

# Mortgage crisis affects renters, too

■ Shortage of housing makes rentals on LI already expensive — and now that supply faces more demand

BY CLAUDIA GRYPVATZ COPQUIN

Every week seems to bring more media coverage of the mortgage mess and home foreclosures. Freeport, Hempstead, Mastic, Coram, Roosevelt, Elmont — those are some of the areas where foreclosures are highest, although it's clear that this problem is rapidly sweeping across Long Island.

In a nutshell, people who had risky or poor credit ratings were given subprime bank loans, whereupon they purchased homes at inflated prices. Now those borrowers are finding themselves unable to pay their monthly mortgages, whose interest rates are going up.

I've been reading about it all with detachment, but the issue hasn't had much of an impact on me — until now. And I'm not even a homeowner.

Although I live in a highly desirable, affluent neighborhood, I'm part of a silent minority on Long Island: I'm a renter. Don't tell anyone, though. You can have a doctoral degree in astrophysics and have found a cure for cancer, but tell a suburbanite

that you rent and your social cachet plummets. I know, because I used to be a homeowner — one who'd dismiss renters, lumping them all into one distasteful low-income bracket.

But while Long Island developed as a suburb with single-family homes, notes Chris Jones, vice president of research at the Regional Plan Association, an independent, non-profit tristate planning organization, our demographics have changed. And today's rental market is a mixed bag — one that's perfectly reflected in the Archstone complex in Westbury, where hundreds of tenants at varying income levels — from Section 8 to those paying thousands per month — have to evacuate due to mold contamination.

Scattered throughout Long Island rental properties are single parents like me who perhaps once owned real estate, senior citizens, baby boomers undecided about where to retire, recent college grads, singles postponing marriage, newlyweds and middle-income professionals who aren't earning enough to recklessly tap into this costly real estate market.

For us, rentals are our only option, and our options in rentals are highly limited. They don't come cheap. It's comical that the word "rental" is stigmatized, often associated with affordable housing, public-hous-

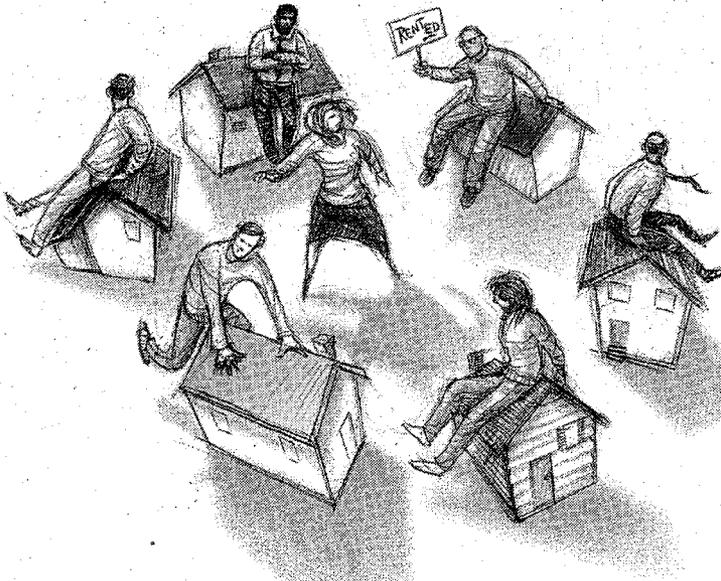


ILLUSTRATION BY JANET HAMLIN

ing projects or slums, because 38 percent of Long Island rentals in 2006 were \$1,500 a month or more. A two-bedroom unit at the mold-infested Westbury complex goes for almost \$3,000 a month!

Unfortunately, only 17 percent of the housing units on Long Island are rentals, a much lower percentage than other counties. For example, Westchester has 38 percent, and Rockland County has 26 percent, according to the Long Island Index.

And anyone who's ever perused the local real estate ads can paint a personal picture of this sparse landscape. When separating from my husband about eight years ago, I scouted

the rental classifieds, sending out an all-points bulletin to area real estate agents. I needed a three-bedroom unit in Northport or East Northport, where my three children were attending school. I saw a total of three rental properties. Shocked at the lack of options, I latched on to one even though the rent, equivalent to a mortgage payment, was going to gobble up a huge chunk of my monthly expenses.

We've been there ever since. Even though we have our own mold issue in the basement after decades of flooding, and for years some repairs have gone unattended, I've been a good tenant, only disturbing my landlord for utter emergen-

cies. Unfortunately, my lease expires in January, and the rental market is tighter than ever. Now that foreclosures are running rampant, the demand for units will increase. Rents will be rising.

Some experts speculate that our very shortage of rental housing is in part to blame for today's subprime crisis. Ann Golob, director of the Rauch Foundation, which publishes the Long Island Index, says it's likely that some people who were unable to find suitable rentals became homeowners before they were financially ready. They purchased houses they couldn't really afford, yet banks extended them credit. In a vicious cycle, now these same people will need places to rent.

But the issue doesn't just affect renters. Economically stable homeowners ought to be paying attention, because the rental shortage will have an impact not only on tenants, but on the communities we all live in. If a local businessman can't find employees because there's no nearby housing available, his business will suffer. And where will homeowners' children live if they can't find rentals in the communities they grew up in?

When it comes to rental development, "there's still an enormous amount of community resistance," Jones says. But let's hope the foreclosure issue places housing at the top of the agenda for community planning boards, politicians, civic groups, county and state officials and developers before the ripple effect fully hits home — rental or otherwise.



Claudia Gryvatz Copquin of Northport writes frequently for Newsday.