupted or disinvestment could be identified.

Rental rate information was gathered by Jerry Minsky, senior vice president at Corcoran Realty, who contacted property managers, real estate brokers, and appraisers in the study and control areas to obtain rental rates for studios, one-, two-, and three-bedroom units. For each of these unit sizes, samples of at least 10 units in the study area and 25 units in the control area were gathered for the years 2000, 2003, and 2005. Each sample included a variety of housing types (low-rise, high-rise, townhouse, and mixed use) and achieved consistent geographic coverage throughout the study and control areas.

Information about tenants and former property owners of Columbia-purchased properties were provided by Columbia University. Data for comparisons in vacancy rates were gathered during site visits by Appleseed in April 2004 and AKRF in May 2006, and by a tenant roster provided by Columbia University.

TRANSACTION VOLUME

The number of residential and commercial real estate sales transactions in the control area (Northern Manhattan) stayed relatively steady from 2000 to 2003, before increasing dramatically in 2004 and 2005. As shown in Table C-1, there were 1,250 sales transactions in 2000, compared with 2,089 in 2005. This growth in sales volume was largely the result of a strong residential market fueled by low interest rates; commercial sales volumes were steadier, increasing at most by 33 percent (between 2000 and 2004), compared with a 90 percent increase in residential market transactions (between 2000 and 2005).

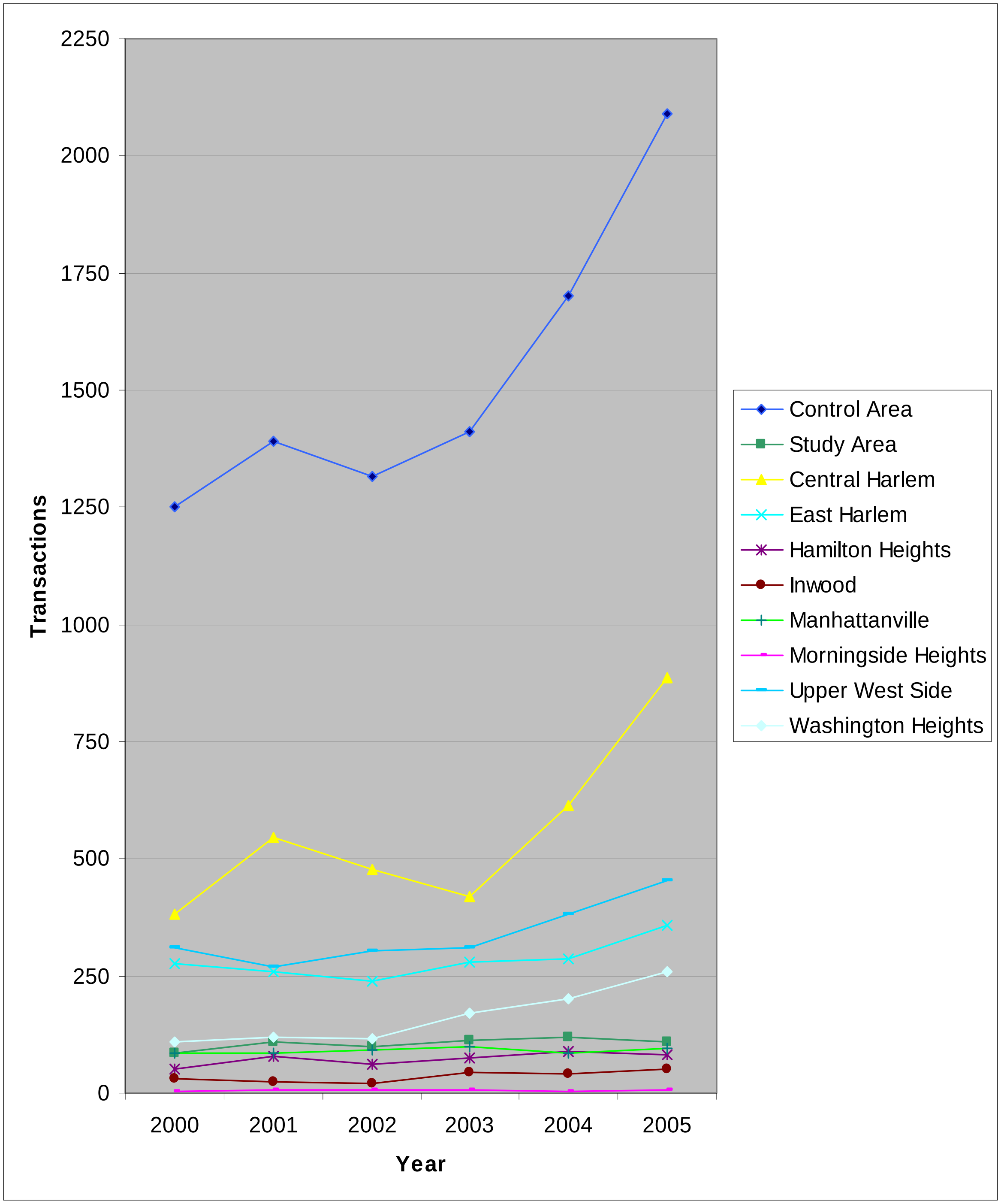
As shown in Figure C-2, sales volumes in the control area were driven not by activity in the study area, but by the growing real estate market in Central Harlem, where the number of transactions jumped from 382 in 2000 to 885 in 2005—an increase of 132 percent. East Harlem and the Upper West Side also contributed to growth in the control area over the last two years, as the rate of transactions in those areas grew steadily in 2004 and 2005.

Table C-1
Commercial and Residential Sales Transaction Volume

Sales Volume	2000			2001			2002			2003			2004			2005		
	Res	Comm	Total	Res	Comm	Total	Res	Comm	Total	Res	Comm	Total	Res	Comm	Total	Res	Comm	Total
Control Area	1,099	148	1,250	1,214	176	1,390	1,129	186	1,315	1,214	197	1,411	1,545	155	1,700	1,916	173	2,089
Study Area	77	9	86	96	12	108	79	20	99	99	12	111	104	15	119	99	10	109
Central Harlem	364	18	382	516	28	544	402	75	477	383	35	418	584	28	612	819	66	885
East Harlem	176	101	277	165	95	260	168	69	237	179	101	280	201	85	286	195	162	357
Hamilton Heights	47	4	51	75	3	78	62	0	62	63	11	74	80	8	88	80	1	81
Inwood	28	3	31	14	11	25	16	6	22	30	14	44	37	3	40	43	9	52
Manhattanville	71	14	85	76	8	84	74	18	92	87	13	100	71	14	85	90	7	97
Morningside Heights	3	0	3	6	0	6	8	0	8	6	0	6	5	0	5	5	2	7
Upper West Side	307	3	310	268	3	271	298	4	302	300	9	309	381	2	383	439	13	452
Washington Heights	103	5	108	107	11	118	107	9	116	165	5	170	186	15	201	245	13	258

Source: Comps, Inc.

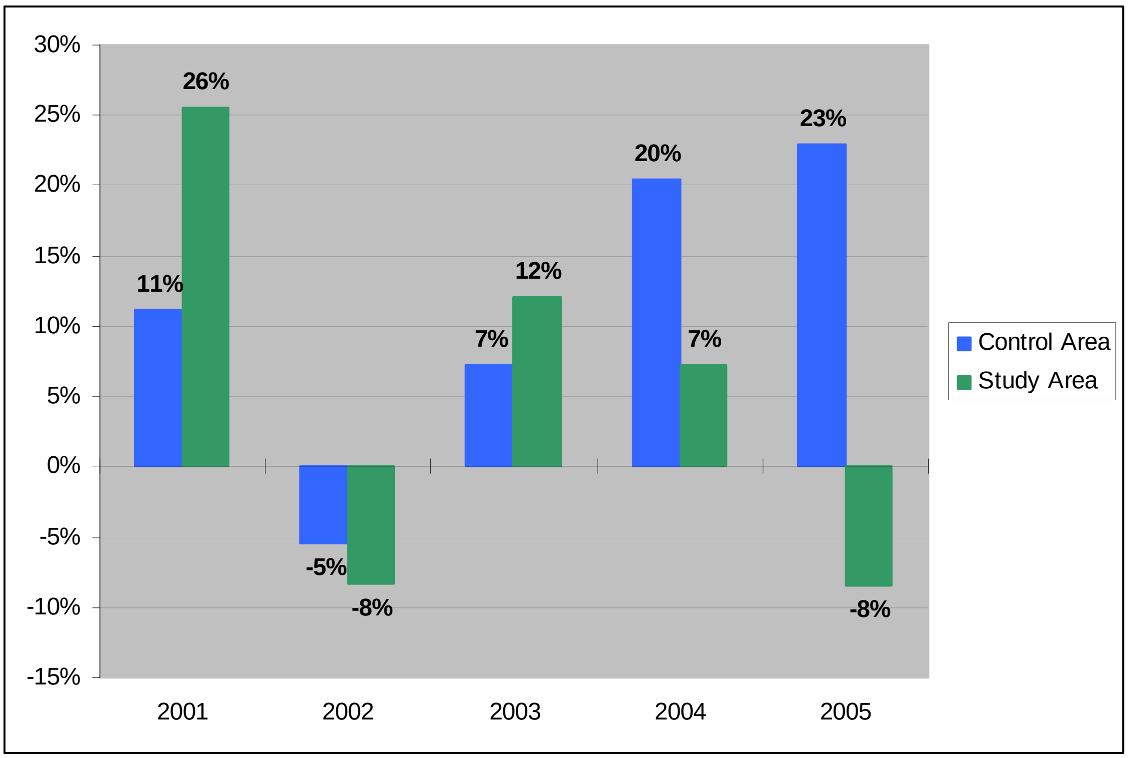
Figure C-2
Total Transaction Volume for Control Area, Study Area, and Neighborhoods



Source: Comps, Inc.

In contrast, the study area, roughly located within ½ mile of the Project Area, did not experience a dramatic increase in the rate of sales transactions in 2004 and 2005, but instead remained fairly consistent from 2000 to 2005 (see Figure C-2). Sales volumes were at their lowest in 2000 with 86 transactions and reached a high point in 2004 with 119 transactions; however, sales dropped by 9 percent to 109 transactions in 2005, while control area sales volume increased by 23 percent (see Figure C-3). Morningside Heights was also notable for the extremely small number of transactions that occurred over the five-year period, most likely due to the neighborhood's small geographic size, and the large number of properties owned by Columbia and other not-for-profit institutions. In sum, there is little indication that public awareness of Columbia's proposed Manhattanville university area led to an increase in sales transactions in the study area. While there was a slightly greater percent increase in the number of transactions in the study area compared with the control area between 2002 and 2003, the overall trend demonstrates just the opposite—that the number of sales transactions in the study area did not increase to the extent that they did in the control area in the years following Columbia's announcement.

Figure C-3
Percent Increase in Transaction Volume from Previous Year for Control Area and Study Area



Source: Comps, Inc.

PROPERTY VALUES

Median Residential Sales Prices

Both the control area and study area experienced an overall upward trend in median residential price per sf between 2000 and 2005 (see Table C-2 and Figure C-4). In total, median sales price per sf in the control area more than doubled between 2000 and 2005, from $151/sf to $330/sf—an increase of 119 percent. In the study area the median sales price rose 82 percent, from $93/sf to $169/sf. Both areas demonstrated a moderate increase in 2001, followed by a large increase in 2002 (62 percent in the study area, and 35 percent in the control area). In both areas, growth tapered off in 2003, followed by another large jump in 2004. The trends diverge in 2005, however, when the control area's median prices increased by 9 percent, while the median sales price in the study area dropped by 14 percent. If residential real estate values were affected due to public awareness of Columbia's plans, indicators would include a new trend toward increasing value within the study area, or a greater percentage increase in value in the study area compared with the control area. As detailed above, however, while median prices in the study area did increase after the announcement, the growth between 2003 and 2005 was less than the study area growth that occurred prior to the announcement. In addition, the study area's growth was at a lower level compared with the control area, even registering a slight decrease in 2005.

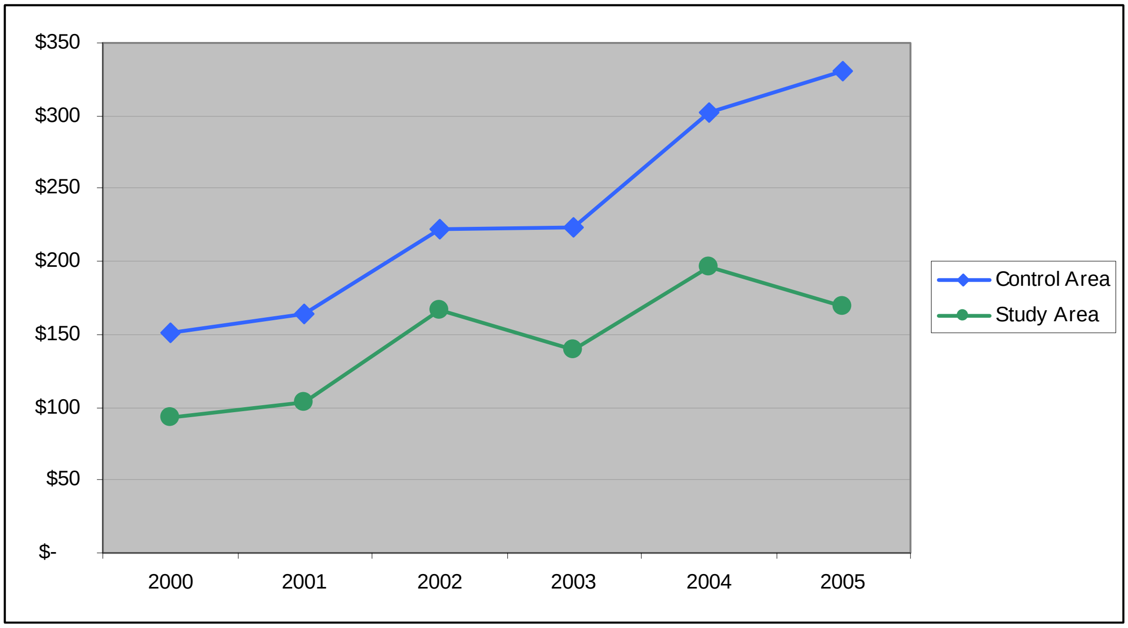
Table C-2
Median Sales Price per Square Foot in Control Group and Study Area

Year	Control Area	% Increase	Study Area	% Increase
2000	$151	n/a	$93	n/a
2001	$164	8.6%	$103	10.2%
2002	$222	35.4%	$167	62.1%
2003	$223	0.5%	$140	-16.2%
2004	$302	35.4%	$196	40.0%
2005	$330	9.3%	$169	-13.8%

Notes: All median price per sf figures are adjusted to 2005 dollars.
Source: Comps, Inc.

Further analysis identified that all neighborhoods within the control area showed substantial increases in property values between 2000 and 2005 (see Table C-3 and Figure C-5), with the exception of Morningside Heights, where the sample size is too small to measure. If the increased property values in the study area were to have been a result of the announced Proposed Actions, growth would be expected at greater levels compared with other neighborhoods. Again, this is not the case. The 82 percent growth in median price per sf in the study area, though significant, was lower than in surrounding areas, such as the Upper West Side (84 percent increase) and all of Manhattanville (90 percent increase), and significantly lower than Central Harlem, where median prices per sf jumped 148 percent. Given that (as shown in Figure C-4) there was less growth in the study area after the announcement compared with the period prior to the announcement, and that the pattern of growth in the study area mirrored the control area, it does not appear that Columbia University activities had a marked effect on sales prices in the study area after Columbia University's announcement.

Figure C-4
Median Sales Price per Square Foot in Control Group and Study Area



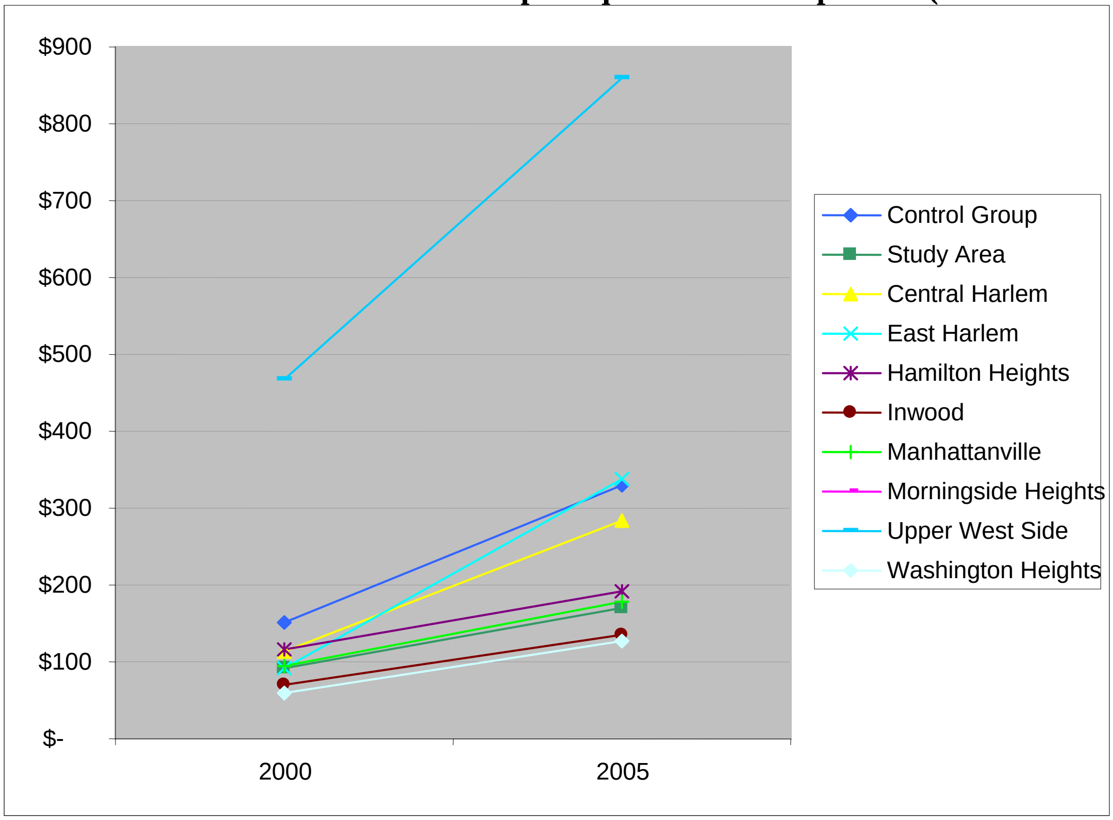
Notes: All median price per sf figures are adjusted to 2005 dollars.
Source: Comps, Inc.

Table C-3
Median Sales Price per Square Foot Comparison (2000 and 2005)

	2000[1]	2005	% Increase
Control Group	$151	$330	119%
Study Area	$93	$169	82%
Central Harlem	$114	$283	148%
East Harlem	$92	$339	268%
Hamilton Heights	$117	$192	65%
Inwood	$70	$136	94%
Manhattanville	$94	$179	90%
Morningside Heights[2]	n/a	n/a	n/a
Upper West Side	$467	$859	84%
Washington Heights	$59	$128	115%

Notes:
[1] All 2000 median price per sf figures are adjusted to 2005 dollars.
[2] Sample size for Morningside Heights is only 2 in 2000 and 5 in 2005.
Source: Comps, Inc.

Figure C-5
Median Sales Price per Square Foot Comparison (2000 and 2005)



Notes: All median price per sf figures are adjusted to 2005 dollars.
Source: Comps, Inc.

Additionally, as shown in Figure C-4, there was no substantial positive or negative trend in the study area or control area after the announcement. The study area's median sales price per sf follows a similar pattern as the control area, with the declines in 2003 and 2005 corresponding to periods of slower growth in the control area. The growing disparity between median sf prices in the study area and control area is largely attributable to the Upper West Side's relatively high median sf prices in the control area (see Figure C-5).

In sum, when comparing sales prices before public awareness of the proposed university area in 2002 with the years following (2003–2005), the study area's growth was less than that of the control area. Additionally, when comparing median sales prices, the immediate study area did not experience larger increases than in surrounding neighborhoods, which would be expected if the announcement of the Proposed Actions was acting to directly increase real estate values. The data indicate that median residential sales prices in the study area have not been significantly influenced by Columbia's proposed plans.

Median Residential Rental Rates

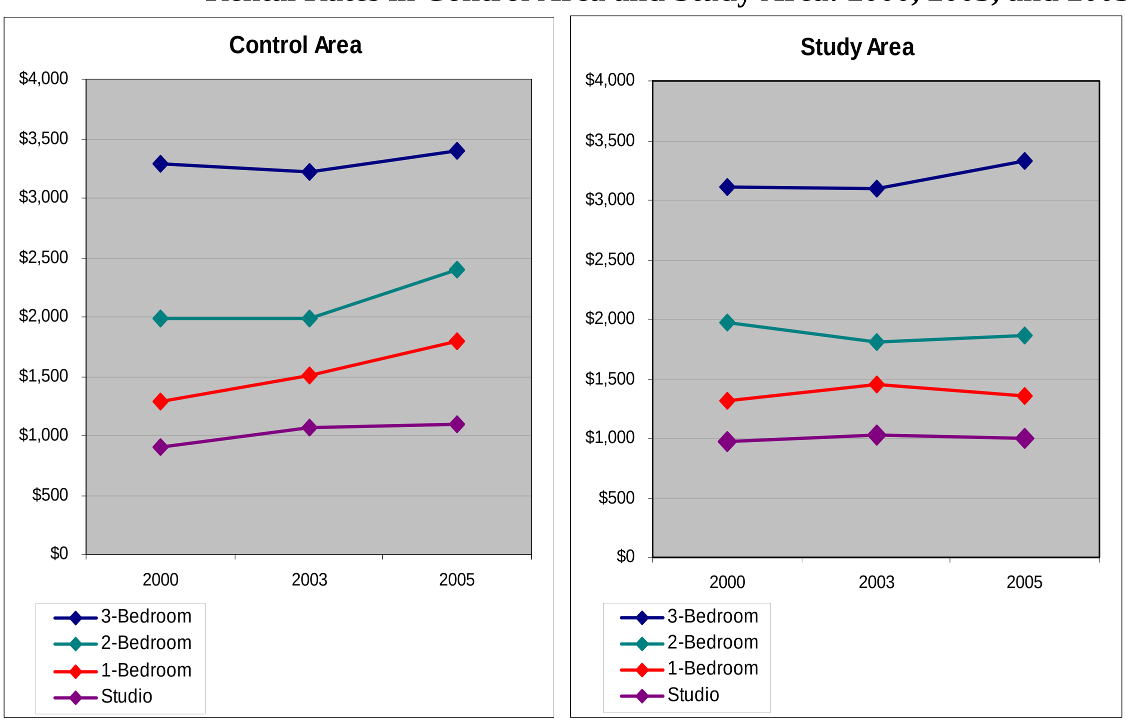
Since the announcement of Columbia's proposed university expansion, there have not been increases in residential sales or rental costs in the study area that could have led to indirect displacement of area residents. Median rents in the study area remained relatively stagnant between 2000 and 2005 (see Table C-4 and Figure C-6). No prevalent trends could be identified, as rates for individual apartment types tended to both increase and decrease during the five-year period. For example, after adjusting for inflation, a one-bedroom apartment at 611 West 138th Street rented for $1,282/month in 2000, $1,317/month in 2003, and $1,300/month in 2005. Similarly, a three-bedroom apartment at 508 West 136th Street rented for $2,995/month in 2000, $3,071/month in 2003, and $3,000/month in 2005. Between 2003 and 2005—the period following public awareness of Columbia's proposed university expansion—study area rents for studio and one-bedroom units decreased, while two- and three-bedroom rental rates rose modestly at 3 percent and 7 percent, respectively.

Table C-4
Median Rent in Control Group and Study Area

Apartment Size	Control Area					Study Area				
	Median Rent (Dollars)			Percentage Change		Median Rent (Dollars)			Percentage Change	
	2000	2003	2005	2000-2003	2003-2005	2000	2003	2005	2000-2003	2003-2005
Three-bedroom	3,292	3,226	3,400	-2%	8%	3,106	3,102	3,325	0%	7%
Two-bedroom	1,981	1,989	2,400	0%	21%	1,973	1,815	1,863	-8%	3%
One-bedroom	1,282	1,505	1,800	17%	20%	1,311	1,452	1,350	11%	-7%
Studio	903	1,070	1,100	18%	3%	976	1,024	1,000	5%	-2%

Notes: All rental rates are adjusted to 2005 dollars.
Source: Jerry Minsky, senior vice president, Corcoran Group Realty.

Figure C-6
Rental Rates in Control Area and Study Area: 2000, 2003, and 2005



Notes: All rental rates are adjusted to 2005 dollars.
Source: Jerry Minsky, senior vice president, Corcoran Group Realty.

In contrast, between 2000 and 2005, median monthly residential rental rates in the control area increased across all apartment sizes, as shown in Table C-4 and Figure C-6. Between 2000 and 2003, the sample median rental rate remained relatively constant for two- and three-bedroom units but increased for studio and one-bedroom units (18 and 17 percent, respectively). Between 2003 and 2005, the median rents increased across all unit types, with the largest growth occurring in one-bedroom and two-bedroom units, which both increased by more than 20 percent.

RIVERSIDE PARK COMMUNITY

In 2005, Riverside Park Community, a 1,190-unit rental apartment complex at 3333 Broadway, directly north of the Academic Mixed-Use Area between West 133rd and West 135th Streets and Broadway and Riverside Drive, opted out of the Mitchell-Lama program, which was designed to accommodate the housing needs of moderate-income families. It has been suggested by some in the community that the "buyout" is largely the result of Columbia's proposed university area, and should therefore be considered an impact of the Proposed Actions. The following section considers whether Columbia's plan for the proposed university area was a likely cause of the buyout at 3333 Broadway.

Since 1955, the Mitchell-Lama housing program has led to the development of numerous moderate- and middle-income co-op and rental housing complexes throughout New York City. Developers are permitted to buy out of the program after a certain amount of time, typically 20 years, if they have repaid their initial mortgage and all other debts. For complexes built after 1973, following a buyout, the developer is no longer subject to rental regulations and profitability restrictions, allowing them to sell or rent units at market rate. New York City has seen an increase in buyouts over the past several years, as many of these 20-year periods have expired and the strong real estate market has provided the incentive for building owners to opt out of the program.

A report published by the New York City Comptroller's Office in 2004 states that a "combination of historically low interest rates, an upward swing of real estate prices, and initial mortgages nearing their maturation date, especially within Manhattan, has made leaving the supervision of the Mitchell-Lama and Limited Divided programs more attractive."[1] In May 2006, the Comptroller's office updated the original report, stating that the number of buyouts is accelerating: "Prior to 2004, more than 24,000 units withdrew from the program. Since 2004, more than 25,000 units have either withdrawn or filed a notice to withdraw."[2] Thirty-two Mitchell-Lama developments have left the program since 2004, a majority of which are located in Manhattan (7,860 units).[3] In sum, Mitchell-Lama buyouts have been a substantial trend over the past decade, particularly since 2004.

Jerome Belson Associates, owner of 3333 Broadway, removed three other complexes in Harlem from the Mitchell-Lama program in 2005—UPACA 1 and 2 at Lexington Avenue and 121st Streets, Schomburg Plaza at Fifth Avenue and 110th Street, and Metro-North Riverview at First

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[1] Thompson, William C., "Affordable No More: New York City's Looming Crisis in Mitchell-Lama and Limited Dividend Housing," City of New York Office of the Comptroller, February 18, 2004.

[2] Thompson, William C., "Affordable No More, An Update: New York City's Mitchell-Lama and Limited Dividend Housing Crisis is Accelerating," City of New York Office of the Comptroller, May 26, 2006.

[3] Ibid, Page 3.

Avenue and 101st Streets—in addition to the Eastwood complex on Roosevelt Island. These apartment complexes have existing amenities, such as relatively recent construction, modern design, parking, views, and desirable locations, that may make them attractive as long-term unregulated real-estate investments. For example, the 3333 Broadway complex is a relatively new structure (built in 1976), with many units offering unobstructed views of the Hudson River. Additionally, it is well served by mass transit, easily accessible by car, and contains on-site parking facilities.

The substantial trend toward buying out of Mitchell-Lama programs in Manhattan, combined with the fact that Jerome Belson and Associates took four other properties out of the program in 2005, demonstrates that there may have been a business justification to "buy out" 3333 Broadway, regardless of Columbia's plans.

The change in the building's Mitchell-Lama status is unlikely to have contributed to a substantial change in the area's rental market. The majority of the building's units (nearly 85 percent) continue to be occupied by long term-tenants who receive federal subsidies known as Section 8 Enhanced Vouchers. These vouchers protect recipients from unaffordable rent increases by paying the difference between HPD-approved "market rents" and a household's subsidized rent, therefore alleviating indirect displacement pressures. And unlike standard Section 8 vouchers, Section 8 Enhanced Vouchers are not subject to ceilings on rents which apply to regular Section 8 vouchers. The remaining 15 percent of the building's 1,192 units now permitted to rent at true market rates continue to rent at the same levels as those at HPD-approved "market rents." This indicates a flat rental market, consistent with the area prior to the announcement of the Proposed Actions, not one increasing because of it.

EFFECTS ON PROJECT AREA REAL ESTATE MARKET

As mentioned above, there are concerns that Columbia's plans for a new university area—both public awareness of the Proposed Actions and Columbia's purchase of commercial properties in the Project Area—have already influenced real estate activity within the Project Area, and, therefore, an analysis of existing conditions should be conducted for 2002 instead of 2006. Specifically, there are concerns that Columbia's purchase of properties in the Project Area have led to a climate of disinvestment and stagnation of the Project Area's commercial real estate market.

When Columbia announced its plans for a new university area in 2003, the Project Area was not showing substantial signs of real estate growth. Between 2000 and 2002, only six commercial sales transactions that were not facilitated by Columbia occurred in the Project Area. Additionally, while real estate pressure in other industrial areas of the City was leading to widespread adaptive reuse of older industrial buildings, this was not the case in the Project Area, where a large percentage of businesses continue to operate as manufacturing, storage and warehousing facilities, automotive repair and service shops, and general construction contractors. Fairway Market opened in 1995 at 2328 Twelfth Avenue; however, no other new developments of comparable scale occurred until 2003, when a building at West 131st Street and Twelfth Avenue was renovated by its current owner and now is occupied by the Dinosaur Bar-B-Que restaurant, a fitness consultant, two television production firms, an architecture firm, and a technology company. Apart from the renovation of this building, the number and type of businesses within the Project Area have remained fairly constant following Columbia's purchase of various Project Area properties beginning in 2000. Additionally, these purchases did not interrupt an existing trend toward adaptive reuse. With a large percentage of tenants in Project

Area buildings operating as either storage and warehousing facilities, automotive repair and service shops, or general contractors, it is apparent that few industrial buildings had been converted prior to 2000.

Since 2000, Columbia has purchased 33 properties within the Project Area and is “in contract” on an additional 14 properties that are expected to close within the next 29 months. All of these properties are older, either industrial or commercial buildings, and with the exception of one vacant property, at the time of purchase all properties were owner-occupied or had existing tenants leasing from the previous owner. In cases where the former property owner had current leases with commercial tenants, these leases were assigned to Columbia as landlord/owner.

Columbia currently deals with tenant negotiations on a case-by-case basis. Generally, tenants are being offered one-year leases that would be renewed annually, until occupancy is needed for University purposes, provided the tenant remains in good standing. (To be considered a tenant in good standing, a tenant must secure and continue to maintain insurance coverage, all required permits and licenses appropriate to operate its business, and remain current on all rental payments.) A few tenants, such as Alexander Doll Company, the New York Police Department, Department of Housing Preservation and Development, Mi Floridita Restaurant and Bakery, and Verizon, have longer leases.

According to Columbia’s tenant roster, the occupancy levels have remained relatively steady since its purchase of various properties. Most previous tenants continue to remain in spaces they occupied before Columbia acquired ownership. In a few cases, tenants have vacated, and Columbia has been able to find replacement tenants. There are currently two vacant spaces (a garage at 613 West 129th Street and one store at 3205 Broadway) for which Columbia is actively trying to secure new tenants. The structure at 620 West 130th Street is currently being renovated for a tenant being relocated from the fourth floor of 3251-3253 Broadway. In four cases where Columbia purchased property from previous owners who also operated a business on their property, three of the properties were sold to Columbia as the proprietors had decided to retire. These three businesses, acquired between 2003 and 2006, are Busch Boiler Repair, Lolis West Market Diner, and Standard Aromatics. The owner of the fourth property—Emay Foods—consolidated their operations at other sites they have in the City. With the exception of 632 West 130th Street (formerly occupied by Busch Boiler Repair and now leased to a new tenant), these buildings are currently vacant. The building previously occupied by Emay Foods is currently being renovated for a tenant (an auto repair shop) being relocated from 3251-3253 Broadway (currently the second- and third-floor occupants). Columbia has stated that due to deteriorated building conditions in the building previously occupied by Standard Aromatics, the building will be decommissioned. Therefore, Columbia currently has no plans for an interim use in this building.

According to Columbia, many of the properties acquired since 2000 also have many deferred maintenance needs. According to Columbia, the poor physical condition of most buildings they purchased suggests that substantial investments were not being made by existing businesses to maintain their buildings or the premises they occupied. As of April 30, 2007, Columbia has invested approximately $3.0 million in 31 properties to address life safety issues, cure preexisting code violations, and make urgent repairs to major building systems, along with other capital repairs. Major components of this investment include $900,000 in exterior repairs and Local Law 11 work in order to maintain exterior walls and appurtenances in a safe condition, approximately $500,000 in repairs to heating systems, approximately $500,000 in roofing repairs, and over $100,000 in sidewalk repairs. In addition, through May 11, 2007, Columbia has identified similar repairs that are scheduled for completion within the next 18 to 24 months. These additional repairs, many of which have commenced, will bring Columbia's total investment to approximately $9 million. Repairs to address life safety issues, code violations, and urgent repairs to building systems do not cover all "State of Good Repair" issues that have been created by past disinvestment. Major capital upgrades are also being made to the Studebaker Building, located at 615 West 131st Street, to prepare it for occupancy by Columbia University administrative offices beginning in summer 2007; and interior improvements are being made to the former Warren Nash Service Station building, located at 3280 Broadway.

As shown in Figures C-7 and C-8, land use changes in the Project Area between 2000 and 2006 have been minimal.[1] In both years, industrial land uses, which include auto-related uses, warehouses, and storage facilities, were the most common, occupying 75 percent of lot area in 2000 and 70 percent in 2006. Commercial and office uses have decreased from 16 to 14 percent between 2000 and 2006, while residential land uses have remained at 2 percent of the total lot area. The amount of vacant lot area occupied by a vacant building has increased by 2.5 percent; these include formerly owner-occupied properties that were sold to Columbia and vacated, but have not been leased due to their poor physical condition.

The analysis above indicates that differences in land use, tenancy, and overall real estate conditions have not changed such that they would justify an adjustment of the baseline analysis of existing conditions to 2002, or some other year before public awareness of Columbia's university area plans. Columbia's announced plans did not disrupt or curtail economic investment in the area, with the area continuing to perform as it had, and likely would have performed, with or without the announcement. Before 2003, the Project Area was showing little sign of commercial real estate growth as evidenced by only six non-Columbia commercial sales transactions between 2000 and 2002. Pressure for adaptive reuse or conversions of industrial properties was not substantial, unlike in other industrial areas. The number and type of businesses within the Project Area has remained almost entirely the same following Columbia's purchase of various Project Area properties. Auto repair businesses that have left the area have been replaced by other auto repair businesses, and office tenants have been replaced by other businesses in need of commercial office space. Additionally, a comparison of land uses reflects only a 2 percent increase in amount of vacant square footage within the Project Area, a difference not substantial enough to change the area's overall economic conditions.

CONCLUSION

This analysis concludes that the public announcement of Columbia's proposed university area has not had a sizable influence on either the local residential or Project Area commercial real estate market. Real estate growth in the control area surpassed growth in the study area according to two primary indicators: transaction volume and property value. Transaction volume gained momentum in the control area in the years following the announcement, with the number of transactions increasing by 7 percent in 2003, 20 percent in 2004, and 23 percent in 2005. During the same period, the transaction volume in the study area rose slightly but then dropped, increasing 12 percent in 2003, 7 percent in 2004, and decreasing by 8 percent in 2005.

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[1] As mentioned above in "Methodology," the land use map for 2006 has been adjusted to reflect the categorization style of that in 2000 as used by LotInfo.

Similarly, while the control area's median residential sales prices and rental rates have shown substantial growth, the study area's market has been relatively stagnant. In 2003, the study area's median residential sales price per sf fell by 16 percent while it remained steady in the control area, increasing approximately 1 percent. And while the study area's median sales price per sf rose by 1 percent between 2002 and 2005, the control area's prices jumped by 49 percent. Between 2000 and 2005, rental rates in the control area increased for all unit sizes, but over the same period in the study area there was only growth in the rental rate for three-bedroom units.

Finally, an analysis of the Project Area commercial real estate conditions indicates that the area did not demonstrate substantial real estate growth before public awareness of the proposed university area, nor did Columbia's purchase of numerous properties in the Project Area lead to substantial differences in use, tenancy, or overall economic conditions that would warrant an adjustment of the baseline analysis of existing conditions to 2002, or some other year before public awareness of Columbia's university area plans. ✷