AVERTING RESIDENTIAL DISPLACEMENT

Assessing Indicators of Risk to Enable Early Intervention

By
Maude Ceruso
New Jersey Future Intern

Tim Evans
Director of Research
New Jersey Future

NEW JERSEY FUTURE

GREAT HOMES AND NEIGHBORHOODS — FOR ALL —

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ABOUT

Founded in 1987, **New Jersey Future** is a nonprofit, nonpartisan organization that promotes sensible and equitable growth, redevelopment, and infrastructure investments to foster healthy, strong, resilient communities; protect natural lands and waterways; increase transportation choices beyond cars; provide access to safe, affordable, and aging-friendly neighborhoods; and fuel a strong economy for everyone. New Jersey Future does this through original research, innovative policy development, coalition-building, advocacy, and hands-on strategic assistance. Embracing differences and advancing fairness is central to New Jersey Future's mission and operations. New Jersey Future is firmly committed to pursuing greater justice, equity, diversity, and inclusion through its programs, internal operations, and external communications.

Great Homes and Neighborhoods for All believes everyone in New Jersey deserves an affordable place to live in a safe, vibrant community. We are a statewide, pro-housing initiative tackling New Jersey's housing and neighborhood challenges, inadequate systems for land use and zoning, and the resulting racial, socioeconomic, and health inequities by advocating for state policy changes, supporting local planning, and cultivating a network of local pro-housing campaigns. Our comprehensive, action-oriented agenda is organized around six guiding principles that address resident displacement, the production and preservation of affordable homes, zoning and government reforms, land use planning, and support for community-led, pro-housing advocacy.

EXECUTIVE SUMMARY

As part of the Great Homes and Neighborhoods for All (GHNA) initiative, our project seeks to evaluate levels of residential displacement risk that New Jersey residents may face across the state, using both quantitative and qualitative methods. Our aim is to identify the early warning signs that commonly precede displacement rather than pinpointing areas where it has already occurred. We primarily seek to identify areas where displacement pressures are increasing and to focus our attention on long-time residents who are most vulnerable to neighborhood change. With access to this information, actors such as policymakers, nonprofit organizations, and housing activists will be better able to implement early and effective interventions.

To begin, we selected and collected data on a set of variables that are commonly associated with the issue of households having trouble maintaining their current living arrangement, including median rent, housing cost burden for renter households, ALICE households (ALICE = asset-limited, income-constrained, employed), the supply of income-restricted housing, income distributions, median renter household income, race and ethnicity, and educational attainment. We used data at the census tract[1], or "neighborhood level" where available, to capture internal variation in larger municipalities, as many demographic variables are available at the census tract level from the Census Bureau's American Community Survey five-year estimates.

From these variables, we defined a group of nine leading indicators to enable us to find the neighborhoods showing early signs of displacement. These indicators are as follows (changes are from 2020 to 2023, unless otherwise indicated):

1. Did the median rent increase by an amount **at least 1.5 times as great as** the statewide increase of $285?
2. Did the number of cost-burdened renter households (those paying more than 30% of their gross income on housing costs) increase by **at least 15%**?
3. Did the percentage of renter households who are cost-burdened increase by **at least 10 percentage points**?
4. Is the number of ALICE households (ALICE: asset-limited, income-constrained, employed) increasing? Did the number of ALICE households in the neighborhood's host municipality **increase at a rate more than double** the statewide increase of 7.0% between 2021 and 2023?
5. Is the supply of income-restricted housing units decreasing? Did the number of affordable units in the neighborhood's host municipality, as listed on the DCA inventory of affordable housing, **decrease** between 2010 and 2022?
6. Is the neighborhood's income distribution shifting upward? Did the 20th percentile income (the income level having 20% of households falling below it) **increase at a rate** that was **at least 1.5 times** the statewide percent increase? (Statewide, the 20th percentile income increased by 21.0%, from $33,222 to $40,193.)
7. Did the median household income for renter households increase at a rate that was **at least 1.5 times** the statewide percent increase of 20.5%?
8. Did the percentage of residents who are non-Hispanic White **increase** between 2020 and 2023 **from a level that was less than 50% in 2020**?
9. Did the number of people with a bachelor's degree or higher increase by a rate **at least 1.5 times** the statewide increase of 10.3%?

1 A census tract is a geographic unit with a target average population of 4,000 people that is roughly equivalent to a neighborhood in more urbanized areas, though they can cover many square miles in low-density parts of the state.

When identifying and examining census tracts that checked off many of our nine "early warning sign" indicators, we noticed two different types of neighborhoods appearing on the list: 1) formerly-distressed neighborhoods that are now experiencing market demand and new construction, a process that aligns with the commonly-held conception of "gentrification," and 2) neighborhoods that did not have a lot of lower-income households to start with, but where middle-income households are gradually being replaced by upper-income households, one home sale at a time. The latter type is what housing analyst Alan Mallach has described as "slow-motion gentrification" and could be occurring in places like Bedminster, Hillsborough, Branchburg, and Cinnaminson, which emerged as surprises in the analysis.[2] Further investigation of tracts that check multiple indicators may reveal more of a continuum between these two types, or additional types of places that were not immediately obvious.

During our investigation, we identified a separate group of indicators that pointed to neighborhoods where displacement had already begun. For example, census tracts where the number of cost-burdened renter households decreased from a positive amount to zero were flagged as part of this separate group of indicators. Defining these indicators and the neighborhoods that check them off was not part of the scope of this project, but we have cataloged them for potential future investigation.

By highlighting early warning signs of displacement, we aim to empower policymakers, advocates, and community members to take timely and targeted action against residential displacement in their communities. In Appendix B, the nine indicators are available as a checklist to facilitate the assessment of an area's displacement risk. Furthermore, we hope this research will strengthen GHNA's mission to ensure that all New Jersey residents are better protected from displacement and can remain in stable, equitable, and thriving neighborhoods.

2 Mallach A. The Divided City: Poverty and Prosperity in Urban America. Island Press; 2018.

BACKGROUND AND DEFINING DISPLACEMENT

In recent decades, one of New Jersey's most pressing and persistent challenges has been its high and rising housing costs.[3, 4] One significant consequence of unaffordable housing is the displacement of long-time residents who can no longer afford to remain in their communities. Displacement can occur through formal mechanisms, such as eviction or foreclosure, or informally in ways that are difficult to identify. Residents may "choose" to leave their homes and neighborhoods in search of more affordable options when rising rents or property taxes become unsustainable. Yet as George and Eunice Grier argue in the 1978 report, "Urban Displacement: A Reconnaissance", such movement may be no more voluntary than a formal eviction.[5] Due to its informal nature, though, this form of displacement is not officially documented, making it challenging to properly recognize, analyze, and address as a potential issue in one's community.

3 Harati R, Emmanuel D, Renzi K, Aurand A. The Gap: A Shortage of Affordable Homes. National Low Income Housing Coalition; 2025.

4 Evans T. A Snapshot of Housing Supply, Affordability, and Land Use in New Jersey | New Jersey Future. December 19, 2024. Accessed August 11, 2025. https://www.njfuture.org/research-reports/snapshotofhousing/

5 Grier G, Grier E. Urban Displacement: A Reconnaissance. Grier Partnership, Bethesda, MD.; Department of Housing and Urban Development, Washington, DC. Office of; 1978. Accessed August 11, 2025. https://ntrl.ntis.gov/NTRL/dashboard/searchResults/titleDetail/PB294225.xhtml

MOTIVATION AND DESCRIPTION OF RESEARCH

This report sheds light on these more subtle, underreported patterns of displacement happening in neighborhoods across New Jersey.

By identifying early warning signs, we aim to pinpoint areas where residents may be at future risk of displacement before it is too late.

Our population of interest is renters, as these households tend to be most vulnerable to shifts in housing costs. Homeowners are somewhat insulated from rising costs because their mortgage payments are fixed, whereas in most cases, renters' costs are free to rise in response to market forces. Our primary unit of analysis is the census tract, to capture internal variation in larger municipalities, and because many demographic variables are available at the census tract level from the Census Bureau's American Community Survey (ACS) five-year estimates.

Our plan of analysis to detect these early warning signs was largely informed by a literature review of publications and research projects that similarly sought to quantify and analyze patterns of neighborhood change (see Appendix A for more details). We primarily drew from a range of readily available Census Bureau data at the state, county, and census tract levels, as well as a few data items at the municipal level from other sources. To detect these early signs of neighborhood change, we examined relevant variables like median rent, education attainment levels, race and ethnicity, and others, analyzing their behavior over time. We further collected data on secondary variables, which provided contextual information to help decipher the behavior of the main variables.

We observed changes in these data items across the years 2020 and 2023. While we would have preferred to compare data from two years of the 5-year ACS whose timeframes did not overlap with one another,[6] we were constrained by the fact that census tract boundaries are redefined after each decennial Census. Because of this, 2020 was the earliest year for which we could use the current census tract definitions, and 2023 was the most recent year available for comparison.

List of data items assembled.

- Median Rent
- Housing Cost-Burden for Renters
- ALICE Households[7]
- Income-restricted Units[8]
- Income Distributions
- Median Household Income of Renters
- Race and ethnicity
- Educational Attainment
- Market-rate Residential Development (Certificates of Occupancy)[9]
- Tenure Type (owner vs renter)

In addition to this quantitative analytical approach, our research employed qualitative methods to supplement and ground-truth our quantitative findings. The qualitative aspect involved initial interviews with scholars and community leaders for guidance on how to begin and what signs to look out for. We also conducted post-data analysis interviews with local officials to discuss the on-the-ground reality of our results.

6 The ACS five-year estimates, which provide estimates at lower levels of geography like municipalities and census tracts, are constructed using five years of pooled data so as to reduce the margins of error resulting from small sample sizes. The 2023 estimates involve data from 2023 back through 2019, so there is two years of overlap with the 2020 estimates, which involve data from 2020 back to 2016.

7 The "ALICE" concept was originally developed by the United Way of Northern New Jersey to capture hardship among households with incomes that are not low enough to meet the federal poverty threshold but who nonetheless struggle to make ends meet. See more at https://www.unitedforalice.org/overview.

8 From the NJ Department of Community Affairs' "List of Affordable Developments by County" at https://www.nj.gov/dca/codes/publications/developments.shtml

9 Data on residential certificates of occupancy (COs) are available at the municipal level from the NJ Department of Community Affairs at https://www.nj.gov/dca/codes/reporter/co.shtml#2

INDICATORS OF DISPLACEMENT RISK

The selection process of our indicators was largely informed by our review of past and ongoing projects with similar goals as ours–to measure early signs of residential displacement and identify where these signs are most prevalent.

Our analysis was conducted as follows: for each primary indicator variable, we selected a threshold value, above or below which the values are flagged. The selection of threshold values, listed below, was done through an iterative process that looked at the proportion of census tracts that were flagged by a given threshold amount, paying attention to whether we had cast too wide a net (i.e., potentially obtaining a large number of false positive results). In certain cases, we accepted a threshold amount that captured a larger share of census tracts because the values, while widespread, appeared significant compared to statewide values. In some cases, the indicator incorporates a comparison to the statewide value of a variable to account for the fact that a trend–like rising rents–may be occurring statewide, and we are looking for places that disproportionately stand out from statewide trends.

Although the selection of indicator variables — and threshold values for those variables — involves a degree of subjectivity, we mitigated this through our use of multiple indicators. The assumption is that census tracts that are flagged by multiple of our main indicators are genuinely likely to be places where residents may soon be at risk of being displaced, rather than statistical anomalies that happen to trip a single indicator for reasons unrelated to displacement.

List of indicators with threshold values.

Did the median rent increase by an amount **at least 1.5 times as great** as the statewide increase of $285?

Did the number of cost-burdened renter households (those paying more than 30% of their gross income on housing costs) increase by **at least 15%**?

Did the percentage of renter households who are cost-burdened increase by **at least 10 percentage points**?

Is the number of ALICE households (ALICE=asset-limited, income-constrained, employed) increasing? Did the number of ALICE households in the neighborhood's host municipality[10] **increase at a rate more than double** the statewide increase of 7.0% between 2021 and 2023?

Is the supply of income-restricted housing units decreasing? Did the number of affordable units in the neighborhood's host municipality, as listed on the DCA inventory of affordable housing, **decrease** between 2010 and 2022?

Is the neighborhood's income distribution shifting upward? Did the 20th percentile income (the income level having 20% of households falling below it) **increase at a rate** that was **at least 1.5 times** the statewide percent increase? (Statewide, the 20th percentile income increased by 21.0%, from $33,222 to $40,193.)

Did the median household income for renter households increase at a rate that was **at least 1.5 times** the statewide percent increase of 20.5%?

Did the percentage of residents who are non-Hispanic White increase between 2020 and 2023 **from a level that was less than 50% in 2020**

Did the number of people with a bachelor's degree or higher increase by a rate **at least 1.5 times** the statewide increase of 10.3%?

These indicators are reproduced in Appendix B in the form of a checklist/handout designed for use by municipal leaders and housing advocates. Each indicator is accompanied by a brief description explaining its importance and the concept it measures.

It is worth noting that during our investigation, we identified a separate group of indicators that pointed to neighborhoods where displacement had already begun. For example, when searching for census tracts where the number of cost-burdened renter households had increased over time, we also identified a distinct group of tracts where this number had decreased from a positive amount to zero. We discovered similar tracts where the number of Black or Hispanic residents, the

10 ALICE households are calculated at the municipal level but not the census tract level.

number of households with incomes near the low end of the distribution, or the number of adults with a high-school diploma or less had decreased. In these cases, the indicator seemed to suggest that displacement was already underway, rather than posing a future risk. While these were beyond the scope of our original question and may be a productive avenue for further inquiry, we collected these supplementary indicators on the checklist in Appendix B, under the heading "You may already have a displacement problem if…"

The checklist also includes additional suggestions from our interviewees (described later in this report), labeled as "other warning signs."

The discussion below provides a more detailed description of each of the nine main indicator variables, illustrating how each relates more broadly to the phenomenon of residential displacement and, more specifically, how we applied them to identify early warning signs of displacement risk across New Jersey.

MEDIAN RENT

Median rent is a key indicator of housing costs faced by renters and is central to assessing displacement risk. By tracking changes in median rent over time at the tract, county, and state levels, we can identify areas where housing is becoming less affordable. However, rising median rents do not always indicate increased displacement pressure. It could instead reflect the addition of new high-end units rather than shifts affecting existing residents. As an indicator of early warning signs of displacement, we ask specifically: Did the change in median rent increase by at least 1.5 times more than the statewide increase of $285?

HOUSING COST-BURDENED RENTER HOUSEHOLDS

The share of cost-burdened renter households—those spending more than 30% of their gross household income on housing costs—offers insight into the affordability of an area and the extent to which current lower-income residents can sustain living there. This is essential to our analysis of displacement risk levels. Intuitively, if the number of cost-burdened households has increased by a significant amount compared to the statewide average, this would create cause for concern. More specifically, our analysis examines whether the percentage of renter households that are cost-burdened has increased by at least 10 percentage points between 2020 and 2023. The census tracts that meet these criteria are flagged. Additionally, we flag tracts where the number of cost-burdened renter households increases by at least 15% within the same time frame. Including these indicators, in addition to examining increases in median rent, allowed us to guard against the situation where median rent is rising solely due to the addition of new supply at the top of the market.

ALICE HOUSEHOLDS

The ALICE (Asset-limited, Income-constrained, Employed) index value offers an additional insight into the affordability of a given area and, consequently, the susceptibility of its residents to future displacement. Unlike the other variables, this data was only available at the municipal level. In our analysis, we looked at the percentage change in ALICE households within a municipality. If it increased by more than double the statewide increase of 7.0%, the municipality was flagged. The logic behind this is identical to that of the cost-burden household indicator.

AMOUNT OF INCOME-RESTRICTED HOUSING

The total amount of income-restricted housing available in a community is directly related to the community's risk levels for future displacement of long-time residents. Income-restricted units are generally more stable and affordable sources of housing for renters than those on the private market. If a neighborhood shows a decrease in the number of affordable units as listed on the DCA inventory of affordable housing, we interpret this as an early warning sign of displacement risk in the community. In our analysis, we flagged any census tract that showed an absolute decrease between 2010 and 2022.

CHARACTERISTICS OF THE INCOME DISTRIBUTION

Looking specifically at changes in the 20th percentile income category across all tracts provides further insight into shifts in the income levels of a given community. The 20th percentile income shows what is happening at the lower end of the income distribution. If it is rising, this means the lower end of the distribution is thinning out, as the dollar threshold below which we are including 20% of households has gotten higher. In the case of early signs of displacement, upward shifts in the 20th percentile income threshold could be a signal that these neighborhoods are becoming less amenable to any current lower-income residents.

We flagged tracts in which the 20th percentile income increases by a percentage that is at least 1.5 times the statewide percent increase.

MEDIAN RENTER HOUSEHOLD INCOME

Analyzing shifts in median renter household income generates insight into who a particular neighborhood is accommodating. Rising median household income among renters could indicate the addition of higher-income renter households at the top end of the income distribution, or a thinning out of the bottom end of the distribution due to lower-income renter households moving out, or both. In any case, an increase indicates that the renter population is becoming more characterized by higher-income households, suggesting that lower-income households may face increasing difficulty in remaining in the neighborhood. We ask: Is the percent increase in median household income for renters at least 1.5 times the statewide percent increase of 20.5%? Median household income among renter households could, in theory, be rising simply due to the net addition of new higher-income households who move into newly constructed rental units, without affecting existing renters at all; the new arrivals could simply be dragging the median upward. To guard against this situation unduly influencing our conclusions, we also included indicators of cost burden among renter households.

RACE & ETHNICITY

Looking at the racial and ethnic composition of an area forms an essential component of our assessment of displacement risk in NJ. Black and Hispanic communities have historically faced–and continue to face–heightened vulnerability to displacement from their homes and neighborhoods.[11] This is at least in part because the median household incomes among Black and Hispanic households are lower than those for non-Hispanic white and Asian households, so income-related displacement often manifests as racial displacement. Changes in the racial and ethnic composition of a neighborhood are also more visibly obvious to existing residents than variables related to income or education, so they relate more to how "gentrification" is perceived by residents. We therefore track shifts in these groups' population shares at the tract, county, and state levels. Our analysis flags areas in which the share of the non-Hispanic white population has grown substantially in recent years, especially where its share was previously below 50%, characteristic of places that may have experienced "white flight" in earlier decades. When such trends are present, we interpret this as one sign of rising displacement risk.

EDUCATIONAL ATTAINMENT

Like race and ethnicity, data on educational attainment levels can help us to focus on members of the community most vulnerable to rising housing costs and displacement. We track shifts in educational attainment along two categories: "high school degree or less" and "bachelor's degree or higher." We interpret areas where people with bachelor's degrees or higher are increasing as an early indicator of displacement. The specific question we pose is: Did the number of people with a bachelor's degree or higher increase at a rate at least 1.5 times the statewide increase of 10.3%?

11 Cohen M, Pettit KLS. Guide to Measuring Neighborhood Change to Understand and Prevent Displacement. Urban Institute; 2019. Accessed August 11, 2025. https://www.urban.org/research/publication/guide-measuring-neighborhood-change-understand-and-prevent-displacement

MUNICIPALITIES WITH MULTIPLE NEIGHBORHOODS INDICATING POSSIBLE DISPLACEMENT PRESSURE

After organizing the indicator data according to our set threshold values, we assembled two sample lists of municipalities in which multiple census tracts exceeded our established thresholds. The first list includes municipalities in which at least 50% of the census tracts were flagged by four or more of the nine main indicators. The second list includes the municipalities where at least 10% of census tracts were flagged by at least six out of our nine indicators. While any number of other sorting criteria can be employed, leading to slightly different results, we were generally looking for municipalities containing at least one neighborhood that raised clear concerns.

Municipality List #1 (at least 50% of tracts were flagged by at least 4 out of 9 main indicators)	Municipality List #2 (at least 10% of tracts were flagged by at least 6 out of 9 indicators)
Boonton town	Bayonne city
Carneys Point township	Bedminster township
Cinnaminson township	Branchburg township
Gloucester City city	Burlington city
Haledon borough	City of Orange township
Hardyston township	East Orange city
Plainfield city	Hillsborough township
Rutherford borough	Jersey City city
Somerville borough	Lumberton township
Sparta township	Roselle borough
Weehawken township	South Plainfield borough

We observed two types of places that stood out from our analysis. One type of place that describes some of the high-scoring tracts on our lists is formerly distressed neighborhoods that are now experiencing greater market-rate construction, leading to a spillover effect that pushes up surrounding rents and home values. These tracts were consistent with the commonly held conception of "gentrification," in which new construction spurs new demand in places that have not experienced it in many years, such as in Orange, East Orange, Plainfield, and certain parts of Jersey City and Newark.

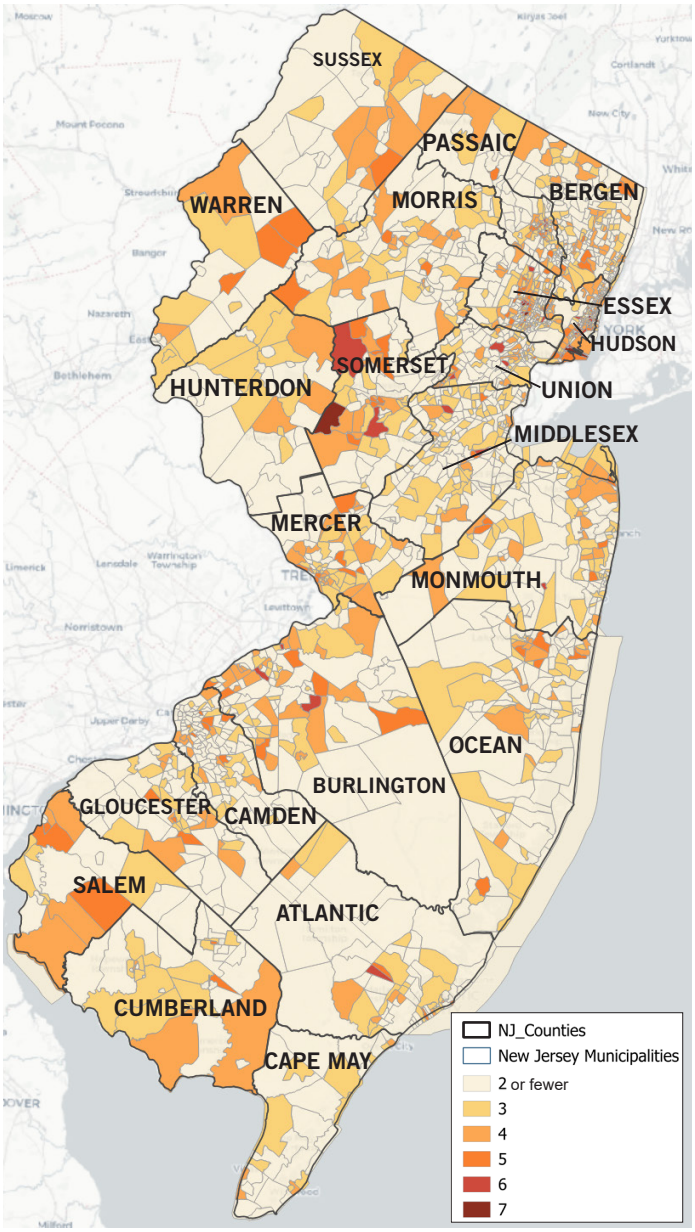
The second type appears to be areas experiencing more slow-moving gentrification. This describes areas that are not adding new housing, but rising demand is resulting in a 'one-sale-at-a-time' replacement of lower- or middle-income out-movers with higher-income inbound households. While these places are often characterized by a higher percentage of owner-occupied housing, the limited rental supply in these places is also becoming more expensive as aspiring in-movers are priced out of homeownership and are diverted instead into an already tight rental market, pushing prices up higher. We suspect this is happening in places like Branchburg, Hillsborough, Cinnaminson, and Lumberton. Further investigation of tracts that check multiple indicators may reveal more of a continuum between these two types, or additional types of places that were not immediately obvious.

Two Types of Neighborhoods Exhibit Early Warning Signs of Displacement:

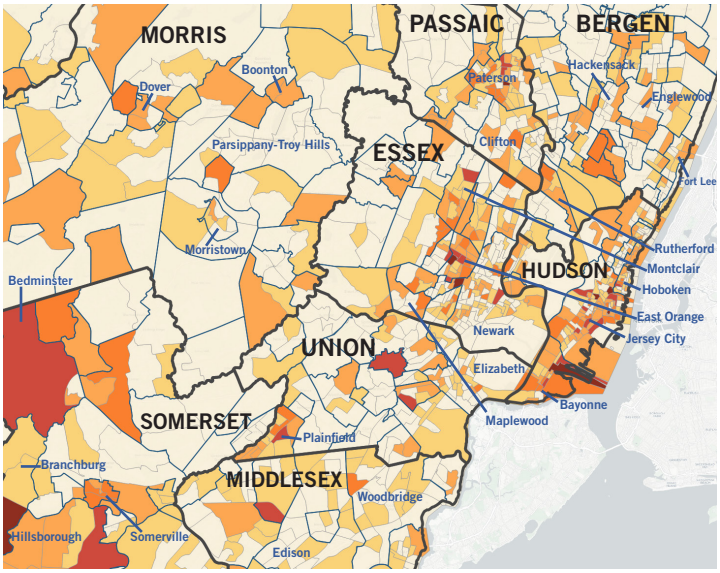
Formerly distressed neighborhoods that are now experiencing market demand – the traditional model of "gentrification" – in which displacement pressure is the result of the introduction of new supply.

Middle-income neighborhoods, often dominated by single-family homes, that are experiencing what could be called "slow-motion gentrification," where lack of new supply puts upward pressure on prices, homeowner households are gradually replaced by higher-income households through natural turnover, and longtime renters get priced out of the limited and stagnant supply of rental housing.

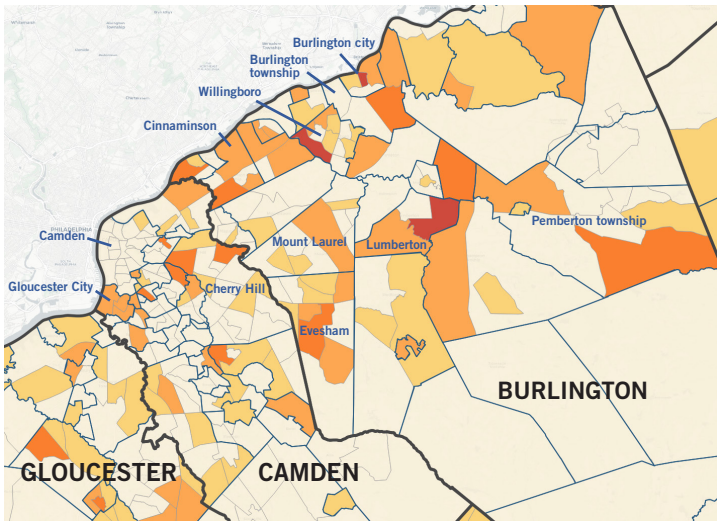
CENSUS TRACTS BY NUMBER OF DISPLACEMENT RISK INDICATORS CHECKED



NORTH INSET



SOUTH INSET



The maps above show the locations of census tracts that check off at least 3 of the 9 main indicators of displacement risk, with 7 being the maximum. In some cases, displacement pressure is likely being created by the introduction of new market-rate supply; in others, rising prices are more likely the result of lack of new supply.

While these two neighborhood typologies stood out, one direction for future research would be to explore other existing typologies by examining variables such as shifts in tenure type (owner vs. renter) and changes in the amount of new construction. This kind of differentiation is necessary to apply the most effective solutions for a given neighborhood. For instance, some areas may require stimulation of new supply, while others may benefit more from enacting protections for existing residents in areas where new supply is increasing displacement pressures.

CENSUS TRACTS SCORING HIGH ON INDIVIDUAL DISPLACEMENT RISK INDICATORS

In addition to summarizing results at the municipal level, we also observed how individual census tracts scored. Different sets of census tracts rise to the top depending on which of the indicators are included in the sorting criteria. Sorting by individual indicators can highlight where specific demographic or socioeconomic changes are most prominent. Here are a few examples (Tracts are numbered within county; to see where individual tracts are located within a county, see maps here: https://www2.census.gov/geo/maps/DC2020/PL20/st34_nj/censustract_maps/):

There are 27 tracts in which the **non-Hispanic white** percent started out below 50% in 2020 but increased by at least 10 percentage points by 2023:

- 7 in Jersey City: Hudson County tract #s 3, 41.03, 42, 65, 71, 76.02, and 77.02
- 2 in Piscataway – Middlesex County tract #s 9802 and 88.01 – they contain Rutgers's Busch and Livingston campuses, respectively, which could be responsible for these demographic changes
- One each in the following municipalities, by county (tracts are numbered within county):
  - Atlantic County tract 1 (Atlantic City)
  - Bergen County tract 552.02 (Tenafly)
  - Burlington County tract 7022.10 (Pemberton township)
  - Essex County tracts 153 (Bloomfield), 180 (West Orange), 184 (Orange)
  - Hudson County tracts 112 (Bayonne), 128 (Kearny)
  - Mercer County tract 1 (Trenton)
  - Middlesex County tracts 37 (Carteret), 73.06 (Sayreville), 79.13 (Old Bridge)
  - Passaic County tracts 1244.02 (Clifton), 1830.01 (Paterson)
  - Salem County tracts 202 (Penns Grove), 221 (Salem)
  - Somerset County tract 502 (Somerville)
  - Union County tract 320.03 (Elizabeth)

Looking at results for individual indicators can point to possible policy interventions even in neighborhoods that do not check multiple indicators of displacement risk. Solutions can be tailored to the particular changes that the neighborhood is experiencing.

There are 26 tracts in which the **20th percentile income** (the income level at which 20% of households in the tract have incomes below that level) increased by a percentage that was at least 7 times the statewide percent increase (statewide, the 20th percentile income increased by 21.0%, from $33,222 in 2020 to $40,193 in 2023):

- 7 in Newark: Essex County tract #s 15, 17, 22.04, 44, 68, 89, and 91
- 2 in Camden: Camden County tract #s 6015 and 6018
- 2 in Jersey City: Hudson County tract #s 20.01 and 31.02
- One each in the following municipalities, by county (tracts are numbered within county):
  - Atlantic County tract 13 (Atlantic City)
  - Bergen County tracts 372.03 (New Milford), 512 (Rutherford)
  - Cumberland County tract 301 (Millville)
  - Essex County tract 107 (East Orange)
  - Mercer County tract 15 (Trenton)
  - Middlesex County tracts 51 (New Brunswick), 90 (Woodbridge)
  - Monmouth County tract 8016 (includes parts of Keansburg and Middletown)
  - Morris County tracts 413 (Denville), 426.01 (Florham Park)
  - Passaic County tract 1759 (Passaic)
  - Salem County tract 219 (Salem)
  - Union County tracts 395.01 (Plainfield), 341 (Roselle)

There are 23 tracts in which the percentage increase of the **population with a bachelor's degree** or higher increased by more than 12 times the statewide percentage increase.

- 5 in Newark: Essex County tract #s 89, 26, 43, 44, 54
- 2 in Camden: Camden County tract #s 6002, 6013
- 2 in Paterson: Passaic County #s 1823.01, 1814
- One each in the following municipalities, by county (tracts are numbered within county):
  - Atlantic County tract 121 (Pleasantville)
  - Burlington County tracts 7012.04 (Burlington city), 7022.07 (Pemberton township), 9818.02 (Chesterfield)
  - Cumberland County tract 411.02 (Vineland)
  - Essex County tracts 106 (East Orange), 184 (Orange)
  - Hudson County tract 148.02 (North Bergen)
  - Mercer County tract 4 (Trenton)
  - Monmouth County tract 8072 (Asbury Park)
  - Salem County tract 202 (Penns Grove)
  - Somerset County tract 504 (Somerville)
  - Union County tracts 320.03 (Elizabeth), 390 (Plainfield)

There are 24 tracts in which the **median rent** increased by more than four times the statewide rate (state median rent increase was $285).

- 2 in Colts Neck: Monmouth County tract #s 8099.02, 8099.01
- One each in the following municipalities, by county (tracts are numbered within county):
  - Bergen County tracts 21 (Alpine), 34.02 (Bergenfield), 280.02 (Leonia), 562 (Waldwick)
  - Camden County tracts 6035.04 (Cherry Hill), 6071 (Runnemede), 6084.02 (Gloucester township)
  - Gloucester County tract 5011.06 (Deptford township)
  - Hudson County tract 78 (Jersey City)
  - Hunterdon County tract 107.02 (Franklin township)
  - Mercer County tract 42.06 (Princeton)
  - Monmouth County tracts 8025 (Aberdeen), 8100.03 (Manalapan), 8112 (Howell)
  - Morris County tracts 407.01 (Kinnelon), 412 (Mountain Lakes), 441.01 (Long Hill township), 458.04 (Mendham township), 464 (Mendham borough)
  - Ocean County tracts 7250.01 (Beachwood), 7391 (includes parts of Jackson, Manchester, and Plumsted townships)
  - Union County tract 387.02 (Fanwood)

FEEDBACK FROM LOCAL EXPERTS

To supplement our quantitative analysis, we sought out qualitative data by conducting interviews with local experts and community officials from a diverse range of towns. The lists of municipalities described in the previous section served as a base from which to begin identifying local experts to whom we might reach out to solicit feedback on our chosen indicators.

In our conversations, we gained rich insights into each locale, allowing us to both ground-truth our earlier results and gather new ideas for other indicators that may be applied in future work to measure displacement risk in parts of New Jersey.

We reached out to and conducted interviews with local government professionals in East Orange, Jersey City, and Somerville, aiming to gain perspectives on the risk of displacement across these socially and economically diverse neighborhoods. Although not initially on our list, we also had the opportunity to hear from local experts in Monmouth County and the city of Paterson.

CONTEXTUALIZATION AND GROUND-TRUTHING

Through these interviews, we became aware of market-rate development projects that have significantly impacted the cost of housing in areas such as Somerville and East Orange. Similarly, in East Orange, we found that several of the tracts identified by our analysis were located near commuter train stations, where transit-oriented development has recently been occurring. This information helps us to contextualize why these municipalities were highlighted by our initial analysis.

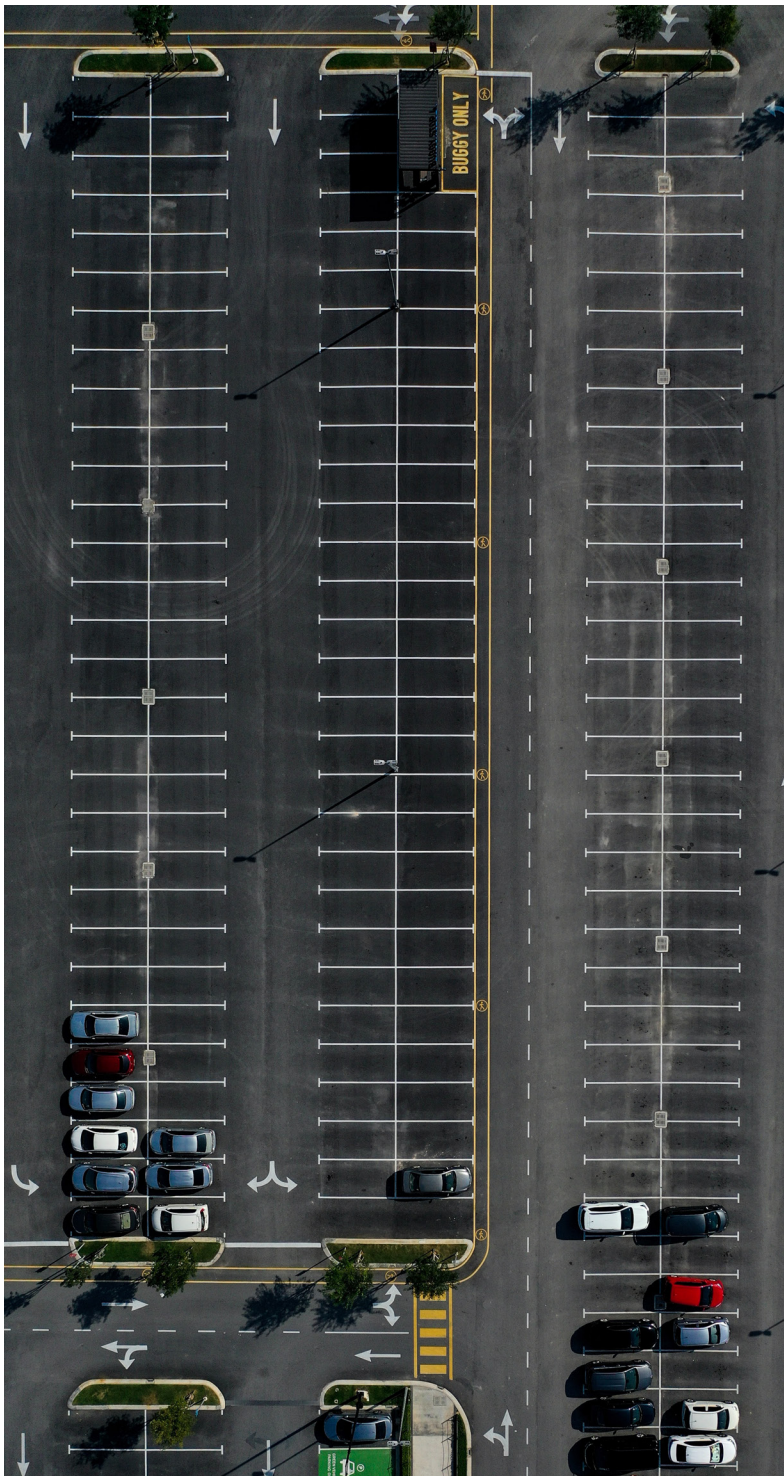
In other areas, such as Paterson, we were reminded of several factors that could influence our measure of early signs of displacement: a large undocumented population and an unstable job market. Information and data on undocumented individuals may be missing from our analysis, and an unstable job market can contribute to greater transience and impermanent residence in an area that can impact the rate of household movement. These factors could help distinguish neighborhoods experiencing displacement pressure from those that typically have high turnover for unrelated reasons. For future research, we would need to consider these facts for a more accurate measure of early signs of displacement.

POTENTIAL ADDITIONAL INDICATORS

Another exciting outcome of the interviews was the opportunity to hear about other possible variables, both quantitative and qualitative, that could be tracked in the future to better estimate early warning signs of displacement in a specific area. In addition to monitoring job availability and stability, the individuals we interviewed suggested a few indicators that at first glance could seem unusual. These ranged from documenting parking lot waiting lists in Monmouth County shore towns to assessing the availability of financial literacy programs in Paterson and East Orange. Our Monmouth County contact explained how newer incoming residents to shore towns who can take advantage of remote work and do not have to commute into New York every day are trading up to taking the ferry on the days that they do have to commute, leading to shorter waiting lists for parking at commuter rail stations as the spaces they would have otherwise occupied are freed up. The same newcomers with incomes high enough to warrant taking the ferry instead of the train are also bidding up housing prices, which is how a shortening waiting list for commuter rail parking indirectly serves as a de facto sign of gentrification. Financial literacy programs were viewed as a resource that can provide the information to promote residential stability, such that greater program availability would lead to greater protection against displacement pressures.

Additionally, we were alerted to several indicators related to real estate agents and agent groups. In South Orange and Maplewood, one of the early signs of displacement was the proliferation of real estate agent groups directly involved in housing markets by buying and flipping homes themselves, capitalizing on the strong housing market. In future work, this factor may be best assessed qualitatively by asking community members about their sense of how frequently activities like these are happening. In East Orange and Paterson, it may be worthwhile to track the origins of real estate agents who are helping to bring in new households. We learned that in recent years, some real estate agents showing local developments come from outside of town, being part of an effort–often involving the projects' developers–to market new developments to higher-income households from certain neighborhoods in New York City who may be convinced to take advantage of the home price differential between the city and the North Jersey suburbs.

Social media came up as another source for informative qualitative information on early warning signs of displacement. Our local expert on South Orange and Maplewood highlighted the revealing discussions taking place on community Facebook pages, which can provide insight into shifts within the community. Social media is also being used as a platform to target advertisements for housing in East Orange and Paterson to specific communities in New York City. Targeted advertising campaigns through Instagram could be yet another unique source of data to obtain an earlier sense of residential movement and housing cost trends.



EXAMPLES OF EXISTING ANTI-DISPLACEMENT STRATEGIES

This report does not make specific recommendations to municipal leaders or concerned residents on developing an anti-displacement strategy, but we do want to present several policy ideas that emerged over the course of this research aimed at protecting residents against displacement.

- *Inclusionary zoning ordinances* can stimulate the production of income-restricted housing via a requirement that residential developments over a certain size must set aside a certain percentage of units for low- and moderate-income households.
- *Rent stabilization or rent control policies* can limit rent increases and protect against sudden increases spurred by new market-rate construction.
- *Community land trusts* can preserve and expand the existing supply of income-restricted units by strategically acquiring land before prices spike in the wake of new development.
- *Right of first refusal policies* give existing residents or a tenant association the first opportunity to make an offer to purchase a property.
- *Residential preference policies* require a certain number of affordable units in inclusionary developments to be reserved for existing residents of a municipality.

The Great Homes and Neighborhoods For All initiative, as part of its "Preventing Displacement" principle, will be examining tools that protect residents from displacement due to growing hazards, rising costs, or other factors. Ultimately, the larger project will develop a full set of recommendations that are aimed at increasing the supply and variety of housing options, with provisions to mitigate displacement pressure in places where new development is likely to at least temporarily put upward pressure on prices.

CONCLUSIONS

With a focus on the early warning signs of displacement risk, this report presents a multifaceted picture of housing stability pressures that communities in New Jersey may face. Our nine indicators of early displacement risk, combined with qualitative insights from local experts, provide a piece of the puzzle that New Jersey leaders may need to grapple with in order to ultimately implement early displacement mitigation efforts before the problem worsens.

One of this report's main observations was the presence of two different neighborhood types showing early warning signs of displacement. These were either formerly distressed neighborhoods now experiencing market demand, thus fitting the traditional model of gentrification, or more typically, middle-income homeowner neighborhoods where higher-income households are slowly replacing longtime residents, one house sale at a time. While they stood out, these may not be the only two neighborhood typologies for New Jersey that appear to face an early stage of displacement pressure. For this reason, the early warning sign indicators checklist was developed as a tool for neighborhoods and communities across the state to assess their own displacement risk levels. Paired with broader housing policy recommendations from the Great Homes and Neighborhoods Initiative, our tool may then serve as a starting point for NJ communities to tailor these recommendations to local contexts.

Looking ahead, we envision that this framework to detect early warning signs of displacement risk will continue to evolve as more communities apply it and share what they learn. But ultimately, the core goal remains: to help New Jersey maintain and cultivate places where everyone may stay, thrive, and belong.

APPENDIX A

Literature Review

One of the initial steps of the project was to conduct a broad overview of the literature on residential displacement to gain awareness of how scholars and other experts in this field define displacement, a necessary first step for constructing a valid method for its measurement. Along with the conceptualization of displacement, the review provided us with myriad examples of previous scholarly and government-sponsored work that have approached the same project of measuring displacement, gaining a more nuanced understanding of the challenges that can arise and of strategies to address them. The sources that have been most informative are listed below.

Research Reports and Scholarly Articles

1. Guide to Measuring Neighborhood Change to Understand and Prevent Displacement | Urban Institute, Urban Institute & NNIP, 2019.
2. "The Urban Displacement Replication Project" Thomas et al., 2020.
3. "Displacing New York" Elvin Wyly, Kathe Newman, Alex Schafran & Elizabeth Lee, 2010.
4. "Can New Housing Supply Mitigate Displacement and Exclusion?" Chapple and Song, 2024.
5. "Vulnerable people, precarious housing, and regional resilience: An exploratory analysis." Pendall et al., 2012.
6. "Forewarned: The Use of Neighborhood Early Warning Systems for Gentrification and Displacement" Chapple and Zuk, 2016.
7. "Gentrification, Displacement, and the Role of Public Investment", Zuk et al., 2018.
8. "Decline-induced displacement: the case of Detroit", Seymour and Akers, 2022.

Defining Displacement

Through this work, we paid attention to how researchers defined residential displacement in their work. Cohen and Pettit (2019) provide an overview of the various definitions researchers have proposed in the joint Urban Institute and National Neighborhood Indicators Partnership (NNIP) report, "Guide to Measuring Neighborhood Change to Understand and Prevent Displacement". In the report, they summarize a comprehensive definition of displacement, adapted from Zuk et al. (2015), in which displacement is outlined as:

> *[f]orced or involuntary household movement from [one's] place of residence. Usually expanded beyond formal forced moves, such as evictions, to include unaffordable rents or poor living conditions. Displacement is distinct from residential mobility, which includes voluntary household movement.*

This definition partly draws from an earlier account of displacement by Grier and Grier (1978), which states,

> *Displacement occurs when any household is forced to move from its residence by conditions which affect the dwelling or immediate surroundings, and which:*
> *1. are beyond the household's reasonable ability to control or prevent;*
> *2. occur despite the household's having met all previously imposed conditions of occupancy; and*
> *3. make continued occupancy by that household impossible, hazardous, or unaffordable*

These definitions underscore a key concept, which is that displacement cannot be defined through a contrast between "voluntary" and "involuntary" movement. Grier and Grier elaborate upon this point most clearly when they write,

> *For most residents to move under such conditions is about as "voluntary" as swerving one's car to avoid an accident…therefore we cannot define displacement simply in terms of legal or administrative actions–or even draw a clear cut line between "voluntary" and "involuntary" movement.*

In other words, finding evidence of displacement is not a straightforward endeavor through analysis of formal administrative records. Instead, researchers must take a more creative quantitative and qualitative approach.

Finally, Zuk et al. (2018) clarify that displacement must be viewed as a distinct phenomenon. They point out that prior work on residential displacement tends to focus on its link to neighborhood revitalization or gentrification, leading to a mistaken belief that displacement is only the by-product of this type of change. Zuk et al. (2018) warn against this assumption and remind us that displacement can occur across a variety of contexts, and efforts to measure displacement must account for this fact.

Challenges

Beyond learning how displacement has been defined, our review of the literature provided indispensable insight into the different analytical approaches to measuring displacement across a variety of settings. We have also gained a more complete understanding of common and unique challenges many researchers have faced in their own projects, which has allowed us to anticipate our own challenges and design strategies to best address them. Measuring displacement has been described as "akin to 'measuring the invisible'" (Atkinson, 2000 in Zuk et al., 2015), summing up the biggest challenge associated with this kind of project. This is largely due to the absence of formal records left behind by those who have been displaced, such that researchers are unable to differentiate between moves due to something like a recent job change or unaffordable rent increases. Some researchers have navigated this challenge through access to unique sources of data that contain detailed information about residential mobility. With this data, the researchers were better able to visualize actual population movements with respect to shifts in their other measurements of displacement risk, rendering the invisible slightly more visible (Wyly et al., 2010). Researchers Chapple and Song similarly had access to a proprietary database with information on in- and out-migration along with household and individual-level characteristics (2024). Thus, they assessed displacement as an increase in the probability of moving out.

In the absence of such databases for our own project to measure displacement risk in NJ, we drew most of our methodological inspiration from one of the most prominent research groups working on this issue: The Urban Displacement Project (UDP) at UC Berkeley. This project, along with others, takes the general approach of generating a database of a wide set of variables, focusing on various demographic, housing market, and investment/disinvestment variables that tend to be related to displacement risk levels. This sort of database is constructed with largely accessible data from 5-year American Community Survey, as well as other forms of local publicly available data. UDP further supplements their quantitative analysis of the data through collaborations with local organizations to compare their findings to on-the-ground perceptions of displacement pressures.

Early Warning Signs of Displacement

APPENDIX B

NEW JERSEY FUTURE

GREAT HOMES AND NEIGHBORHOODS — FOR $ ALL —

Are people in your neighborhood[1] at risk of being displaced?

[changes are from 2020 to 2023 unless otherwise noted]

Is Housing/Living Becoming More Expensive?

- ☐ Did the **median rent increase** by an amount at least 1.5 times as great as the statewide increase of $285?
- ☐ Did the **number of cost-burdened renter households** (those paying more than 30% of their gross income on housing costs) increase by at least 15%?
- ☐ Did the **percentage of renter households who are cost-burdened** increase by at least 10 percentage points?
- ☐ Is the **number of ALICE households**[2] (ALICE = asset-limited, income-constrained, employed) increasing? Did the number of ALICE households in the neighborhood's host municipality increase at a rate more than double the statewide increase of 7.0% between 2021 and 2023?
- ☐ Is the supply of **income-restricted housing units** decreasing? Did the number of affordable units in the neighborhood's host municipality, as listed on the DCA inventory of affordable housing,[3] decrease between 2010 and 2022?

Is Your Neighborhood Experiencing Demographic and Socioeconomic Shifts?

- ☐ Is the neighborhood's income distribution shifting upward? Did the **20th percentile income** (the income level having 20% of households falling below it) increase at a rate that was at least 1.5 times the statewide percent increase? (Statewide, the 20th percentile income increased by 21.0%, from $33,222 to $40,193.)
- ☐ Did the **median household income for renter households** increase at a rate that was at least 1.5 times the statewide percent increase of 20.5%?
- ☐ Did the **percentage of residents who are non-Hispanic White** increase between 2020 and 2023 from a level that was less than 50% in 2020?
- ☐ Did the **number of people with a bachelor's degree or higher** increase by a rate at least 1.5 times the statewide increase of 10.3%?

Other Warning Signs...

- Are **waiting lists for public housing** getting longer?
- Are **vacancy rates for public/income-restricted housing** low and decreasing?
- What does the local job market look like? Are there employment options that promote financial and residential stability, or are **employment options relatively low-paying and unstable**, leaving residents vulnerable to shifts in housing affordability?
- Are there growing signs of **real estate agents getting directly involved in buying and flipping homes** in the area to profit from a housing market they see as being on a significant upswing?
- Are real estate agents operating in the area increasingly non-local, suggesting that they are **recruiting potential buyers or renters from elsewhere in the broader region**?
- Are new projects in the neighborhood increasingly **being actively advertised to outside communities**, like neighborhoods in parts of New York City, through social media platforms and other channels?
- Is the cost of housing and new development becoming a dominant **topic of discussion in online community groups** on platforms such as Facebook?

You May Already Have a Displacement Problem if...

Housing costs have increased so much that lower-income households have already left...

- The total number of cost-burdened renter households is decreasing
- The number of households with incomes of $30,000 or less is decreasing
- The total number of ALICE households is decreasing

Neighborhood demographics have changed substantially...

- The number of Black residents is decreasing
- The number of Hispanic residents is decreasing
- The number of residents with a high school diploma or less is decreasing

[1] Census tracts, for which a wide variety of data items are available, are used to represent the concept of a "neighborhood." Some variables, as noted, are only available at the municipal level and not at the tract level.

[2] The "ALICE"concept was originally developed by the United Way of Northern New Jersey to capture hardship among households with incomes that are not low enough to meet the federal poverty threshold but who nonetheless struggle to make ends meet. See more at https://www.unitedforalice.org/overview. ALICE households are calculated at the municipal level but not the census tract level.

[3] "List of Affordable Developments by County" at https://www.nj.gov/dca/codes/publications/developments.shtml

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New Jersey Future acts as the backbone staff to the Great Homes and Neighborhoods for All coalition.

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