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Small Businesses of Rezoned Lower East Side in Trouble

The Urban Justice Center found that the recent rezoning of the Lower East Side is pushing out small businesses, according to a research report released Monday.

Rising rents and the impingement of high-end stores in the area are causing some businesses to suffer financially and even relocate.

Researchers sought to find out who is at risk of being displaced, why, and how their flight has impacted the area. To that end, they surveyed 59 business owners who cater to those who live in the neighborhood, have operated for over five years, or have seen their businesses suffer in recent years.

They discovered that the ethnic makeup of those business owners is representative of the area's residents. Over three-quarters of the respondents cite rising rent, utilities, and insurance costs as the reasons why revenues cannot sustain their businesses. Sixty-four percent said they would not be able to renew their lease; of those, 45 percent said they would close permanently while the rest would either relocate in the same neighborhood or in another neighborhood.

Business owners and advocates suggest, among other things, establishing a grassroots Lower East Side Chamber of Commerce that will work with the Lower East Side Business Improvement District, and NYC Small Business Services to support local small businesses.