The Rent Guidelines Board

Housing NYC: Rents, Markets and Trends 2000

October 2000

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Acknowledgments: Chairman

Staff

Among the more rewarding aspects of administering the RGB's outstanding staff is the knowledge that the RGB has the ability, largely through its reputation for excellence, outstanding work product, and challenge of its subject matter, to continually attract outstanding research assistants. This is balanced by the realization that the RGB inevitably loses some of its highly able research professionals to the private sector or public institutions with greater prestige and resources.

Thus, last term the RGB bid farewell to Karen Destorel Brown, who had started as an intern with the RGB, became a full-fledged research assistant, earned her Masters degree while on staff and otherwise was a delight to have as a colleague and friend. Not surprisingly, Karen was lured to Washington, D.C. by a promising position as a researcher on urban affairs for the world-renowned Brookings Institution. We certainly wish her the best.

Secondly, last November the RGB was fortunate to attract Brian Hoberman to fill a vacant research slot. Given various RGB vacancies, Brian was thrown quickly into the research fire and performed admirably. Brian's knowledge of housing and rent-regulatory matters, gleaned from his years on staff at DHCR, has proven most valuable.

Long-time RGB team members include Andrew McLaughlin, the RGB's second-in-command; Leon Klein, the RGB's office manager and senior staffer in terms of service (1984); and Cecille Latty, the RGB's public information officer.

Foremost, the entire board and especially the chairman wish to thank our executive director, Anita Visser, for her outstanding efforts. One hesitates to begin listing Anita's attributes lest an inadvertent omission occur, but at the minimum her performance has been selfless, dedicated, insightful, tireless, patient, conscientious and otherwise reflective of the type of professionalism that is in the best tradition of public service.

While Rent Guidelines Board members come and go, we are fortunate that the core of its talented and admired staff remains from year to year.

Board Members

Last term no new members joined the RGB, the only time since I became RGB chairman in 1994. I would like to thank the Board Members of the RGB who gave their valuable time and contributed immensely to the process.

David Pagan and Jeff Coleman regularly proved to be the finest team of RGB tenant advocates since I became chairman.

Harold Lubell (the RGB's senior member) and Vince Castellano demonstrated that they were an excellent pair to represent this city's diversity of landlord interests. It often was to the great enjoyment and edification of public members to hear Harold and Vince debate David and Jeff.

As for the public members, their contribution of time and experience rounded out our Board. So it is with sincere gratitude that I thank Bart Carmody, Justin Macedonia, and Ed Weinstein for their service, particularly since Board Members render their services to the RGB virtually on a pro bono basis.

Most of all, this author wishes to acknowledge the assistance and friendship of the RGB's vice chairman, Augie Rivera, the senior RGB public member who has served through the administrations of Mayors Koch, Dinkins and Giuliani. Even after a half-dozen years as chair, this author still regularly learns about the RGB, housing, and life in general from Augie.

Thank you all for serving.

Edward S. Hochman, Esq.
Chairman

Acknowledgments:
Executive Director

Housing NYC: Rents Markets and Trends 2000 is an annual compendium of the primary research produced by the staff of the Rent Guidelines Board (RGB) over the 2000 guidelines season.

The release of *Housing NYC: Rents Markets and Trends 2000* marks the twelfth year in which the RGB has published its primary research in compendium form. The year 2000 also denotes the 32nd anniversary of the inception of the Rent Guidelines Board and the 21st anniversary of the addition of the RGB's professional staff.

The RGB's primary research project is the *Price Index of Operating Costs* (PIOC), which measures changes in operating and maintenance costs in rent stabilized buildings. For the ninth straight year, Andrew McLaughlin supervised the entire survey process. Andrew managed a team of surveyors and oversaw the collection of thousands of price quotes. With the assistance of our survey team Manager Shirley Alexander, serving in her seventh year on the survey team, the PIOC survey moved like clockwork. Our survey team from Network Temps consisted of Melissa Saint Fleur, Tawana Wiley, and Veenia Rose Hamill. I extend my gratitude to all for their conscientious effort.

All RGB staff members participate in the PIOC in some respect. Karen Destorel Brown collected and analyzed data on fuel, natural gas, and water and sewer costs. Andrew assisted in drafting the report, and all researchers reviewed the text and the detailed appendices. Thanks are also due to Dr. James F. Hudson, a long-time associate of the RGB, for his calculation of the real estate tax component and Anthony Blackburn for his editorial assistance.

Beyond the PIOC, the RGB researchers produced four other reports each year. Brian Hoberman, applied his strong research skills to three studies in his first year. Brian performed the 2000 *Mortgage Survey*, adding a new section; the 2000 *Income and Affordability Study* and the 2000 *Housing Supply Report*, analyzing newly released 1999 Housing and Vacancy Survey (HVS) data in the latter two. Karen took on the 2000 *Income & Expense Study*, a substantial project, improving the report by adding several new appendices in the process. She also analyzed and produced the extensive appendices on data from the 1999 HVS. Besides supervising the PIOC, Andrew designed and formatted this book and contributed 100% of the graphics on the RGB's web site: www.housingnyc.com. All RGB researchers assisted in the editing of this compendium, including our newest addition to staff, Susan Hayes.

The RGB's Office Manager, Leon Klein, ably assisted research efforts and kept the office supplied and the books in order throughout the year. Leon, the RGB's longest term staffer, is in his 16th year of service to the Board. The public voice of the RGB, Cecille Latty, maintained the Board's communications and handled thousands of inquiries from the public with assuredness and composure. She is now in her 9th year at the RGB.

Although RGB reports are produced entirely "in house," our research efforts would not be possible without assistance from many others. For the information they provided, our gratitude goes out to: Warren Liebold and Louis Mehl of the NYC Department of Environmental Protection for assisting the RGB in obtaining water/sewer data; Blondell A. Pinnock at the NYC Department of Housing Preservation and Development (HPD), who provides data on tax benefit programs; Fred Badalamenti at the Department of Buildings for city-wide construction data; Alan Lui at the NYC Sheriff's Office and Percy Corcoran at the Bureau of City Marshals for information on evictions and possessions; Nestar Bunbury at the NY State Attorney General's Office, for information regarding cooperative and condominium developments; and Ernesto Belzaguy at the NYC Civil Court, for data on housing court proceedings; Alan Fox at HUD for consultation on Fair Market Rents; Art Shulman of the NYS Division of Housing and Community Renewal

(DHCR) for answering our many queries; George Sweeting and Preston Niblack of the Independent Budget Office for lending their expertise on real estate taxes; and Glenn Borin, Maurice Kelman, Florence Miller and Judy Houser of the NYC Department of Finance for producing the income and expense data. Special thanks are also due to Leonard Linder at the NYC Department of Finance for providing the data for the real estate tax component of the 2000 PIOC.

Our appreciation is extended to the numerous agencies that provided useful data throughout the year. At the national level: the U.S. Census Bureau; the Bureau of Labor Statistics, and the Department of Housing and Urban Development, Economic and Market Analysis Division. Agencies at the state level include: the Real Estate Financing Bureau of the Attorney General's Office, the Division of Housing and Community Renewal and the Department of Labor's Research and Statistics Division. Local level sources include: the Department of Finance; the Department of Buildings; the Mayor's Office of Operations; the Comptroller's Office; the Office of Management and Budget, Corporation Counsel, and the Department of Housing Preservation and Development, Office of Development.

Thanks are also due to those who lent their expertise to our administration this year. From HPD we would like to thank Moon Wha Lee, Diane Lipset, Sheree West, Gary Weiss, Jemine Bryon and Laura Katz; from DHCR, Deputy Commissioner Paul Roldan and Deputy Counsel David Cabrera; from the NYPD, Deputy Commissioner Alfred McNeill and his staff; and to the Great Hall at Cooper Union where we held our final hearing and meeting this year, our thanks to the entire staff. We give special thanks to those who testified at RGB meetings this year: William Kusterbeck of the Water Board, Commissioner Glenn Borin of the Department of Finance; Professor Michael Schill of NYU's Center for Real Estate and Urban Policy, John Reilly, of Fordham-Bedford LDC, Donna Gibbons of Manhattan Valley DC, Lydia Tom of Enterprise New York and Chuck Brass of the NYC Housing Partnership.

Anita Visser
Executive Director

Income and Expense

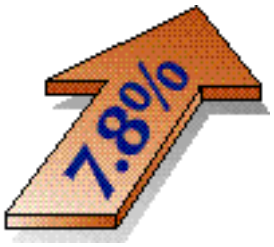
- *2000 Price Index of Operating Costs*
- *2000 Income and Expense Study*
- *2000 Mortgage Survey*

2000 Price Index of Operating Costs

Introduction

The Price Index of Operating Costs (PIOC) measures the price change in a market basket of goods and services used in the operation and maintenance of rent stabilized apartment buildings in New York City. The goods and services which make up the market basket were originally selected on the basis of the findings of a study of 1969 expenditure patterns by owners of rent stabilized apartment buildings. Minor changes in the specification of some of these goods and services have been carried out over time to maintain the representativeness of the market basket. The relative importance of the various goods and services in the market basket was updated in 1983 by means of a study of expenditure patterns of owners of rent stabilized apartment buildings.

The Price Index of Operating Costs for Rent Stabilized Apartment Buildings rose ...



The PIOC was maintained by the Bureau of Labor Statistics (BLS) from 1970 to 1981. From 1982 to 1990, the PIOC was prepared by private consulting firms. In 1991, the Rent Guidelines Board (RGB) staff's growing expertise and familiarity made it possible to move the PIOC "in house."

The PIOC measures changes in the cost of purchasing a specified set of goods and services, which must remain constant both in terms of quantity and quality from one year to the next. The need to exclude the effect of any alterations in the quality of services provided requires that very careful specifications of the goods and services priced must be developed and applied. The pricing specifications must permit the measurement of changes in prices paid for carefully defined pricing units with specific terms of sale, such as cash, volume or trade discounts. For certain items, such as real estate taxes, the price paid is determined administratively, and the information is collected from city records.

Changes in the overall PIOC result from changes in the prices of individual goods and services, each weighted by its relative importance as a percentage of total operating and maintenance expenditures. Because the market basket is fixed in the sense that the quantities of goods and services of each kind remain constant, the relative importance of different goods and services will change when their prices increase either more quickly or more slowly than average. Thus, the relative importance, or weight, attached to each good or service changes from year to year to reflect the different rates of price change among the various index items. The expenditure weights used in the construction of the 2000 Price Index are those developed for the 1983 Expenditure Study and revised on the basis of the 1982-99 measured price changes.

What's New

- ✔ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings (PIOC) rose 7.8% this year.
- ✔ Costs in pre-war buildings rose 8.8%.
- ✔ The PIOCwas higher than projected mainly because of a sharp and unanticipated increase in fuel costs.
- ✔ The "core" PIOC, which excludes the erratic changes in fuel oil, natural gas,and electricity costs, is useful for analyzing inflationary trends. The core rose by 3.8% this year.
- ✔ Real estate taxes rose 5.2% due mainly to the strong rise in assessments.
- ✔ Labor costs rose 2.6%,a drop from last year's growth of 3.4%.
- ✔ The Utilities component increased by 5.7% due to significant increases in fuel-related utility costs.
- ✔ Insurance costs grew by 0.7%, a decrease from the 3.5% increase found last year. Rate increases fueled much of the growth in insurance costs.
- ✔ The Price Index for Apartments is projected to increase 3.8% next year.
- ✔ Traditionally, RGB staff has computed a "commensurate rent increase" based on the PIOC. The original or "traditional" formula,which did not consider the mix of lease terms or the erosion of owner's income by inflation,and the "Net Revenue" formula which considered lease terms but disregarded the impact of inflation,have not been reported this year. The "CPI Adjusted NOI" formula is given this year with two alternative approaches.

Terms and Definitions

Price Index - the measure of price change in a market basket of goods and services.

Component - categories of goods and services, such as Labor Costs or Taxes, that comprise the market basket of a price index.

Item - representative individual goods and services within a component, such as Pushbroom, Plumbing, Faucet or Roof Repair.

Price Relative - the ratio of current year prices to prior year's prices.

Expenditure Weight - the relative importance of the change in costs of different goods and services.

Specification - defined pricing units with specific terms of sale, such as cash, volume or trade discounts.

The importance of each index component is shown by its "expenditure weight" (see Appendix B.2). The measured 1999-2000 price changes in each index component are also presented in this table. The expenditure weights and the 1999-2000 price changes are then combined to provide the overall change in the PIOC over the period from 1999-2000.

The 1983 Expenditure Study provides a basis for calculating separate sets of expenditure weights for buildings constructed before 1947 and for buildings constructed in 1947 or later. Typically, buildings constructed before 1947 incur a lower percentage of operating and maintenance costs for property taxes, but their fuel costs represent a significantly higher percentage of total operating and maintenance costs than do the fuel costs of the post-1946 buildings. The differences between the pre-1947 and post-1946 buildings are submerged when their expenditure patterns are combined in the construction of the overall PIOC. It is nevertheless possible to develop separate price indexes for the pre-1947 and post-1946 buildings. In addition, there are separate prices indices for gas-heated, oil-heated and master-metered buildings. (See Appendix B.3)

The PIOC consists of nine cost components, each designed to measure changes in a category of costs such as fuel, insurance, utilities, etc. The methodology for each component is described in the final section of this report.

Summary

This year, the PIOC for rent stabilized apartment buildings rose by 7.8%, a sharp increase from the previous two years in which PIOC-measured prices had been nearly flat. Over the past year, increases in costs occurred in all PIOC components. Among the seven components unaffected by energy prices, these cost increases ranged from 0.7% for insurance to 5.2% for real estate taxes. Of the remaining two components, utility costs increased by 5.7% and fuel costs increased by an extraordinary 54.8%. This is the largest one-year increase in fuel costs in the 30-plus-year history of the PIOC. The "core" PIOC, which excludes the erratic changes in fuel oil, natural gas and electricity costs, is useful for analyzing inflationary trends. The core PIOC rose by 3.8% this year, somewhat outpacing the Consumer Price Index (CPI), which grew by 3.4% from March 1999 to March 2000.

Change In Costs for Rent Stabilized Apartment Buildings, April 1999 to April 2000

Taxes	5.2%
Labor Costs	2.6%
Fuel Costs	54.8%
Utilities Costs	5.7%
Contractor Services	4.6%
Administrative Costs	4.0%
Insurance Costs	0.7%
Parts & Supplies	1.9%
Replacement Costs	0.8%
All Costs	**7.8%**

Price Index Components

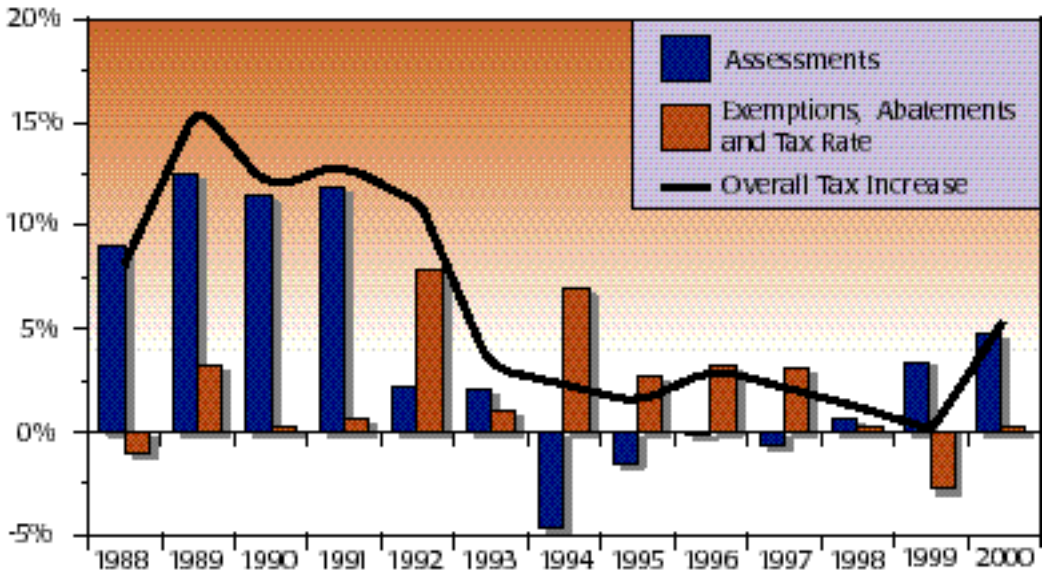
Taxes

The Tax component of the Price Index is based entirely on real estate taxes. The change in taxes is estimated by comparing aggregate taxes levied on rent stabilized apartment houses in FY 1999 and FY 2000. The tax data was obtained from the New York City Department of Finance.

Real estate taxes rose this year by 5.2%. The change in taxes was primarily due to a strong rise in assessments. The tax rate for Class Two properties rose last year for the first time in three years. Changes in tax exemptions and abatements had little impact on taxes this year.

Rising Property Values Increase Billable Assessments for the Third Consecutive Year

(Percent Change in Taxes due to Assessments and Exemptions/Abatements/Tax Rate)



Source: New York City Department of Finance

Tax Rate — The total tax levy for all properties in the City (commercial and residential) increased by more than 3% from 1999 to 2000, mainly due to rising assessments. The distribution of the levy among property classes tends to shift from year to year. In recent years, more of the tax burden has fallen on Class Two properties, the category that contains the vast majority of rent stabilized buildings. Last year, however, the levy share for Class Two properties declined for the first time in several years, by 2.1%, while each of the other classes experienced increases. In FY 2000, however, the Class Two levy share increased by 2.6%.

In FY 1996 and FY 1997, intervention by the Mayor and the City Council slowed the increase in taxes for rent stabilized properties from what they otherwise would have been. In FY 1996, the Class Two tax rate would have risen 5.6% had the City Council not intervened and limited the increase to 2.4%. A similar course of events led to an increase in the Class Two tax rate of 2.3% in 1997. In 1998, the tax rate for Class Two properties was essentially unchanged, falling slightly by 0.1%, and in 1999, the tax rate for Class Two fell more rapidly, by 2.8%. This year, the tax rate for Class Two increased by 1.0%.

Assessments — The assessed valuations of rent stabilized buildings rose dramatically from the late 1980's through 1991, increasing 8% or more each year (see the above graph). In 1992 and 1993, the increase in valuations for stabilized buildings slowed to 2% per year. The impact of the recession was finally reflected in tax bills the following two years—valuations dropped 4.7% in FY 1994 and 1.3% in FY 1995. Smaller decreases occurred in the next two years.

For the third time in the last seven years, assessments of rent stabilized buildings increased. Across the City, assessments rose by 5.0%, an increase over last year's rise of 3.1%. All five boroughs showed increases in assessments, ranging from 3.7% in Queens to a rise in both Manhattan and Staten Island of 5.5% in FY 2000. Assessments rose in the Bronx by 5.1% and by 4.2% in Brooklyn.

Abatements and Exemptions — This year, the number of buildings with abatements declined marginally, and the average benefit of the typical abatement also fell slightly.

Many of the buildings that were renovated during the 1970's and 80's in New York City benefited from tax

abatements. In recent years, many of these abatements have been expiring. The value of tax abatements increased this year in the Bronx and Staten Island, somewhat offset by the declining value of abatements in the other boroughs. The net impact of the change in abatements in FY 2000 is a slight increase in the tax liability for rent stabilized buildings as a whole, by approximately 0.04%.

Similar to last year, the average value of tax exemptions increased. However, the increase in tax exemptions had a larger impact on the real estate tax component of the Price Index than the change in abatements. For all stabilized properties, exemptions slightly reduced owners' tax bills by 0.92%. (See Appendices B.5 and B.6)

Labor

The price index measure of labor costs includes union and non-union salaries and benefits, in addition to Social Security and unemployment insurance. The cost of unionized labor comprises more than two-thirds of the Labor component and over 17% of the entire price index.

Labor costs rose 2.6%, a drop from last year's growth of 3.4%. This is a departure from the past two years in which the change in costs increased, from 2.3% in 1997 to 2.7% in 1998, and from 2.7% in 1998 to 3.4% in 1999. Prior to 1998, the percentage increase in the Labor component had declined for four consecutive years. This year, labor costs increased less quickly due in large part to non-union labor wages, which increased by 3.8% compared to last year's growth of 6.2%.

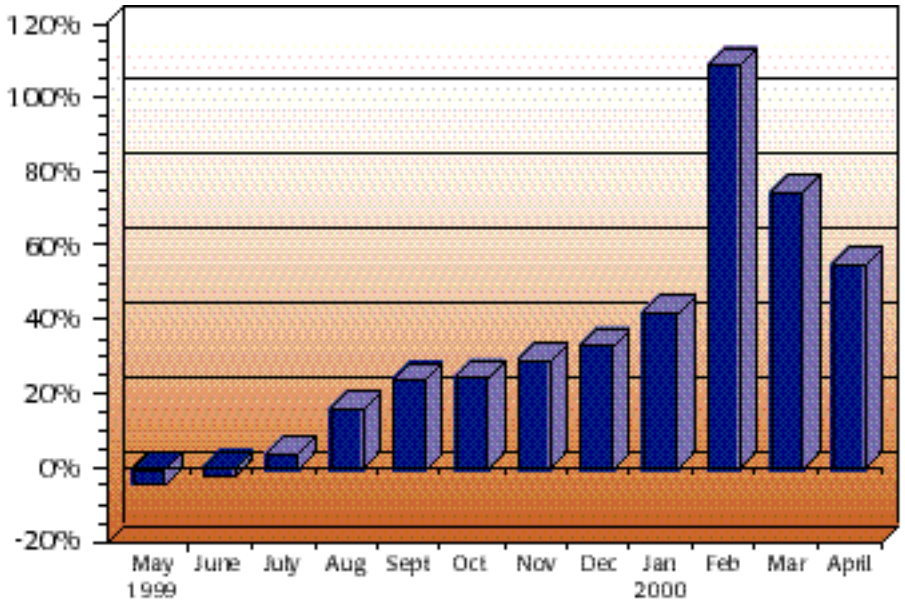
Fuel

In a reversal of last year's sharp decline, the cost of fuel oil rose sharply by 54.8% this year. The cost increases for #6 fuel oil, #4, and #2 were 64%, 58% and 36% respectively.

This past winter was a costly one for heating oil customers, especially during the first quarter of 2000. The upsurge in fuel costs was due primarily to rising fuel prices. Colder weather, rising crude oil costs and, at times, precariously low supplies propelled prices to record heights. This year, about 3.5% of the increase in fuel costs to building owners was due to winter weather that was slightly colder than last year.

Fuel Oil Prices Rose Sharply in the 1999-2000 Heating Season

(Price of #2, #4 and #6 Fuel Oil by Month, 1999-2000, Compared to Previous Year)



Source: RGB Fuel Vendor Survey. Prices Indices of Operating Costs, 1999 and 2000

The graph on the previous page shows increases in combined fuel costs by month as compared to the prior year (i.e. Feb. 1999 to Feb. 2000).

Utilities

The Utilities component consists primarily of electricity, natural gas, and water and sewer charges. Telephone and steam costs are a small part of the Utility component. In the case of most Utilities items, changes in costs are measured using the PIOC specifications (i.e. the quantity of electricity, steam, etc. being purchased) and the changes in rate schedules. Water and sewer costs are based on billings obtained from the City's Department of Environmental Protection (DEP).

This year, Utilities increased by 5.7%, led by significant increases in fuel-related utility costs. The double-digit increases in electricity and steam prices were offset by a relatively low (3.4%) increase in water and sewer costs. Water and sewer costs account for more than 60% of the Utilities component.

The cost of electricity increased by 14.1% this year, up significantly from a drop of nearly 8% last year. The increase in electricity prices was driven primarily by fuel adjustments, which rose consistently throughout the heating season due to the rising cost of fuel.

Charges for rent stabilized buildings that were billed for water and sewer utility charges on a frontage basis in both FY 1999 and FY 2000 increased by 4.0%. Water and sewer charges increased by 1.2% for buildings billed on a metered or mixed billing basis, which includes buildings that had metered bills in both calendar year 1998 and 1999, and buildings that switched from frontage to metered billing from 1998 to 1999. Analysis of the data indicated that water and sewer costs in metered buildings did not increase as much as the rate increase voted on by the Water Board (4.0%) primarily because of consumption and occupancy changes. Additionally, a larger number of buildings moved from frontage to metered billing, 6% from 1998 to 1999 as compared to 3% from 1997 to 1998. These buildings experienced an 11% decrease in billing due to the fact that metered bills are calculated based on consumption, and are usually lower than the frontage bills, which are calculated based on building size, the number of units and the number of fixtures.

It should be noted that for buildings which had metered bills for both 1998 and 1999, over one-third saw a decrease in their bills, indicating that some owners have been able to reduce water use. An additional 13% of buildings billed on meters in both years had increases that were less than the Water Board rate increase. The combined overall increase in water and sewer costs was 3.4% for all buildings.

Natural gas costs rose this year by 4.2%. The PIOC measures gas, like fuel oil, on a "cost-weighted" basis that takes both the price and heating degree-days into consideration.[1] Gas costs increased due to a slightly colder weather and an increase in fuel adjustments.

Contractor Services

Contractor Services costs rose 4.6%, the largest increase in the past nine years. The most important items in this component by weight, repainting and plumbing costs, rose 6.2% and 3.4% respectively. All of the other items had increases between 1.0% to 5.4%.

Repainting and plumbing costs comprise two-thirds of the Contractor Services component. Several painters and plumbers cited that the reason for the increased prices to their customers was due to the rising costs of both materials and labor. Several respondents reported that there is a "hot market," so they are charging more for their services than they did in the previous year.

Unlike last year, every item in the Contractor Services component experienced some rise in costs. Repainting showed the highest increase (6.2%) of any item in this component with range repair having the smallest increase of 1.1%.

Administrative Costs

Administrative costs rose 4.0% over the last 12 months. Fees paid to management companies, accountants, and attorneys make up nearly this entire component.

A large portion of the growth in Administrative Costs can be attributed to a substantial rise in management company fees (4.1%) which comprise two-thirds of this component. Management fees are often tied to apartment buildings' rental income and are affected by changes in rents and vacancies. This year's growth is higher than last year's (3.0%), indicating that management companies saw increased rents and fewer vacancies in the buildings they manage.

The cost of attorneys' fees increased 3.3%, which is significantly higher than the prior year's rise of 1.0%. The cost increase associated with accounting rose 4.3% in 2000, slightly faster than last year's rate (4.0%). Attorneys cited increases in court fees and a strong economy as reasons for charging a higher rate to their clients, while accountants claimed that increases in overhead costs and their heavier workload contributed to a rise in their fees.

Prior to the 1999 PIOC, the cost of administrators (i.e. attorneys, accountants and management companies) had increased faster than that of their counterparts, skilled contractors, for seven straight years. In 1999 this trend reversed, with the increase in cost of skilled contractors outpacing the growth in administrators' costs by 0.6 percentage points. This change continued in 2000 with skilled contractors again outpacing the rise in administrators' costs by the same 0.6 percentage points.

Insurance

Insurance costs rose this year by 0.7%, a minimal increase compared to 3.5% growth seen in 1999. A record number of insurance cost reports (656) were verified this year; up from the previous high of 636 confirmed last year.

Nearly half (49%) of the building owner survey responses indicated an increase in insurance costs. Just less than one-fourth of the responses reported no change from the previous year while 27% showed a decrease in costs. Rate hikes fueled insurance cost growth, with roughly 40% (245) of this year's respondents claiming higher rates, as opposed to only one-quarter (150) that reported rate declines.

Over 17% of the building owner responses reported a change in insurance carriers for the surveyed building in the past year. This percentage is up from 11% in 1999 and 10% in 1998. As a result, 46% of the owners who switched carriers benefited from this change with a median decrease of 18% in their insurance costs. Owners who found new carriers seem to still be benefiting from a higher degree of competition between insurance companies that was reported in last year's PIOC report.

The removal of lead-based paint coverage from insurance policies continued in 2000 at the same pace as the previous year. Only 2.4% of building owners reported that insurers were withdrawing lead-based paint coverage from their policies over concern for the potential costs of liability for lead-related health problems.

Parts and Supplies

The Parts and Supplies component accounts for roughly two percent of the entire Price Index. The overall increase in the Parts and Supplies component was 1.9%. Increases in this component have not exceeded 2.5% since 1991 when Parts and Supplies rose 3.6%.

Replacement Costs

The Replacement Costs component is even less significant than the Parts and Supplies component, its weight being only 1/100th of the PIOC. This year's increase in the Replacement Costs component was only 0.8%.

Rent Stabilized Hotels

The Hotel Price Index includes separate indices for each of three categories of rent stabilized hotels (due to their dissimilar operating cost profiles) and a general index for all stabilized hotels. The three categories of hotels are: 1) Hotels—a multiple dwelling which has amenities such as a front desk, and maid or linen service; 2) Rooming Houses—a multiple dwelling other than a hotel with thirty or fewer sleeping rooms; and, 3) single room occupancy hotels (SRO's)—a multiple dwelling in

which one or two persons occupy a single room residing separately and independently of other occupants.

The price index for all stabilized hotels rose 8.0% this year, slightly more than the increase in the apartment price index. The primary difference between the increase in the hotel index and the apartment index was in the tax component. The increase in taxes for all types of hotels was 7.2% overall (versus 5.2% in apartment buildings), driven mainly by the increase found in assessments for "traditional" Hotels. There was notable diversity among hotel subgroups in tax expense this year, as "traditional" stabilized Hotels experienced an increase in taxes of 10.9%, while Rooming Houses and SRO's had lower tax increases of 5.7% and 4.7% respectively.

While the increase in cost for taxes was higher for stabilized hotels than for apartments, these properties also experienced higher increases for utilities and labor expense. The increase in utility cost for hotels was 7.6%; somewhat larger than the 5.7% increase for apartments. The difference was due primarily to electricity costs in Hotels, which is weighted more heavily in hotels than in apartments. The sharper increases in the tax, labor and utility components caused the price index for all stabilized hotels to rise somewhat faster than the price index for all stabilized apartments.

Among the different categories of hotels, the index for "traditional" Hotels increased 8.8%, SRO's by 8.6% and Rooming Houses by 8.1% respectively.[2] (See Appendices B.4 and B.7)

Change In Costs for Rent Stabilized Hotel Buildings, April 1999 to April 2000

Taxes	7.2%
Labor Costs	3.9%
Fuel Costs	43.7%
Utilities Costs	7.6%
Contractor Services	2.9%
Administrative Costs	3.8%
Insurance Costs	0.7%
Parts & Supplies	2.0%
Replacement Costs	1.3%
All Costs	**8.0%**

Rent Stabilized Lofts

The increase in the Loft Index this year was 5.8%, 2 percentage points less than the increase for apartments. This difference is explained by the fact that fuel costs that grew rapidly are less important for lofts than for apartments, and insurance costs that grew hardly at all are more important for lofts than for apartments. (See Appendix B.8)

Change In Costs for Rent Stabilized Loft Buildings, April 1999 to April 2000

Taxes	5.2%
Labor Costs	3.1%
Fuel Costs	50.6%
Utilities Costs	5.8%
Contractor Services	4.6%
Administrative Costs,Legal	3.3%
Administrative Costs,Other	4.1%
Insurance Costs	0.7%
Parts & Supplies	1.9%
Replacement Costs	0.8%
All Costs	**5.8%**

2000-2001 PIOC Projections

Each year, projections for the components of the PIOC are performed to provide the Rent Guidelines Board with an estimate of how much costs are expected to rise in the year following the current price index. Along with the current PIOC, the PIOC Projection provides a basis to assist the Board in setting guidelines for tenants choosing two-year leases.

Projecting changes in the PIOC has become more challenging in recent years. Energy prices—which affect about one-eighth of the market basket of operating costs measured in the index—have become increasingly volatile. Unpredictable geo-political events and changing weather patterns are some of the forces behind large changes in fuel-related costs (heating fuel, electricity, gas and steam), that have in turn hindered the accuracy of the PIOC projections in recent studies.

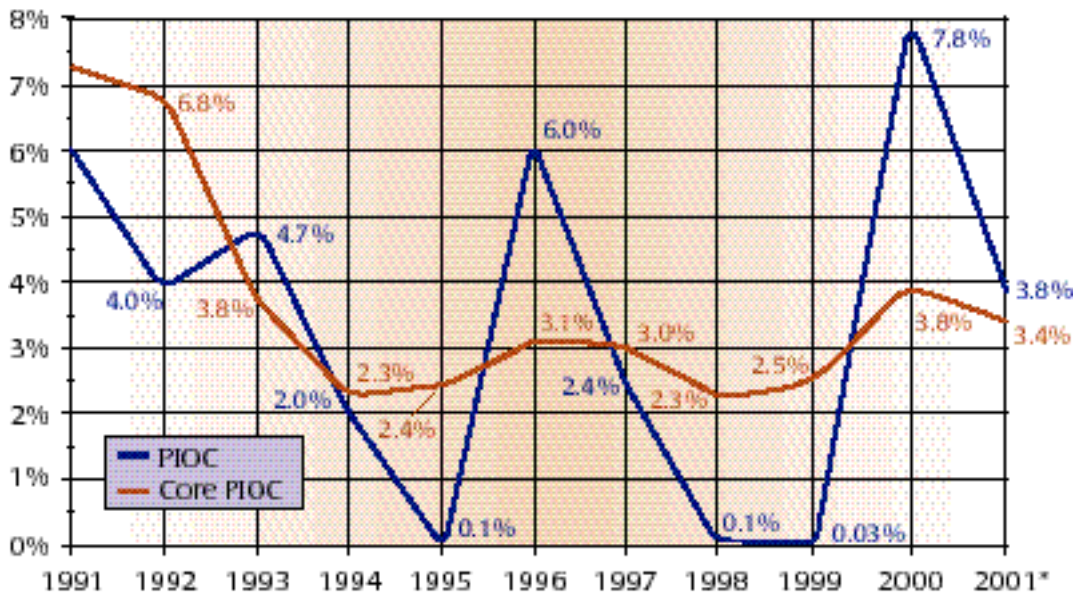
This year, operating costs in rent stabilized apartment buildings rose by 7.8% versus last year's RGB projection of 5.3%. The steep increase in fuel costs

Projected Change In Costs for Rent Stabilized Apartment Buildings, April 2000 to April 2001

Taxes	5.2%
Labor Costs	2.9%
Fuel Costs	7.0%
Utilities Costs	3.2%
Contractor Services	3.6%
Administrative Costs	3.4%
Insurance Costs	0.9%
Parts & Supplies	2.0%
Replacement Costs	1.0%
All Projected Costs	**3.8%**

The "Core" Increases to Level Last Seen in 1993

(Percent Change in the Price Index of Operating Costs and the Core PIOC, 1991-2000)



*Note: The percent change for 2001 is estimated. The "Core" increase for 1999 was revised due to improved methodology.

Source: Price Indices of Operating Costs, 1991-2000, PIOC projection for 2001

contributed the most to the variance between the 2000 projection and the actual 2000 PIOC. Fuel costs increased by 55% versus the expected increase of 22%. PIOC projection methodology assumes a return to "normal" weather based on the most recent five-year average (See Endnote 1) when predicting fuel costs. The fact that the past year was slightly colder than the prior year added about 3.5% to the large rise in fuel costs. Spikes in energy prices, which were much higher than anticipated, drove the bulk of the fuel cost increase. Rising energy costs and the slightly colder weather also contributed to utility costs rising more quickly than predicted. Contractor Services and Administrative prices rose more rapidly than anticipated, while Insurance costs, another volatile and unpredictable component, rose less than the 2000 estimation. The Real Estate Tax, Labor, Replacement Costs and Parts and Supplies components, about 47% of the PIOC, rose within three-tenths of one percent of the projected levels.

The "core" PIOC (see above graph), which measures long-term local trends by factoring out shifts in fuel costs, gas, and electricity rates, rose 3.8% versus last year's RGB projection of 3.7%. All of the increases in the core components in the 2000 projection and the actual 2000 core show a high level of agreement. It is interesting to note that the CPI grew from March 1999 to March 2000 (the latest figures available) by 3.4%. Although the CPI uses a different market basket, the change in non-fuel related costs is very similar to the PIOC this year.

Overall, the PIOC is expected to grow by 3.8% from 2000 to 2001 due to a 5.2% projected increase in taxes, a 7.0% projected rise in fuel costs and more moderate projected growth in labor, utility, contractor services and administrative costs. The "core" PIOC is projected to rise more slowly than the overall PIOC, by 3.4%.

Taxes +5.2%

Property taxes comprise roughly a quarter of the PIOC. From the mid 1980's to the early 1990's, taxes often rose faster than the overall PIOC. Recently, slower increases in tax rates and falling or stable assessments meant lower than average increases in taxes. However, the 5% increase in assessments found in 2000 may indicate that

the effects of the NYC economic recovery are finally being felt in the Tax component.

Class Two properties include rent stabilized apartments, co-ops and condominiums. Within this category, rent stabilized dwellings are classified as either "rental buildings" or "4-10 unit family buildings." Based on the preliminary tax roll, the Finance Department forecasts billable assessments (the assessed value of a property on which tax liability is based) for rental buildings to increase by 8.6%, while billables for 4-10 family buildings are expected to increase by 4.8% in 2001. However, preliminary assessments are slightly imprecise because following the release of the tentative assessment roll each year, a small percentage of appraisals are contested and overall final assessments are generally reduced.

After adjusting for estimated changes in the class levy share, the value of exemptions, the tax rate, the value of abatements, and contested assessments, it is estimated that tax costs to owners will grow by 6.5% and 2.8% respectively for rentals and 4-10 unit properties. Once these tax class categories are combined according to their proportion of the stabilized stock and distribution by borough, average property tax bills for rent stabilized buildings, which are predominantly classified as "rental" buildings, are estimated to increase by 5.2% in the next fiscal year.

Labor Based Components
(Labor +2.9%, Administrative Costs +3.4% and Contractor Services +3.6%)

Labor Based Components in the PIOC include Labor Costs, comprising the wages and benefits of building maintenance workers (e.g. superintendents, porters, etc.), Contractor Services, which primarily covers the work of plumbers and painters, and Administrative Costs, which is almost entirely comprised of management, legal, and accounting fees.

At the release of this report a new contract for Union Local 32B-32J had yet to be negotiated for the year 2001. The only wages set for the upcoming year are for Local 32E. All other projected labor increases are based on a three-year average.

Wages for members of Local 32-E will rise 1.8% while wages for Local 32B-32J are predicted to rise 2.7%. By combining these increases with the remaining items in the Labor component, an increase of 2.9% is projected in labor costs for the coming year.

Increases in Administrative Costs and Contractor Services are projected by averaging the growth rates observed in each component over the past three years. Administrative cost increases have been fairly constant over the decade and are estimated to rise by 3.4% over the next year. In comparison, the cost of Contractor Services has been more variable in the recent past and based on a three-year average is projected to increase by 3.6% next year.

Fuel +7.0%

The cost of fuel oil depends heavily on volatile weather patterns as well as political and economic variables that cannot be reliably predicted. Given these difficulties (and barring unforeseen natural or geo-political events), the cost of fuel oil in New York City is estimated to rise by 7.0% in the coming year following last year's significant cost increase.

Similar to last year, the biggest single factor influencing petroleum product prices over the next year will be crude oil prices. In 2000, average annual crude oil costs for the first half of the year are expected to be about double the price compared to the same period a year ago. These higher crude oil prices mean higher petroleum product prices, however, crude prices are projected to decline in 2001.

Assuming that annual temperatures return to the most recent five-year average for Central Park, New York City (see Endnote 1), which will be about 5% colder than the weather experienced in 1999-2000, the commensurate increase in demand for heating fuels will in turn accelerate the cost of fuel oil to building owners.

In sum, based on current U.S. Energy Information Administration (EIA) forecasts, rising fuel prices and elevated fuel consumption brought about by "normal" weather conditions, are estimated to increase fuel oil costs to owners of stabilized buildings in New York City by 7.0% in the next year.[3]

Utilities +3.2%

In the PIOC, the costs of electricity, natural gas, water and sewer service, purchased steam, and telephone service are grouped as Utilities. Water and sewer costs

alone account for about 62% of this component, while electricity and gas comprise another 35% of the utility category (17% and 18% respectively). Steam and telephone prices constitute the remainder of the Utilities component (3%).

Next year, the overall cost of utilities is estimated to rise by 3.2%. The bulk of this growth will come from a sharp estimated increase in the cost of natural gas (11.4% according to EIA estimates). The projected rise in gas costs is offset by more moderate estimates of increases in electricity costs (2.6%), and in water and sewer rates (a 1.0% increase is proposed for the coming year).

The New York State Public Service Commission (PSC) estimates that, following a recent rate drop, electricity base rates will remain constant in the upcoming year. In April 2000, Con Edison's electricity rates were reduced by 2.0% for most multi-family buildings. Next April, electricity rates for these properties are expected to decline an additional 2.0% - 3.5%, depending on the size of the building. However, adjustment charges for the changing cost of supplying power should increase somewhat assuming fuel prices behave as predicted. Using EIA projections, the cost of electricity is estimated to rise by 2.6% over the coming year.

Natural gas costs are estimated to increase by 11.4% next year. With current storage levels above those of last year's, natural gas prices are projected to stay relatively constant. In addition, both Brooklyn Union Gas and Con Edison project a continuation of their rate freeze next year. Assuming a return to the five-year average weather pattern, however, in combination with EIA estimates for the change in natural gas prices, increased consumption is projected to ultimately produce growth in gas costs of 11.4% over the next year. (See Endnote 2)

During the past ten years, water and sewer costs have grown the fastest of all the items in the Utilities component. After many double digit increases, water and sewer rates were frozen from FY 1994 to FY 1995. Rates were unfrozen in FY 1996, rising by 5%, followed by increases of 6.5% in FY 1997 and '98. Rates rose less rapidly in the last two fiscal years, each by 4%. An increase of 1% for FY 2001 should take effect from July 1st, given current proposals before the New York City Water Board.

In total, weighted increases in water and sewer charges, electricity and natural gas costs, are projected to cause Utilities to rise by 3.2% in 2000.

Insurance +0.9%

Insurance Costs for rent stabilized buildings increased 0.7% last year. This highly variable component showed a decrease of 1.5% in 1998 and an increase of 3.5% in 1999. Based on the latest three-year average, Insurance Costs are estimated to rise by 0.9% over the coming year.

Parts and Supplies +2.0%

The Parts and Supplies component has usually played a very small role in the PIOC, comprising slightly more than 2% of the index in 2000. Over the past five years there has been very modest growth in this component ranging from 0.8% to 2.2%. This trend should extend to 2001 when the cost of Parts and Supplies is estimated to increase by 2.0%.

Replacement Costs +1.0%

This component accounted for about one percent of the entire price index in 2000. Over the past year, Replacement Costs increased by only 0.8%. The modest 14-year trend of growth in Replacement Costs should continue with costs rising by an estimated 1.0% over the next year.

Commensurate Rent Increase

Throughout its history, the Rent Guidelines Board has used a calculation, known as the "commensurate rent increase formula," to help determine annual rent increases for rent stabilized apartments. In essence, the "commensurate" combines various data concerning operating costs, revenues, and inflation into a single measure indicating how much rents would have to rise for net operating income (NOI) in stabilized buildings to remain constant from one year to the next. The "commensurate" increase described below is primarily meant to provide an initiation, and not a floor or ceiling, for discussion concerning prospective guidelines.

In its simplest form, the commensurate rent increase is the amount of rent growth needed to maintain

landlords' current dollar NOI at a constant level. In prior years, three different methods of calculating the commensurate increase were provided in the PIOC report. The original or "traditional" formula, which did not consider the mix of lease terms or the erosion of owner's income by inflation, and the "Net Revenue" formula which considered lease terms but disregarded the impact of inflation, have been eliminated this year. The third method, known as the "CPI-Adjusted NOI" formula, is given this year, with two alternative approaches.

The "CPI-Adjusted NOI" formula considers the mix of one- and two-year lease terms while adjusting NOI upward to reflect inflation, keeping both operating and maintenance costs and NOI constant. This year, the formula is presented in two ways. First, the formula is presented with an assumption for stabilized apartment turnover and vacancy increases, and second, without this assumption.

A set of guidelines which would preserve NOI in the face of the 3.4% increase in the Consumer Price Index (March '99 to March '00) and the 7.8% rise in the PIOC, including an assumption for turnover and the median citywide vacancy increase found in the 1998 *Recent Movers Survey* of 12%, is 6.0% for a one-year lease and 10.0% for a two-year lease. Guidelines using this formula without including an assumption for turnover and vacancy increases are 8.5% for a one-year lease and 12.0% for a two-year lease.[4]

The "CPI-Adjusted NOI" method has its limitations. The "CPI-Adjusted NOI" formula inflates the debt service portion of NOI, even though interest rates have been generally falling over recent years. However, the fact that this year's *Mortgage Survey* found an increase in interest rates for multi-family stabilized properties may indicate that this trend is reversing.

The commensurate rent increase may be best thought of as a starting point for deliberations. The other Rent Guidelines Board annual research reports (e.g. the *Mortgage Survey* and the *Income and Expense Study*) and testimony to the Board can be used to modify the various estimates depending on these other considerations.

"CPI-Adjusted NOI" Increases with Vacancy Increase

1 Year Lease	2 Year Lease
6.0%	10.0%

"CPI-Adjusted NOI" Increases

1 Year Lease	2 Year Lease
8.5%	12.0%

Methodology

Owner Survey

The Owner Survey gathers information on management fees, insurance, and non-union labor from building managers and owners. Survey questionnaires, accompanied by a letter describing the purpose of the PIOC, were mailed to the owners or managing agents of stabilized buildings. If the returned questionnaire was not complete, an interviewer contacted the owner/manager and the missing information was gathered. All of the price information given by the owner/managing agents was then confirmed by calling the relevant insurance and management companies and non-union employees.

The sample frame for the Owner Survey included more than 41,000 stabilized buildings registered with the New York State Division of Housing and Community Renewal (DHCR) in 1998. A random sampling scheme was

used to choose 5,100 addresses from this pool for the owner mailing. The number of buildings chosen in each borough was proportional to the share of stabilized buildings in that borough.

The "multiple contact" method was used for the second consecutive year for the Owner Survey. Three successive mailings were sent at timed intervals to the owner or managing agent of each property selected in the survey sample. Roughly 20% of the questionnaires mailed out were returned to the RGB, the highest response rate since the PIOC was brought "in house" in 1991. A total of 686 of these contained information that was used, including a record number of verified insurance prices (656), non-union labor quotes (174) and management fees (124). The number of verified prices in 1999 and 2000 for the Owner Survey is shown in Appendix B.1.

Fuel Oil Vendor Survey

Fuel price information is gathered on a monthly basis via a telephone survey. A monthly survey makes it possible to keep in touch with fuel vendors and to gather the data on a consistent basis (i.e. on the same day of the month for each vendor). Vendors are called each month to minimize the likelihood of misreporting and also to reduce the reporting burden for the companies that do not care to look up a year's worth of prices. The number of fuel quotes gathered this year was comparable to last year and is contained in Appendix B.1.

To calculate changes in fuel oil costs, monthly price data is weighted using a degree-day formula to account for changes in the weather. The number of heating degree-days (see Endnote 1) is a measure of heating requirements.

Real Estate Tax Computations

The sample of buildings used to compute the 2000 tax price relative was drawn by providing a list of rent stabilized properties registered with DHCR to the Department of Finance. Finance "matched" this list against its records to provide data on assessed value, tax exemptions, and tax abatements for more than 36,000 buildings in FY 1999 and FY 2000. A new and more up-to-date list of rent stabilized buildings was used this year—it included buildings that registered with DHCR in 1998.

The Department of Finance data was used to compute a tax bill for each stabilized building in FY 1999 and FY 2000. The change computed for the PIOC is simply the percentage increase in aggregate tax bills for these buildings from FY 1999 to FY 2000.

Vendor Survey

The Vendor Survey is used to gather price quotes for Contractor Services (e.g. painting), Administrative Costs (e.g. management and attorney fees), Parts & Supplies (e.g. mops), and Replacement Costs (e.g. refrigerators). As in prior years, the vendor database was updated by adding new vendors and deleting those who no longer carry the products in question. All vendor quotes were obtained over the telephone. The telephone interview procedures used for gathering price quotes were unchanged from prior years. The number of recorded price quotes (731) gathered was the most since the PIOC was brought "in house" in 1991 and 18% more than in 1999. For a detailed description of the items priced and the number of price quotations obtained for each item, refer to Appendix B.1.

Water/Sewer Sample

After introducing a new methodology to measure water and sewer costs last year, which analyzed the actual bills from a sample of rent stabilized buildings, the sample size used was increased from 625 in 1999 to 1,200 in 2000. The random sample of 1,200 stabilized buildings drawn from the most recent list of stabilized buildings registered with DHCR in 1998 included 846 (75%) buildings billed on frontage in both years, 214 (19%) buildings billed on metered billing in both years, and 66 (6%) properties that switched from frontage to metered billing. Seventy-four properties, about 6% of the original sample, were rejected from the final sample because of missing or unusable data. Compared to last year's sample, the percentage of buildings moving from frontage to metered billing (6% during 1998-1999 and 3% from 1997-1998) has increased. This is to be expected as it is DEP's plan to eventually move all buildings to metered billing. It should be noted that proposals currently before the Water Board would combine the metering program

with an option to be billed either by meter or on a new flat-rate scheme.

With the assistance of DEP staff, each building account was scrutinized to obtain the correct billing amount for the current and prior year. Adjustments had to be made for disputed bills, rebills, rebate program credits, and irregular billing periods that may occur in any account. Upon examining preliminary results, it was determined that for buildings billed on the frontage scheme (the system of water and sewer billing based on the size of the building and the number of units and fixtures in a property), nearly all showed increases in water and sewer costs that were exactly equivalent to the rate set by the New York City Water Board—4.0%. However, metered buildings, or buildings that moved from frontage to metered billing over the period, had often highly variable changes in costs. This was due mainly to changes in consumption and occupancy. Other reasons include: problems with equipment (meters and dials); leaks which had not been fixed yet; customer-read bills which were sometimes incorrect or miscalculated, but were always corrected later; and estimated bills (used when an actual read isn't available) may be under- or over-estimated, but was also corrected in future billing cycles.

Two utility items—frontage and metered (which includes buildings billed on frontage in the prior year and metered in the current year)—are used to more accurately measure water and sewer costs. The sample data showed that the proportion of rent stabilized Class Two residential properties that were billed on a frontage basis in both years was 75%. Properties which were on metered billing (or frontage-to-metered) over the period was 25%. From this analysis, weights were assigned to the two component items within the utility cost category. Similar to the method used in prior years, the Water Board increase of 4.0% in water and sewer rates was used for buildings in the frontage component item.

Actual billing data was collected and analyzed for buildings that were billed via meter in both 1998 and 1999, or changed from frontage to metered billing. The 1.2% increase found in buildings billed on a metered basis should be viewed with some caution, however. Although the sample size was doubled this year, because substantial variability was again found in the changes in metered bills over the period, the estimated item price relative for Water and Sewer - Metered is not highly statistically reliable.

Other Items

In addition to the items previously discussed, a number of other pieces of information are needed to complete the PIOC, including union contract and benefit information, Social Security rates, unemployment insurance rates, heating degree-days, and utility rate schedules. These items are used in computing some of the labor components, changes in utility costs for electricity, gas, steam, and telephone, and the cost-weighted change in fuel expenses.

Price Index Projections

The PIOC Projections are estimated by using data from Federal, state and local agencies, estimates from related industry experts and trend forecasting using three year averages.

Taxes were projected by using data from the Department of Finance's tentative assessment roll for FY 2001 to estimate (for Class Two properties) the change in class levy share and assessments, the tax rate and the impact of exemptions and abatements in the coming fiscal year. These estimates produce a projected tax cost for the owners of rental and 4-10 family buildings. Labor costs are projected by analyzing labor contract terms supplied by apartment workers union Local 32-E and a three-year average of all other Labor items. Fuel costs are projected by using data and information from the U.S. Energy Information Administration's current "Short-Term Energy Outlook" report, which includes assumptions about changes in usage according to a projected return to the average temperature over the last five years. Utility costs are projected by obtaining rate projections for the coming year from the New York State Public Service Commission, the New York City Water Board, industry representatives from area utility companies and EIA projections. Natural gas rate projections are combined with assumptions about usage if the coming year's weather had the five-year average number of heating degree-days (see Endnote 1).

The other components, Administrative Costs, Contractor Services, Insurance, Parts and Supplies, and

Replacement Costs are projected by using three-year averages of the component price relatives.

Acknowledgments

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Endnotes

(1) "Normal" weather refers to the typical number of heating degree-days measured at Central Park over a given period. A heating degree-day is defined as, for one day, the number of degrees that the average temperature for that day is below 65 degrees Fahrenheit. The most recent five-year average "normal" temperature, refers to the total number of average annual Heating Degree Days from 1995 to 1999 measured in Central Park by the National Weather Service.

(2) This year for the first time, the 'All-Hotels' price index change lies outside the range of the price index changes of the individual hotel categories. This seemingly paradoxical outcome results from the fact that, for several years, the 'All-Hotels' tax and utility price relatives were constructed using data which included some buildings whose Multiple Dwelling Law classifications (Hotel, Rooming House, SRO) were not known. As a result, the 'All-Hotels' price index is not an exact weighted average of the Hotel, Rooming House and SRO indices.

(3) Source: "Short-Term Energy Outlook," April 2000. U.S. Energy Information Administration, Department of Energy.

(4) The following assumptions were used: (1) The required increase in landlord revenue is the sum of the increase due to increased costs and the impact of inflation on NOI. The increase in revenue due to costs is 61% of the 2000 PIOC increase of 7.8%, or 4.75%. The 61% figure is the most recent ratio of average operating costs to average income in stabilized buildings. The increase in revenue due to the impact of inflation on NOI is 39% times the latest March 1999 to March 2000 12-month increase in the CPI (3.4%) or 1.32%. Thus, the total increase in landlord income required is 6.07%.

Assumptions regarding lease renewals were derived from the 1999 Housing and Vacancy Survey. In a given year approximately 29% of stabilized tenants sign a one-year lease, and 29.5% sign a two-year lease. Another 29.5% have a two-year lease but do not sign, and 11.6% turn over, and are subject to a vacancy lease. For the commensurate including a vacancy assumption, the 12.0% median increase in vacancy leases found in the 1998 *Recent Movers Study* was used. These terms are only illustrative. Other combinations of terms could produce the 6.07% increase in landlord revenue.

Introduction

Under its mandate to establish rent adjustments for apartments subject to the Rent Stabilization Law, the Rent Guidelines Board (RGB) has analyzed the cost of operating and maintaining rental housing in New York City since the law's enactment in 1969. The Board's primary instrument for measuring changes in costs has been the *Price Index of Operating Costs* (PIOC), a survey of prices for various goods and services required to maintain apartment buildings.

In 1990, the RGB acquired a new data source that permitted independent verification of the PIOC's accuracy: RPIE, or Real Property Income and Expense (I&E) statements of rent stabilized buildings from the NYC Department of Finance. These I&E statements, filed annually by property owners, provide detailed information on the revenues and costs of "income producing" properties. The addition of I&E statements markedly improved the information base utilized in the rent setting process. I&E statements not only describe conditions in rent stabilized housing in a given year, but also illuminate changes in conditions over a two-year period. More importantly, I&E data encompasses both revenues and expenses, allowing the Board to more accurately gauge the overall economic condition of New York City's rent stabilized housing.

This I&E Study examines the conditions that existed in New York's rent stabilized housing market in 1998, the year for which the most recent data is available, and also the extent by which these conditions changed from the year before.

Local Law 63

The income and expense data for stabilized properties originates from Local Law 63, enacted by the New York City Council in 1986. This statute requires owners of apartment buildings to annually file Real Property Income and Expense (RPIE) statements with the Department of Finance. While certain types of properties are exempt from filing requirements—cooperatives, condominiums, or buildings with fewer than 11 units, or with an assessed value under $80,000, Local Law 63's mandate produces detailed financial records on thousands of rent stabilized buildings. Although information on individual properties is strictly confidential, the Department of Finance is allowed to release summary statistics of the data.

Until last year, properties had to have a minimum assessed value of $40,000 to be subject to filing requirements. Last year was the first year in which buildings with an assessed value of $80,000 or less were no longer required to file an RPIE. In raising the minimum assessed value threshold for buildings from $40,000 to $80,000, the total number of filings was reduced, though this change only applies to about 2% of rent stabilized buildings with eleven or more units.

What's New

1998 was a year in which owners experienced continued good fortune, according to the financial records of the owners of rent stabilized buildings. Rents and revenues not only rose faster than operating costs in the City's stabilized stock, they increased at the highest rates seen in the past decade, while costs rose at the lowest rate observed over the same period. These effects caused Net Operating Income (NOI), which is revenue left over after operating expenses, to rise at its highest rate in nine years: 11.8%.

Overall, these trends have helped the City's stabilized market reach a state of recovery from the effects of the recession of the early 1990's, to the point where typical inflation-adjusted net earnings surpassed levels observed in the late 1980's.

- ✔ Rental income in stabilized buildings rose by **5.5%** from 1997-98.
- ✔ Total income rose by **5.3%** from 1997-98.
- ✔ Operating costs rose by **1.5%** from 1997-98.
- ✔ Net operating income in stabilized buildings rose by **11.8%** from 1997-98.

Changes in the Stabilized Universe Affect Reported Average Rents

The HVS and the RPIE employ different units of measurement. The HVS measures data in units, while the RPIE measures data on a building-wide basis. If both the HVS and RPIE data measured the same stock, the HVS data, which consists of contract rents, would necessarily be higher than the RPIE data, which measures collected rents. Collected rents are always lower than contract rents due to vacancy and collection losses. The fact that the RPIE post-46 rent ($849) was higher than the HVS post-46 rent ($809) this year is anomalous and may be due to several factors.

First, the rent stabilized housing stock has undergone significant changes in the past three years. According to the HVS, the number of post-46 stabilized units has decreased by approximately 11,000 units from 1996 to 1999. Second, both the RPIE and the HVS rents are mean figures which can be affected by outliers in each sample. The post-46 HVS mean rent may be lower than expected (there was a 2% increase in mean rents from 1996 to 1999) because of an exodus of high-rent units due to vacancy and luxury decontrol. However, when the median HVS rents are compared (medians being less influenced by outliers than means),there is an 8% increase in post-46 stabilized rent from 1996 to 1999.

The fact that the HVS average rent for the post-46 stock falls below the RPIE average indicates possible shortcomings with both data sets. Since the RPIE data is drawn from building by building filings, rent and expense data from apartments which have undergone vacancy or luxury decontrol cannot be excluded, and therefore the higher rents associated with these units are part of the overall average rent. In this sense, the $849 figure may be high, but it is nonetheless a better reflection of the economic condition of buildings containing such units. Conversely, HVS data on stabilized rents, which does not include what are presumably very high rents in deregulated apartments, does not offer a clear portrait of the economic health of buildings with a mix of regulated and deregulated units.

Since 1990, the RGB has received data on samples of rent stabilized properties that file RPIE forms. Samples in the first two studies were limited to 500 buildings, because RPIE files were not automated. Upon computerization of all I&E filings several years ago, the size of samples has risen to more than 10,000 properties and over 500,000 units.

Cross-Sectional Study

Rents and Income

In 1998, rent stabilized property owners collected monthly rent averaging $681 per unit. As in prior years, units in pre-war buildings rented for less (an average of $617 per month) than those in post-war buildings ($849 per month). Stabilized rents were highest in Manhattan ($892), followed by Queens ($609), Brooklyn ($536) and the Bronx ($508).

Rents stated in RPIE filings tend to be lower than figures obtained from both the triennial New York City Housing and Vacancy Survey (HVS) and the Division of Housing and Community Renewal (DHCR). This is primarily because RPIE averages measure rents actually collected each month, while the HVS deals strictly with contract rents (i.e. the amounts stated on leases, which includes both legal and preferential rents) and DHCR reports legal rents. Unlike the other two indices, in measuring rents actually collected, RPIE data accounts for vacancy and collection losses. Average rents from the HVS and DHCR registration data merely reflect contract and legal rents, which may not be collected in full due to vacancies or non payment of rent. Additionally, RPIE information reflects rents collected over a 12-month period, while HVS figures apply primarily to contract rents in effect during the first quarter of 1999, though some figures are collected in the second quarter.

Since the 1999 HVS data is now available, comparisons can be made between the mean contract rent for all regulated apartments and the RPIE rent. It should be noted that HVS rent figures reflect rents that were in effect in the beginning of 1999 and therefore a more accurate comparison can be made next year when RPIE data filed will reflect circumstances faced by owners in 1999. Although the comparison is somewhat inflated, it is safe to assume that a portion of the rents reported in the 1999 HVS were in effect in 1998. The HVS rent of $720 exceeds the average rent from the RPIE data by 6%.[1]

Rent by building age also varies in the HVS. The mean HVS contract rent in older pre-war apartments was $690 (see Endnote 1) which was 12% higher than the RPIE average. However, the HVS rent for units built after 1946 ($809) was 5% lower than the 1998 RPIE average. (See sidebar) If even a portion of this "gap" between HVS and RPIE data reflect vacancy and collection losses, then it seems that older stabilized buildings continued to face much greater hardships than modern properties in the actual collection of their annual income in 1998.

In comparing RPIE and DHCR average rents, the "gap" between RPIE and DHCR rents has contracted steadily since 1991, when the average I&E rent was 15% lower than DHCR's mean registered rent. By 1994, this differential had

fallen to 12%. Both 1995 and 1996 RPIE returns indicated that the gap between I&E rent and DHCR's mean stabilized rent was 10%, and in 1997, the interval contracted again to 7.5%. Current RPIE returns indicate the gap between I&E rent and DHCR's mean stabilized rent ($740) was 8% in 1998, a slightly higher rate than was observed in last year's *Income & Expense Study*.

Despite the anomalies between the three rent indicators, the "gap" between RPIE rents and HVS/DHCR rents is a good estimate of vacancy and collection losses incurred by building owners, and the relative change in this "gap" is one way of estimating the change in such losses from year to year. Though the gap between the RPIE and DHCR average rents increased slightly, by 0.5 percentage points, the fact that the gap is still much smaller than in years past may indicate that building owners are collecting a greater portion of their legal rent rolls due to lower vacancies and fewer "preferential rents"[2] or non-paying tenants.

A final benchmark index to use for comparison is the RGB Rent Index, which measures the overall effect of the board's annual rent increases on contract rents each year. As the adjoining table shows, the fact that average RPIE rents increased faster longitudinally from 1997 to 1998 (5.5%) than the RGB's Rent Index (4.2%), adjusted for July-July fiscal year, suggests that stabilized building owners may still be deriving additional revenues from sources other than guideline increases. These sources may include rent increases from apartment refurbishing and building improvements, which are not accounted for in the RGB Rent Index.

Rent Collections, DHCR Contract Rents and the RGB Rent Index Grew at Similar Rates from 1989-1990 to 1997-1998

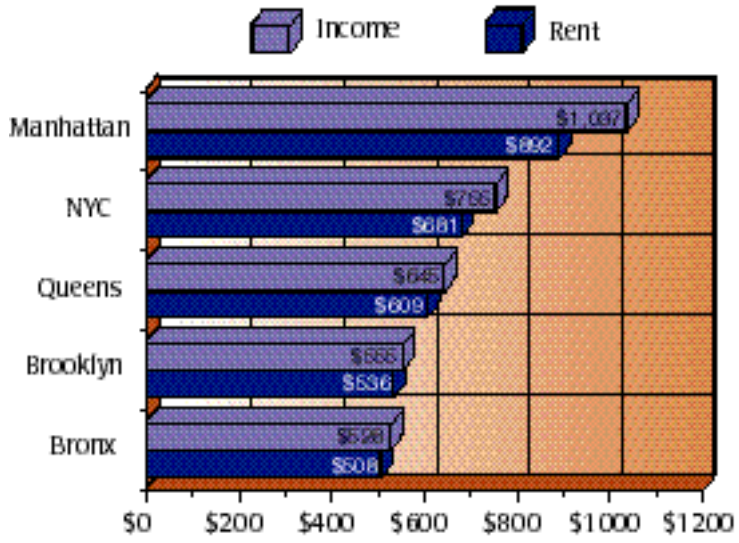
	RPIE Rents	DHCR Rents (Adjusted)	RGB "Rent" Index (Adjusted)
89-90	3.3%	6.5%	6.2%
90-91	3.4%	4.8%	4.7%
91-92	3.5%	3.5%	4.0%
92-93	3.8%	2.9%	3.3%
93-94	4.5%	2.8%	3.0%
94-95	4.3%	2.5%	2.8%
95-96	4.1%	3.6%	3.8%
96-97	5.4%	4.4%	5.3%
97-98	5.5%	4.6%*	4.2%
90-98**	44.8%	41.7%	43.9%

*This is an estimated number which will be revised when the actual figures are available.

**Percentages reflect total indexed increases from 1990 to 1998.

Stabilized Rents and Income Were Highest in Manhattan in 1998

(Average Monthly Collected Rent/Income per Dwelling Unit by Borough)



Source:NYC Department of Finance, 1999 RPIE Filings

When comparing rent and income figures, rent includes money collected for apartments, owner-occupied or related space and government subsidies. Income encompasses all revenue from rents, sales of services, such as laundry, valet and vending, and all other operating income.

The table also shows that during the recession years of the early 1990's, collected RPIE rents did not grow as quickly as legal rents or the rent guidelines. This indicates that owners may have offered more preferential rents or were unable to collect the full legal amount allowed by the rent guidelines during that period. As the City's economy began to recover, rent collections grew more quickly than the guidelines or legal rents, indicating a drop in vacancy and collection losses, fewer preferential rents, and increases in rent due to building-wide improvements and individual apartment refurbishment. It is interesting to note that a longer view of the three indices that give annual figures shows broad agreement in the rate of increase from 1989-90 to 1997-98. DHCR adjusted rents increased 42%, RPIE rents increased 45% and the RGB Rent Index increased 44% in that period.

Many owners of stabilized buildings augment their apartment rents by selling services to their tenants as well as by renting commercial space. Current RPIE filings show an average monthly gross income of $755 per rent stabilized unit in 1998, with pre-war buildings earning $684 per unit and those in post-war properties earning $940 per unit. These figures encompass rent from stabilized apartments as well as the sale of services (e.g. laundry, garages/parking) and commercial income. Such proceeds accounted for nearly 10% of the total income earned by building owners in 1998, the same as the rate observed for 1997. Manhattan owners particularly benefit from commercial income, with 14% of their total revenues coming from commercial units and services. The respective figures for the other boroughs were 6% in Queens, 4% in the Bronx and 3% in Brooklyn. These proportions of commercial and service income were slightly higher in Manhattan and Queens and lower in the Bronx and Brooklyn than the previous year. The graph on the previous page shows the average rent and income collected in 1998 by borough and for the City as a whole. (See Appendix C.3)

Operating Costs

Rent stabilized apartment buildings incur considerable expenses in the course of their operation. RPIE filings include data on eight categories of maintenance costs. In contrast to revenues, however, this data does not distinguish between expenses for commercial space and those for apartments, making the calculation of "pure" residential operating and maintenance (O&M) costs impossible, except in a smaller sample of residential buildings analyzed below. Thus, the operating costs reported are comparatively high because they include maintenance costs for commercial space.

The average monthly operating cost for stabilized units was $459 in 1998. Costs were lower in units situated in pre-war buildings ($430), and substantially higher in the post-war sector ($536). Geographically, costs were lowest in Brooklyn ($364) and highest in Manhattan ($586). The graph on the following page details average monthly expenses by cost category and building age for 1998. See Appendices C.1 and C.2 for a detailed breakdown of costs in pre- and post-war buildings.

In 1992, Department of Finance and RGB staff tested RPIE expense data for accuracy. Initial examinations found that most "miscellaneous" costs were actually administrative or maintenance costs, while 15% were not valid business expenses. Further audits on the revenues and expenses of forty-six rent stabilized properties discovered that O&M costs stated in RPIE filings were generally exaggerated by 8%. Costs tended to be less accurate in small (11-19 units) properties and most precise for large (100+ units) buildings. However, these results are somewhat inconclusive since several owners of large stabilized properties refused to cooperate with the Department of Finance's assessors. Adjustment of 1998 RPIE data by the results of the 1992 audits reduces the monthly average O&M cost for stabilized units from $459 to $422.[3]

Just as buildings without commercial space typically generate less revenue than stabilized properties with stores, operating expenses in these buildings were generally lower than in buildings with a mixture of uses. Average audited O&M costs for buildings without commercial units were $390 per month, $32 lower than the audit-adjusted average ($422) for all buildings in 1998. As in last year's *Income & Expense Study*, most of the difference in costs between the two types of properties stemmed from taxes, miscellaneous and administration expenses that were respectively 16%, 10%, and 7% lower on average for buildings without commercial space than for all stabilized properties.

Components of Operating Costs

In 1998, nearly three-fourths of total expenses in stabilized buildings were comprised of taxes, maintenance, labor and administration costs. Older (pre-47) buildings (on average) spent proportionately more on maintenance, fuel and insurance costs, consequently spending less on taxes and labor. Conversely, newer (post-46) buildings spent relatively more money on taxes and labor and less on maintenance, fuel and insurance. Less variation was observed within the other three expense categories (utilities, administration and miscellaneous costs) among buildings of different ages. (See Appendix C.5)

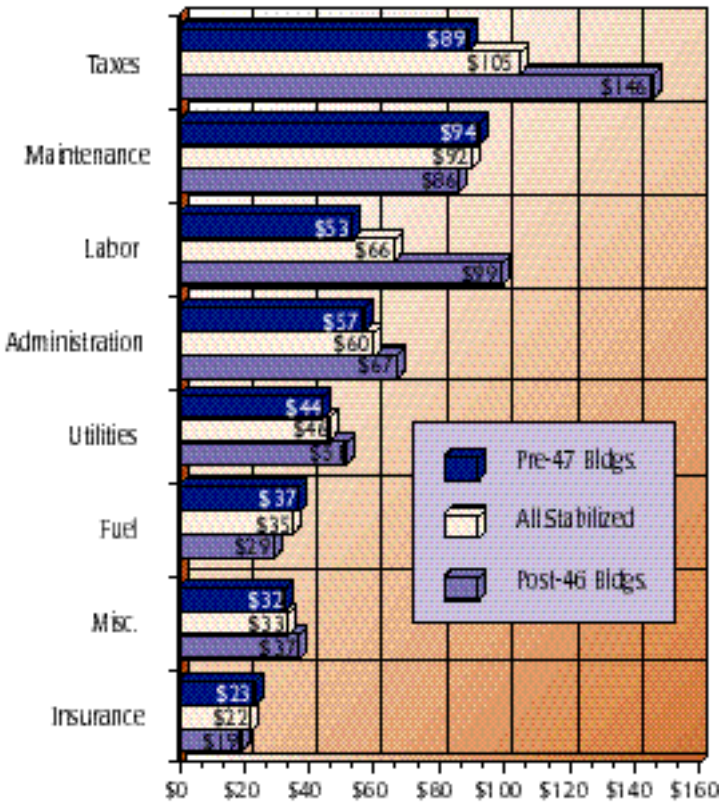
Building size also affected the distribution of costs in rent stabilized buildings. As in previous years, taxes, maintenance, labor and administration costs dominated total operating costs in buildings of all sizes in 1998. Labor costs continued to be particularly associated with size, comprising much larger shares of total O&M costs in larger buildings, probably due to the concentration of large, modern (post-46) stabilized buildings in Manhattan, which tend to employ doormen. In contrast, fuel, insurance and maintenance (post-war only) costs consumed less of each operating and maintenance dollar in larger buildings, probably due to efficiencies of scale realized by larger properties, particularly those with 100 or more units. (See Appendix C.5)

"Distressed" Buildings

Among the properties that filed 1998 RPIE forms, 808 buildings, or 7% of the cross-sectional sample, had O&M costs in excess of gross income. Only 42 of these buildings, or 5%, were built after 1946. The proportion of such "distressed" buildings again comprised a smaller percentage of the cross-sectional sample than in the previous year (8%).

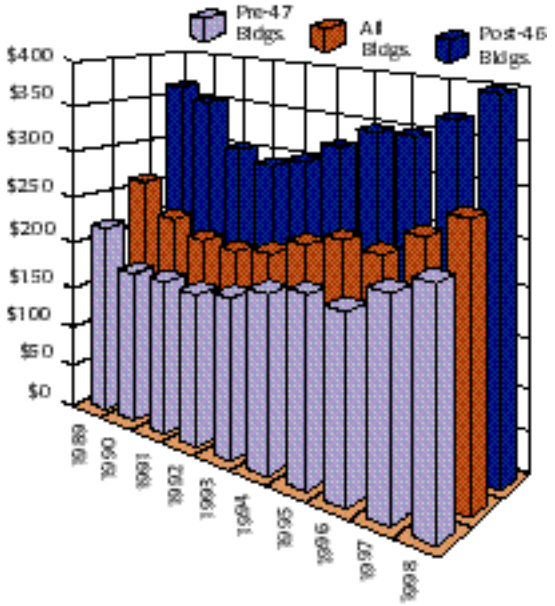
Buildings with expenses greater than revenues in 1998 suffered from both abnormally high expenses (118% of the 1998 all-building average), and low rents and income (respectively only 64% and 62% of the all-building average, a slightly higher proportion than the figures reported in 1997). Most of the variance in unadjusted costs between these and other stabilized buildings was found in utilities, insurance, administration, fuel, maintenance, and miscellaneous categories, which in these "distressed" buildings were respectively 111%, 125%, 128%, 131%, 143% and 218% of the stabilized average. Not surprisingly, these buildings also paid less property taxes (72% of the all-building average) and had lower labor expenses (91% of the all stabilized building average) than other stabilized structures. Appendix C.6 shows the distribution of "distressed" buildings by age, size and location.

Taxes are Largest Expense in 1998
(Average Monthly Expense per Dwelling Unit per Month)



Source:NYC Dept. of Finance, 1999 RPIE Filings

After Inflation, NOI Surpasses Levels Last Seen in the Late 1980's
(Average Monthly Net Operating Income per Apartment in Constant 1998 Dollars)



AVERAGE MONTHLY NOI PER APARTMENT (CONSTANT 1998 DOLLARS)

	Pre-47	All	Post-46
1989	$221	$262	$362
1990	$178	$228	$350
1991	$180	$212	$302
1992	$178	$209	$290
1993	$184	$216	$300
1994	$200	$234	$322
1995	$211	$248	$344
1996	$205	$244	$345
1997	$233	$270	$366
1998	$254	$295	$404

1998 COST-TO-INCOME AND COST-TO-RENT RATIOS ARE LOWEST IN THIS DECADE

	'91	'92	'93	'94	'95	'96	'97	98
O&M to Income	62.9%	63.4%	62.5%	60.7%	59.5%	60.1%	58.2%	55.9%
O&M to Rent	69.6%	70.2%	69.3%	67.5%	66.2%	66.8%	64.4%	61.9%

Note: Ratios use audited costs.

Net Operating Income and Operating Cost Ratios

In most apartment buildings, revenues exceed operating costs, yielding funds that can be used for mortgage payments, improvements and, after local, state and federal taxes are paid, profit. The amount of income remaining after maintenance expenses are paid is typically referred to as "Net Operating Income" (NOI). While debt service and income taxes then determine the ultimate profitability of a property, NOI is a good indicator of its basic financial condition.

This is the fourth year that RGB staff computed NOI for buildings filing RPIE forms. On average, apartments in rent stabilized buildings generated $295 of net income per month in 1998, with units in the pre-war stock earning less ($254 per month) than those in post-war properties ($404 per month). NOI tended to be much higher for stabilized buildings in Manhattan ($451) than for those in the outer boroughs. Average NOI in "all-residential" properties was $253 per unit per month in 1998, 14% lower than the norm for all stabilized buildings. (See Appendix C.4)

What these figures tell us is that as the revenue available after payment of operating costs, NOI is the money owners have for financing their buildings, making improvements, and for pre-income tax profits. NOI does not say anything about the ultimate profitability of a particular property, which depends on mortgage payments and income taxation, data that is not included in this analysis. That said, multiplying the average monthly NOI of $295 per stabilized unit by the typical size of buildings in this year's cross-sectional sample (46 units) yields an estimated mean annual NOI figure of roughly $163,000 for a hypothetical 'average owner' in 1998.

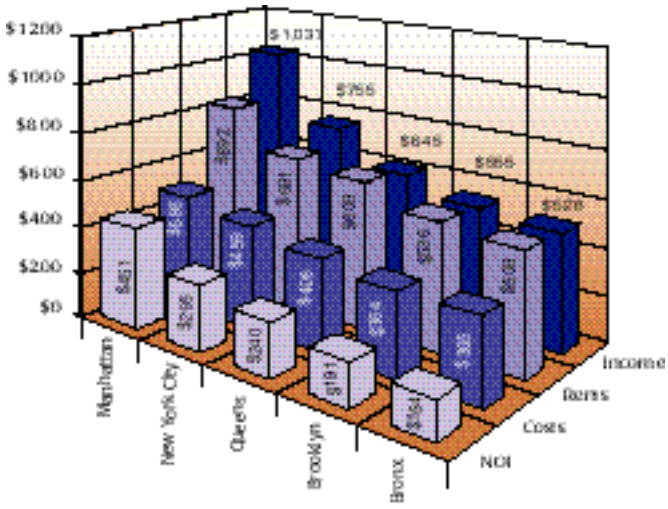
Traditionally, the RGB has used "cost-to-income ratios" to evaluate the profitability of New York's stabilized housing, presuming that buildings are better off by spending a lower percentage of revenue on expenses. Over the last ten years, the proportion of total income spent on audited operating costs has both risen and fallen in stabilized buildings. From a peak of 63.4% in 1992, following several years of

declines and rises, the cost-to-income ratio was 55.9% in 1998, the lowest average ratio in eleven years. As operating costs have consumed less revenue in recent years, inflation-adjusted NOI in 1998 was 13% more than the average found in 1989.

These NOI figures suggest that New York's stabilized housing market has emerged from the deep recession of the early 1990's and is now experiencing better financial conditions. During the stagnant economic period of the early 1990's, unemployment and collection losses rose in the City, limiting owners' ability to offset rising operating costs by raising rents. This trend started reversing around 1993, when the City's economy improved to the point where rents (and revenues) increased faster than costs, which remained stable until 1996. The 1996 RPIE data showed that rent stabilized properties experienced leaps in several cost categories, reversing the three-year trend of stable and moderate cost growth. Rent and income collections strongly outpaced costs in 1997 and 1998, however, and will be discussed in the longitudinal section of the study. The result of these conditions is a robust increase in average monthly inflation-adjusted NOI of $25 from the previous year ($270 to $295). For a detailed view of NOI trends, the graph and table on the previous page show average monthly NOI by building age from 1989 to 1998 in constant 1998 dollars. After seven years in which NOI did not reach levels seen in the late 1980's, both 1997 and 1998 show real term improvement in NOI levels, for the first time in the decade.

Stabilized Rents were Highest in Manhattan During 1998

(Average Monthly Income, Rent, Operating Cost, and Net Operating Income per Dwelling Unit)



Source:NYC Dept. of Finance, 1999 RPIE Filings

Longitudinal Study

Rents and Income

As the local economy continued its upward trend, average rent collections in stabilized buildings rose by 5.5% in 1998, which was nearly identical to the increase observed during 1997 (5.4%). The increases seen in 1998 are most likely propelled by reductions in vacancy and collection losses, which allowed landlords to keep more of their rent rolls. Rising investment in property improvements may also be boosting rent collections since the costs of renovating building-wide systems and individual apartments can be added to stabilized rents. The vacancy increase implemented by New York State in June of 1997 (18%-20%), under the Rent Regulation Reform Act of 1997, may also have contributed to the strong increase seen in rents from 1997 to 1998.

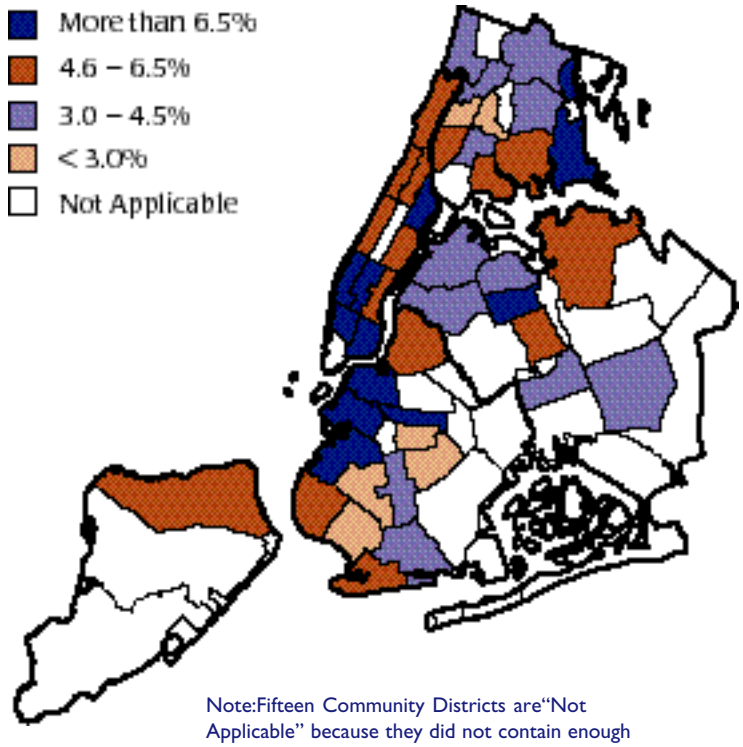
In a departure from last year, rent collections in older (pre-47) buildings grew at a slower pace (5.4%) than those in newer (post-46) properties (5.8%). Rent collections increased by 6.8%, 5.4%, and 5.0% for small (11-19 unit), medium (20-99 unit), and large (100+ unit) buildings respectively. Once again, small buildings appear to have the highest gains in rent collections, gaining the highest rent growth of all the size categories for five years in a row.

The total income collected in rent stabilized buildings, comprising apartment rents, commercial rents and sales of services, increased by 5.3% from 1997 to 1998, an increase of one-tenth of a percentage point over the rate observed in the previous year (5.2%). Revenues rose at similar rates in pre-war buildings (5.4%) and post-war buildings (5.2%). In contrast to last year's findings, all three size categories saw similar income growth. Medium buildings experienced a 5.3% growth in income, followed by small and large buildings which both had increases of 5.1% in collected income. (See Appendix C.8)

Rent collections in stabilized properties rose 6.5% in the borough of Manhattan as a whole from 1997 to 1998. At the neighborhood level, rent increases in

Stabilized Rents Rose Highest in Manhattan and Brooklyn in 1998

(Change in Collected Rents 1997-98)



Note:Fifteen Community Districts are"Not Applicable" because they did not contain enough stabilized buildings to calculate reliable statistics. Areas shaded white may also denote non-residential spaces, such as parks,bodies of water and airports.

Source:NYC Dept. of Finance, 1999 RPIE Filings

Manhattan's "Core," the area below East 96th and West 110th Streets, were all above the City and borough average. In the northern portion of Manhattan, rent growth was more moderate, with rent increases in two neighborhoods, Washington Heights/Inwood and Morningside Heights/Hamilton, below the citywide average.

Rents in the boroughs of Queens (4.6%), the Bronx (3.9%) and Brooklyn (3.8%) increased less rapidly than in the borough of Manhattan (6.5%) from 1997 to 1998. As the accompanying rent collection growth map shows, the citywide average (5.5%) was brought up by the rapid rent growth that was concentrated in Manhattan, while areas in the outer boroughs experienced more moderate and varied rent collection growth.

Operating Costs

Expenses in stabilized buildings grew less rapidly (1.5%) than increases in both rents and revenues from 1997 to 1998. This year, the 1.5% increase in operating expenses was the lowest growth rate recorded for costs in the nine years the RGB has been collecting longitudinal data in the I&E study.[4] Costs rose faster in pre-war buildings (1.9%) than in modern properties (0.9%) in 1998. While the I&E studies have reflected that rent and income revenues tend to rise at similar rates to one another, operating cost increases are much more variable, often the result of volatile changes in the cost of fuel, as the graph on the following page of expense growth from 1995 to 1998 shows.

The relatively low growth in expenses (1.5%), a decline of last year's 1.9% increase, was attributable to actual drops in fuel, insurance and utility costs, and low rates of increase in taxes and labor expenses. The expense categories of maintenance, administration and miscellaneous costs rose more swiftly in stabilized buildings than they did in the previous year. Similar to last year, size influenced cost growth as expenses rose by 3.1%, 1.5%, and 1.1% respectively in small, medium, and large buildings.

While overall cost growth was relatively low in 1998, some expenses contributed to the low rate of increase more than others. Fuel costs declined sharply, by 17%, the largest drop since 1991, insurance rates fell by 3.4% and utilities declined by 2.9%. Other expenses contributing to the average increase included the modest gains in taxes (1.0%) and labor costs (2.0%). These declines and modest gains were offset by increases in administration, maintenance and miscellaneous costs, which grew by 7.6%, 7.9% and 9.2%, respectively. Had it not been for the large decrease in fuel costs, there would have been a significant increase in overall costs.

The RPIE and the RGB's long-running "in house" survey, the PIOC, each provide a form of independent verification for the expense findings in the other.

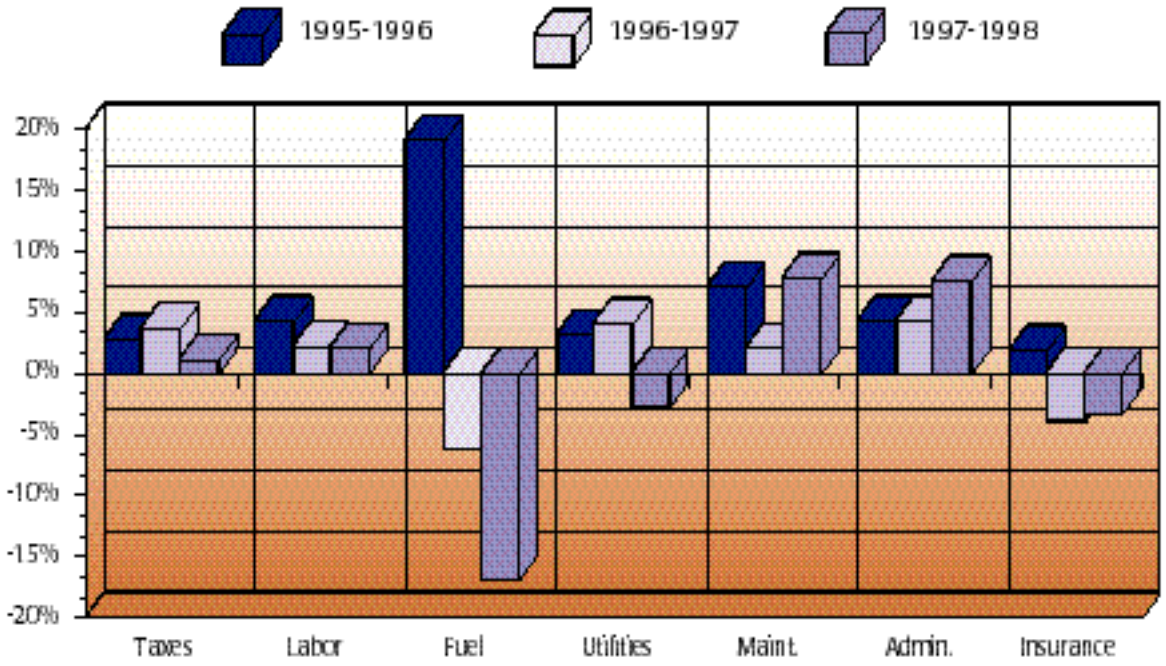
However, comparison of I&E and PIOC data is somewhat distorted due to differences in the way each instrument defines costs and gathers data about them. For example, there is a difference between when expenses are incurred and actually paid by owners as reported in the RPIE, versus the cost quotes obtained from vendors for specific periods as surveyed in the PIOC. In addition, the PIOC primarily measures prices on an April-to-April basis, while most RPIE statements filed by landlords are based on the calendar year. To compare the two, weighted averages of each must be calculated, at the price of some accuracy.

Over the past several years, growth in PIOC-measured costs has consistently differed from expense increases reported in RPIE data. Since the beginning of the decade, the PIOC has grown faster in periods of economic downturn, and the RPIE has grown faster in recovery. While the "gap" between the two indices has been steadily narrowing since 1993, this year there was a difference of 1.4 percentage points between the two indices, the largest difference since 1992-93. This year, as the graph on the next page shows, the PIOC (adjusted for comparison purposes) showed barely any increase in expenses (0.1%) while the RPIE showed overall growth in expenses of 1.5%. Closer examination reveals that the PIOC and RPIE reported similar changes in the cost of fuel, taxes and labor, while the RPIE saw greater increases in the costs of maintenance and administration, and a decrease in the cost of utilities which could account for the difference between the two indices in 1998.

The PIOC, vital to the RGB as an indicator of current costs, may be most robust when measuring cost increase trends as New York's rent stabilized housing market emerges from recession. This is because the PIOC is strong at tracking costs during economic upswings, when all types of costs are generally increasing, and when accelerating revenue growth induces fewer owners to cut back on maintenance services and other elective costs. The longitudinal RPIE

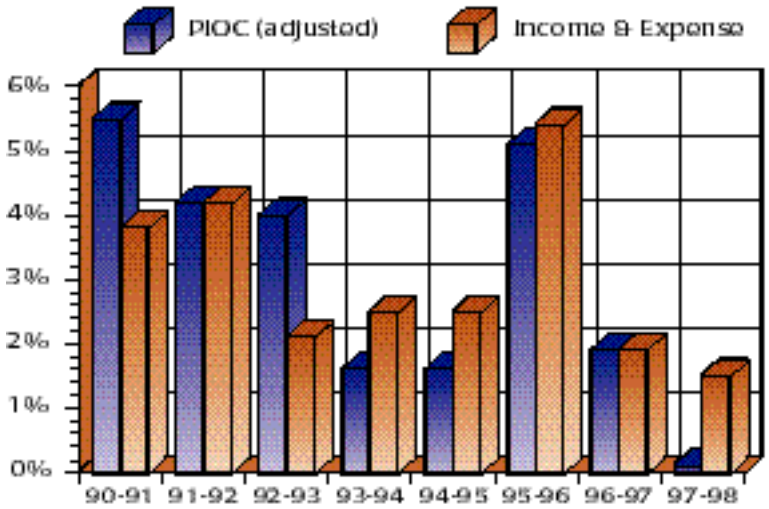
Fuel Costs Show the Most Volatility from 1995-1998

(Change in Operating Cost Components, by Year, 1995-1998)



Source: NYC Department of Finance, 1997, 98 & 99 RPIE Filings

In 1998, the I&E Found Increases in Operating Costs of 1.5%, while the PIOC was much lower
(Change in Operating Costs, PIOC and I&E, 1990-91 to 1997-98)



Note: The PIOC increase is adjusted from the April-to-April to the July-to-July fiscal year.

Source:NYC Dept. of Finance, 1999 RPIE Filings, PIOC 1990-98

data, on the other hand, is a highly reliable measure of cost trends over both the short and long term because the I&E Study relies on actual empirical data supplied by a large number of the City's stabilized owners. Unfortunately, due to filing periods and processing time, RPIE data is not available to the RGB for more than a year after the calendar reporting year has ended.

Overall, from 1990-91 to 1997-98, cumulative growth in the two indices seem to confirm the accuracy of one another as the PIOC registered cost growth of 26.5% in stabilized buildings compared to a 26% increase reported in RPIE filings. However, aggregate increases in fuel, maintenance and insurance costs do vary considerably between the two indices over the last eight years.

Operating Cost Ratios

The proportion of gross income spent on unaudited expenses declined by slightly more than two percentage points between 1997 and 1998. A similar drop was observed in the amount of income spent on audited expenses and the proportion of rent used to pay audited costs. These drops in the O&M Expense-to-Income and the O&M Expense-to-Rent ratios comprise the fifth time in six years that the proportion of income or rent spent on expenses decreased. Both ratios decreased each year from 1993-95, then increased slightly in 1996, primarily because of sharply increased fuel expenses that year. The declines in the operating cost ratios of more than two percentage points are also the largest drops seen in these ratios in the nine years that longitudinal data has been collected.

"Distressed" Buildings

Roughly 6% of the buildings in this year's longitudinal sample (627) faced costs that exceeded revenues, slightly more than one percentage point lower than the rate of "distressed" buildings observed last year. Only 36 of these buildings were built after 1946. The fundamental conditions besetting these buildings did not change. Such properties are burdened by low rents, lack of commercial income, and high operating expenses.

Net Operating Income

Since revenues grew much more rapidly than operating costs in stabilized buildings during 1998, it is not surprising that citywide NOI increased over the year by an average of 11.8%, a slight increase from 1997 (11.4%), and a significant increase over 1996 (2.3%). The 11.8% increase in average NOI from 1997-98 is the highest rate of NOI growth found in the nine years for which longitudinal data has been collected by the RGB.

In a departure from the previous year, NOI grew at nearly the same pace in the pre-war stock (11.9%) as it did in post-war properties (11.6%). Earnings that remained after operating and maintenance expenses were paid rose the most from 1997-98 in medium-sized (20-99 units) and large (100 or more units) buildings. These properties enjoyed NOI growth of 12.5% in medium-sized structures and 10.3% in large buildings. Small buildings with 11-19 units experienced a strong average increase in NOI of 8.8%, although this rate is below the NOI increase rate for the City as a whole. (See Appendix C.9)

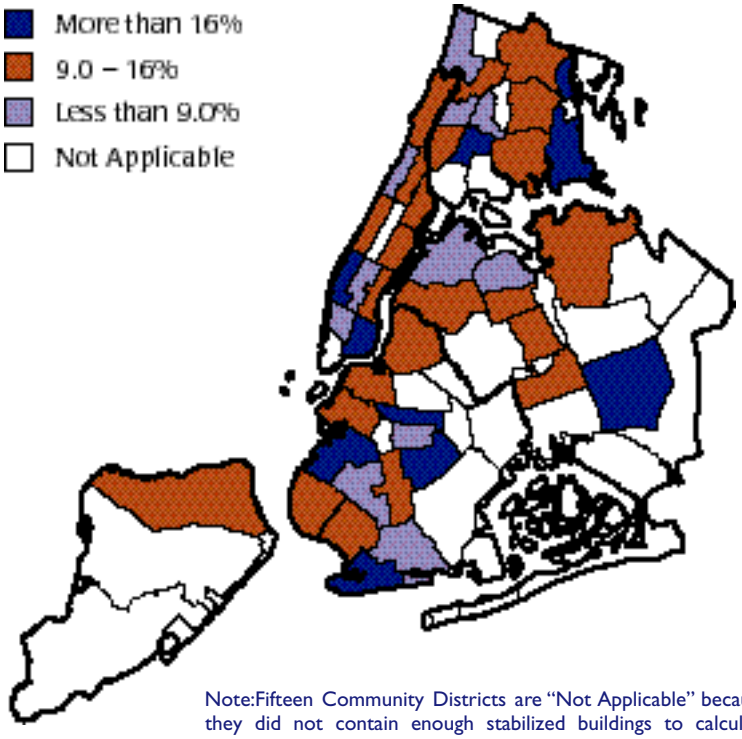
Growth trends in pre-income tax and pre-debt service gains to owners were highly varied at the neighborhood level across the City from 1997-98. NOI rose strongly throughout most of the borough of Manhattan at an average rate of 12.4%, followed by the Bronx at 11.3%, Brooklyn with 10.8% and Queens with 8.0%. The accompanying map shows that NOI growth was varied but generally strong across the City from 1997-98. (See Appendix C.9)

Conclusions

The RPIE records show that the overall financial condition of New York City's rent stabilized properties is continuing on the path of improvement that it has enjoyed for the past several years. As the table on the next page illustrates, 1997-1998 was a record year in all I&E categories: the highest rent and income increases (5.5% and 5.3%, respectively), the lowest increase in operating expenses (1.5%), and consequently, the highest growth in NOI at 11.8%. In 1998, owners of rent stabilized buildings generally had a larger amount of inflation-adjusted income after operating and

NOI Grew Fastest in Manhattan and Brooklyn's Stabilized Buildings During 1998

(Change in NOI 1997-98)



Note:Fifteen Community Districts are "Not Applicable" because they did not contain enough stabilized buildings to calculate reliable statistics. Areas shaded white may also denote non-residential spaces,such as parks,bodies of water and airports.

Source:NYC Dept. of Finance, 1999 RPIE Filings

Longitudinal Growth Rates in All I&E Categories are Records (highest or lowest) from 1997-98

(Change in Rent, Income, Cost and NOI Indices, 1989-90 to 1997-98)

	Avg. Rent Growth	Avg. Income Growth	Avg. Cost Growth	Avg. NOI Growth
89-90*	3.3%	3.7%	7.1%	-1.8%
90-91	3.4%	3.2%	3.4%	2.8%
91-92	3.5%	3.1%	4.2%	1.2%
92-93	3.8%	3.4%	2.1%	6.3%
93-94	4.5%	4.7%	2.5%	9.3%
94-95	4.3%	4.4%	2.5%	9.0%
95-96	4.1%	4.3%	5.4%	2.3%
96-97	5.4%	5.2%	1.9%	11.4%
97-98	**5.5%**	**5.3%**	**1.5%**	**11.8%**

Source: NYC Department of Finance, 1990-1999 RPIE Filings
* See Endnote 4.

maintenance expenses were paid. This leaves more funds for mortgages, building improvements, and profit than they netted in the previous year.

Methodology

The information in this report was generated from summaries of raw data from RPIE forms filed with the NYC Department of Finance in 1998 by owners of apartment buildings with eleven or more dwellings. The data in these forms, which reflects financial conditions in stabilized buildings for the year 1998, was computerized in late 1999, and made available to RGB research staff in early 2000.

Two types of summarized data, cross-sectional and longitudinal, were obtained for stabilized buildings. Cross-sectional data, which provides a "snapshot" view, comes from properties that filed RPIE forms in 1999. This data is used to compute average rents, operating costs, etc. that are typical of the year 1998. Longitudinal data, which provides a direct comparison of identical elements over time, encompasses properties that filed RPIE forms in both 1998 and 1999. Only buildings with an actual assessed value of more than $80,000 were included in the cross-sectional sample and the longitudinal sample for both years. The longitudinal data describes changing conditions in average rents, operating costs, etc. by comparing matched forms from the same buildings over two years. Analysis of filing dates shows that RPIE forms reflect conditions around July of the previous calendar year. Thus, cross-sectional data in this report measures conditions in effect throughout 1998, while longitudinal data measures changes in conditions that occurred from 1997 to 1998.

This year, 12,383 rent stabilized apartment buildings were analyzed in the cross-sectional study, and 10,061 stabilized properties were examined in the longitudinal study. Buildings were sampled by matching a list of properties registered with the New York State Division of Housing and Community Renewal (DHCR) in 1998 with buildings that filed a 1998 RPIE statement (or 1997 and 1998 statements for the longitudinal sample). The number of buildings in both the cross sectional and the longitudinal sample increased from the previous year. The cross-sectional sample increased by 931 buildings (8%) and the longitudinal sample saw an increase of 281 buildings (3%). After two years of decreases in sample sizes, this increase may mean that more

building owners are complying with regulations that require filing. Also, the building list used to gather the sample was updated which may also account for the increased sample size.

Once drawn, preliminary building samples were "cleansed" by rejecting properties that met the following criteria:

- They contained fewer than 11 units. Owners of buildings with fewer than 11 apartments (without commercial units) are not required to file RPIE forms;

- Owners did not file a 1998 RPIE form for the cross-sectional study, or a 1997 and a 1998 RPIE form for the longitudinal study;

- No unit count could be found in RPIE filings;

- No "apartment rent" was recorded on the RPIE forms. In these cases, forms were improperly completed or the building was vacant.

Three additional methods were used to weed out inaccurate building information that could have distorted the final results:

- In early I&E studies, the Department of Finance used the total number of units from the RPAD (assessed value) file to classify buildings by size and location. Board researchers found that sometimes the unit counts on RPIE forms were different than those on the RPAD file. It was decided that residential counts from the RPIE form were more reliable.

- Average monthly rents for each building were compared to rent intervals for each borough, computed from the 1998 *Recent Movers Survey* to control data quality since rent data from the 1996 HVS is out of date and the 1999 HVS data was not yet available when the Department of Finance culled the data. Properties with average rents outside of the ranges were removed from all samples. This year, 185 buildings were expelled from both samples for this reason. Most of these buildings (122) were expelled for having average rents below $100 per month, although 63 buildings with average rents in excess of upper limits calculated individually for each borough were also removed. Such culling is critical since strongly aberrational data may reflect data entry errors such as adding an extra digit, and thus can impair the overall accuracy of the analysis.

- Buildings in which operating costs exceeded income by more than 300% were excluded from both the cross-sectional and longitudinal samples. Three properties were excluded from each sample for this reason.

As in prior studies, after compiling both samples, the Department of Finance categorized sample data reflecting particular types of buildings throughout the five boroughs (such as structures with 20-99 units built in Brooklyn before 1947). Staten Island is not included in most data comparisons between boroughs because it contains too few stabilized buildings in most size and age categories to calculate reliable statistics. All data is weighted using HVS information to reflect the distribution of stabilized buildings in New York City. ❒

Endnotes

(1) Mean contract rents for 1998 were computed using the 1999 New York City Housing and Vacancy Survey (HVS). RPIE data includes information on some rent controlled units. In order to arrive at a rent figure comparable to the I&E data, controlled and stabilized units from the 1999 HVS were combined to compute an average rent for all regulated units.

(2) Preferential rents refer to actual rent paid which is lower than the "legal rent," or the amount the owner is entitled to charge. Owners often offer preferential rents when the current market cannot bear the legal rent.

(3) The average monthly operating cost is deflated by 8% to arrive at the audited figure of $422.

(4) Even though percent changes were calculated for 1989-1990, these figures cannot be compared to later years because only 382 buildings were included in the longitudinal sample. Comparisons are best made between 1990-1991 and later years when the sample increased to approximately 10,000 buildings due to computerization of RPIE data.

The Rent Guidelines Board
2000 Mortgage Survey

What's New

- ✔ Average interest rate for new multifamily mortgages is 8.71% - the first increase in three years.
- ✔ Average fees (points) for new loans have declined to 0.99% - the lowest in the history of the survey.
- ✔ Terms have remained flexible in response to increased levels of demand and declining defaults.
- ✔ Underwriting criteria (loan-to-value and debt service ratios) have remained unchanged from last year, signs of a stable mortgage market.
- ✔ New geographic questions reveal lending practices and interest rates vary little between boroughs and that lending criteria and building characteristics weigh more heavily in the type of terms and rates offered to borrowers.

Summary

The Rent Guidelines Board's 2000 *Mortgage Survey* reveals both important changes and continued trends in the multifamily mortgage financing market. For the first time in three years, interest rates charged to those seeking both new financing and refinancing for multifamily properties increased. However, the trend of flexible lending practices and increases in loan activity continued, indicating that interest rates are still low enough by historical standards to encourage both new borrowing and refinancing. For the first time, lenders were surveyed about the geographic location in which they provided mortgages. The geographic questions found that neither lending practices nor interest rates vary significantly between the City's boroughs and that lending criteria and building characteristics weigh more heavily in the type of terms and rates offered to borrowers.

Introduction

Section 26-510 (b)(iii) of the NYS Rent Stabilization Law requires the Rent Guidelines Board to consider the "costs and availability of financing (including effective rates of interest)" in its deliberations. To assist the Board in meeting this obligation, each January the RGB research staff surveys financial institutions that underwrite mortgages for multifamily properties in New York City. The survey responses provide details about New York City's multifamily lending during the 1999 calendar year. The survey is organized into five sections: new and refinanced loans, underwriting criteria, non-performing loans, characteristics of buildings in lenders' portfolios and geographical distribution of lending practices.

Survey Respondents

Of the sixty-eight surveys mailed, twenty-seven financial institutions responded, one more than last year. The survey sample is updated annually to include only those institutions offering loans for multiple dwelling, rent stabilized properties. New institutions were found through research in trade journals, directories, World Wide Web search engines and lists compiled by the Federal Deposit Insurance Corporation (FDIC). Of the twenty-seven respondents, one was a commercial mortgage firm, one was a governmental agency, one was a non-profit development corporation and the rest were traditional lending institutions including savings banks, savings and loans (S&L's) and commercial banks.

The FDIC provided data about the multifamily real estate holdings of the survey respondents. There is significant variety in the dollar value of the holdings of the respondents, ranging from $75,000 to $2.6 billion. Five had over a billion dollars in holdings, while three had under ten million. The average holding was $556 million.

As demonstrated in previous surveys, a few large lenders provided the majority of new and refinanced mortgages. Of the entire pool of respondents, three provided almost 65% of the total volume of new mortgages, and five provided almost 80% of the total volume of refinanced loans of all respondents. All of these institutions were mainstream banks.

Nineteen institutions responding this year also completed last year's *Mortgage Survey*, a decrease of two from the previous year. By examining longitudinal respondents, the staff was better able to distinguish between actual changes in the lending market versus fluctuations caused by different institutions responding to the surveys in consecutive years. This report begins by discussing findings from a cross-sectional study of all respondents to the 2000 *Mortgage Survey* followed by an analysis of the longitudinal group.

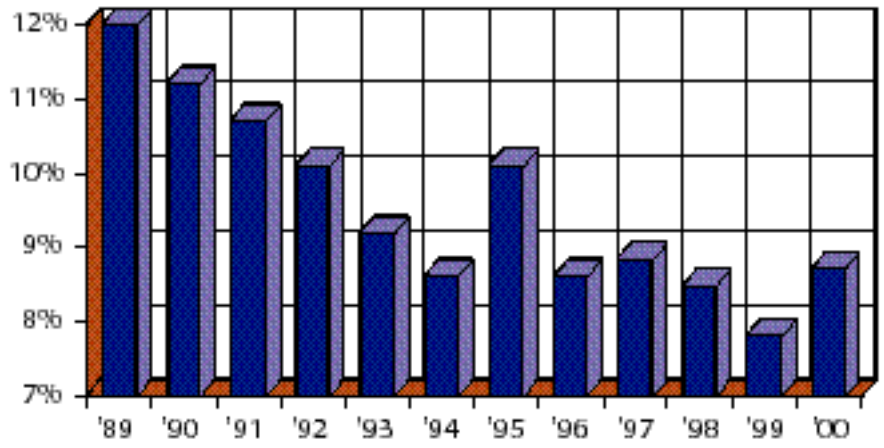
Cross-Sectional Analysis

Financing Availability and Terms

Average interest rates increased this year, for the first time in three years. This year's average rate of 8.71% for new multifamily mortgages was an increase of 0.90 percentage points, or 12%, from the previous year. There are many factors that this increase can be attributed to, most notably the actions taken by the Federal Reserve Board to raise interest rates in an attempt to prevent the United States economy from "overheating."[1] In addition, bank mergers and acquisitions reduced the universe of lenders, and therefore the amount of competition, part of the ongoing trend in the banking industry that continued unabated last year. The graph below illustrates the change in interest rates over the last decade.

Of the twenty-seven institutions responding to the survey this year, virtually all (25) also offered refinanced mortgages, and usually on the same terms. While most charged the same rate for refinanced and new originations,

Multifamily Mortgage Interest Rates Increase
(Average Interest Rates for New Loans, 1989-2000)



Source: Rent Guidelines Board, annual *Mortgage Surveys*.

Definition of Terms

Actual LTV - the typical loan-to-value ratio of buildings in lenders' portfolios

Debt Service - the repayment of loan principal and interest

Debt Service Ratio - net operating income divided by the debt service; measures the risk associated with a loan; the higher the ratio, the less money an institution is willing to lend

Loan-to-Value Ratio (LTV)- the dollar amount institutions are willing to lend based on a building's value; the lower the LTV, the lower the risk to the lender

Maximum LTV - the loan-to-value ratio set by the lenders as part of their underwriting criteria

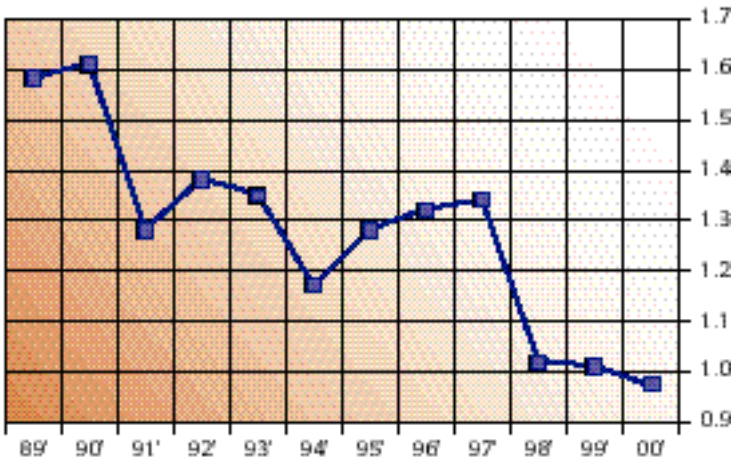
Points - upfront service fees charged by lenders as a direct cost to the borrowers

Terms - the amount of time the borrower has to repay the loan; generally, the term should not exceed the remaining economic life of the building

The average interest rate for new multifamily mortgages is 8.71% - the first increase in three years.

Service Fees for New Loans Continue to Decline

(Average Points Charged for New Loans, 1989-2000)



Source: Rent Guidelines Board, annual *Mortgage Surveys*.

Average service fees for new loans fell to 0.99% - the lowest in the history of the survey.

three charged lower rates and one charged a higher rate for refinanced loans. The average rate for refinanced loans was 8.62%, an increase of 1.44 percentage points, or 20%, from the previous year. Of the two respondents who did not offer loan refinancing, both offered new mortgages at higher interest rates (on average 9.38%) than those offering both loan types.

Actions taken by the Federal Reserve Board in 1999 help to explain the increase in mortgage rates. In response to the strong growth in the national economy, and the ensuing potential for inflation, the Fed raised the Discount Rate — the interest rate at which depository institutions borrow from the Federal Reserve Bank of New York — two times during 1999, from 4.5% in January 1999 to 5.0% in December 1999.

Average points — upfront service fees charged by lenders — were 0.99% this year, a slight decrease from last year. Points for new mortgages ranged from 0 to 2.0%, with most respondents offering 1%. This year, the average points charged for refinanced loans was 1.01%, up from last year's figure of 0.92%. As illustrated by the graph above, average points have declined over the last twelve years.

Similar to the results from last year's *Mortgage Survey*, lenders remained flexible in the loan terms they offered this year. While term lengths are difficult to analyze (survey respondents normally provide a wide range of terms rather than a single number), the range of terms offered this year was about the same as that found last year. Mortgage terms reported by respondents again fell within the 3- to 30-year range, and most lenders offered 10- to 15- year terms. Just one lender offered a maximum term of as little as five years or less. Another five lenders gave mortgage terms of 25 to 30 years. This flexibility is in great contrast to terms found as recently as the 1995 Survey, which indicated that close to half (eight out of twenty) of respondents offered maximum loan maturities of just five years. Furthermore, this year 50% of lenders offered fixed rates, 40% offered adjustable and the rest offered both types.

The trend of increases in new and refinanced loan activity continued from the last few years. An average of 41 new loans per institution were financed in the previous year, while an average of 61 were originated this year, a 49% increase. The average number of refinanced loans rose from 50 to 65 this year, a 30% increase. These increases in loan volume were mostly attributable to increases in applications: 42% of the respondents reported significant increases in the volume of new and refinanced loan applications they received. Three institutions had increases of at least 40% in the number of applications filed. Another eight reported increases of less than 40%. But while ten institutions reported that there was no change in the number of loans from one year to the next, five respondents saw decreases in loan volume due to decreases in both approvals and applications.

Much of the trend of increased new and refinanced loan activity can be traced to the fact that while interest rates did increase over last year, they still are lower than those found in the late 1980's and early 1990's, which encouraged more borrowers to refinance their loans. This year, 90% of respondents that provided information on loan volume said they provided at least some refinancing at lower rates. Furthermore, 55% of lenders refinanced three-fourths or more of their loans at lower rates. This is in contrast to last year's rate of 47%. In addition, to determine whether small building owners were sharing in the refinancing boom, the survey asked lenders how many of their refinanced loans were to buildings with 20 or fewer units: on average, 30% of institutions refinanced three-fourths or more of these loans at lower rates. (For all data in this section see Appendix E.1)

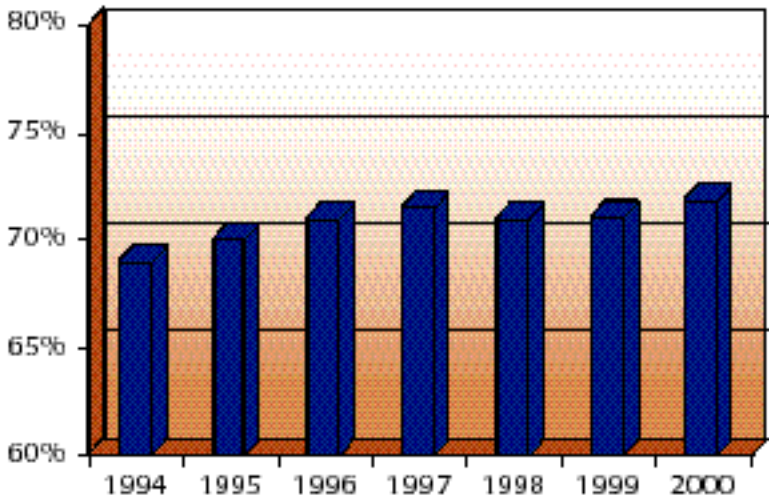
Underwriting Criteria

Lending practices have remained largely unchanged over the last few years. This trend reflects a period of low delinquencies and defaults that resulted from stricter requirements in effect during the early 1990's. In a replication of last year's *Mortgage Survey*, this year's findings provide additional evidence that while lenders are always cautious, the end of the 1990's represented a new era of ample loan availability and a continuation of the less stringent underwriting policies seen for the last several years.

In this year's survey, only two respondents reported changes in their underwriting practices: one lowered the points and fees for borrowers looking for mortgages and increased the monitoring requirement, and the other increased its overall approval rate. In terms of approvals, just one respondent reports more stringent criteria due to increased demand for mortgages.

Maximum Loan-to-Value Ratios Change Slightly

(1994-2000 Cross-Sectional Average Loan-to-Value Standards)



Source: Rent Guidelines Board, Annual *Mortgage Surveys*.

There was little change in the other areas of origination practices and standards measured by the *Mortgage Survey*. Criteria for maximum loan-to-value ratios, debt service coverage, and building characteristics, such as age and condition, varied little from last year's survey. The average maximum loan-to-value ratio (LTV), the dollar amount ceiling respondents were willing to lend based on a building's value, ranged from 63% to 90%. The average was 72.4% — virtually unchanged from the previous year's 71.1%. As illustrated by the graph on the previous page, maximum LTV ratios have increased slightly over the past seven years.

The debt service ratio (net operating income divided by the debt service) remained virtually unchanged, with an average debt service requirement of 1.24, virtually the same as last year (1.25). The debt service ratio measures an investment's ability to cover mortgage payments using its net or operating income. The higher the debt service coverage requirements, the less money a lender is willing to loan given constant net income. Because the average debt service ratio remained relatively constant since last year, we can assume that most lenders have not changed the amount of money they are willing to lend in relation to the net operating income of buildings. (See Appendix E.2)

Lenders cite other standards employed when assessing loan applications. Sixty-seven percent of lenders stipulate that overall building maintenance is an important standard when assessing loan applications. Thirty percent consider the number of units important. Fifteen percent of lenders state that they take into account the age of a building. Another 15% consider a building's potential for cooperative or condominium conversion. And 11% of lenders take into consideration whether the borrower was an occupant of the building.

Non-Performing Loans and Foreclosures

This year, just 19% of lenders report having non-performing loans and just 15% report having foreclosures over the past twelve months. In yet another sign that lenders were operating in a stable and possibly improving mortgage market, this represented a decrease from last year's figures of 29% reporting non-performing loans and 22% reporting foreclosures, representing declines of ten and seven percentage points, respectively. These non-performing and foreclosed loans represented less than 2% of respondents' total loans to rent stabilized buildings.

Four lenders who report having non-performing loans took foreclosure actions. Of those four, one seized the non-performing property, one instituted a resumption of regular debt service and arranged financing with another financial institution, and the other two lenders did not report their actions.

Characteristics of Rent Stabilized Buildings

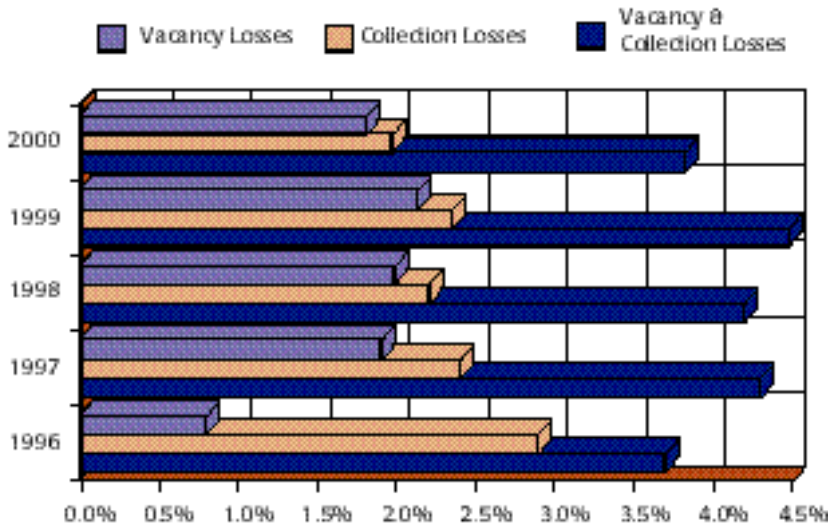
According to respondents, there was little change in the characteristics of rent stabilized buildings in their portfolios this year. As in the surveys over the previous three years, the average building size range in lenders' portfolios this year was 20 to 49 units. Furthermore, the majority of respondents (63%) report that the average building contains at least twenty or more units. However, a significant number (21%) of lenders reported that the average building financed by them was under ten units. Forty-eight percent of the buildings in lenders' portfolios were built between 1921 and 1946, the most commonly cited age range.

Over the last several years, there have been several fluctuations in the vacancy and collection losses reported by respondents. Average vacancy and collection losses dropped to 3.80%, down significantly from last year's 4.48%, a drop of 15%. In addition, the percentage of losses attributed to collection problems alone also showed a significant decrease from 2.35% last year to 1.96% this year, a decline of 17%. Moreover, the percentage of lenders facing 5% or more in vacancy and collection losses declined this year from 57% to 52%. (See graph on next page)

In this year's survey, lenders report an average loan-to-value (LTV) of 67.8%, virtually unchanged from the previous two years. This result reflects the same stability as found in the maximum ceiling LTV required by institutions. The lack of significant changes in both the average and maximum ceiling LTV ratio indicates that lenders are holding firm to their lending standards, a sign of a stable mortgage market.

There was a slight increase in both the average operating and maintenance (O&M) costs and average rent reported by respondents. The average O&M expense per unit per month reported by lenders was

Vacancy and Collection Losses Decline
(Average Vacancy and Collection Losses, 1996-2000)



Source: Rent Guidelines Board, annual *Mortgage Surveys*.

Vacancy and collection losses decreased overall to their lowest level in four years.

$337, a 1.8% increase from the $331 average found in the 1999 *Mortgage Survey*. In addition, the average rent per unit per month was $671, which was $36, or 5.7% higher than last year.[2] (See Appendix E.2)

Geographic Distribution

New to this year's survey are questions related to the geographic location of buildings to which lenders provided mortgages. These questions were added in response to queries by board members interested in getting a better understanding of the lending practices of those institutions that participated in the survey. Lenders were asked about the percentage of new and refinanced loans made to each borough, with Manhattan divided into upper and lower sections, acknowledging the common bifurcation of real estate data in that borough.[3]

The most notable finding was that the geographic location of buildings receiving new mortgages appears to be of minimal importance to lenders in determining rates and terms. Of those lenders with at least a quarter of their portfolio located in lower Manhattan (five institutions), the average new mortgage interest rate was 8.42%, 3% lower (0.29 percentage points) than the average interest rate reported by all survey respondents. The average rate was 8.58% for lenders with at least a quarter of their new loans in Brooklyn (eleven), 8.58% for the Bronx (six) and 8.67% for Queens (nine). Loans to Staten Island made up no more than 5% of any institutions' portfolios, and only one lender reported that at least 25% of loans were made in upper Manhattan.[4] (See map on next page)

The survey results indicate that most survey participants' offer mortgages throughout the city, and that few lenders concentrate on only one borough or

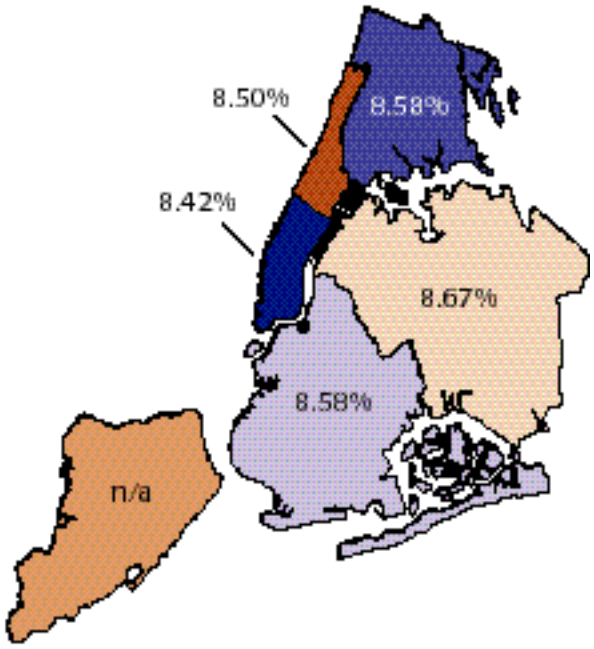
area. In this year's survey of new mortgage financing, as shown in the map on the following page, 27.09% of loans in the survey were made in Queens, 25.98% to Brooklyn buildings, 18.55% in the Bronx, 19.01% in lower Manhattan, 8.30% in upper Manhattan, and 1.43% in Staten Island.

For refinanced lending, the distribution by borough is somewhat similar — 21.69% of the refinanced mortgages in the survey were made in the Bronx, 24.57% in Queens, 22.39% in Brooklyn, 19.79% in lower Manhattan, 10.95% in upper Manhattan, and 0.53% in Staten Island.

The survey also asked lenders to report for the first time the number of dwelling units contained in the average rent stabilized building in each borough in their portfolios. Respondents replied that they most frequently lent to medium-size buildings (20-99 units) in all boroughs except Staten Island. In the Bronx, 88% of that borough's mortgages were to medium size buildings, and in upper Manhattan, 86%. Meanwhile, the other areas were more evenly divided — in Queens, 56% of the borough's mortgages were to medium-sized buildings, 53% in Brooklyn, and 50% in lower Manhattan. The remainder of the buildings in lenders' portfolios in each borough were smaller buildings, containing an average of 6-19 units — 12% in the Bronx, 14% in upper Manhattan, 44% in Queens, 47% in Brooklyn, 50% in lower Manhattan and 100% in Staten Island. While lenders do certainly lend to large buildings, none reported that their average building contains over 100 units.

Average Mortgage Interest Rates Vary Little Between Boroughs

(Average Interest Rates Charged for New Loans, 1999-2000)

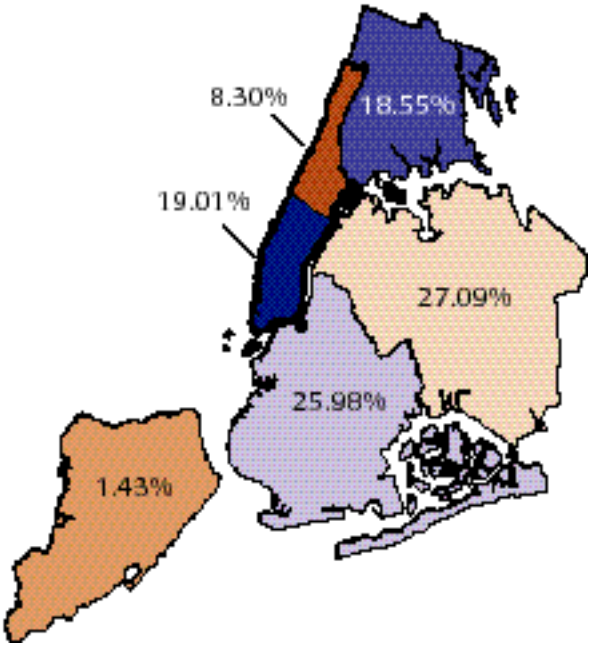


Source: Rent Guidelines Board, *2000 Mortgage Survey*.

Note: For the purposes of this survey, lower Manhattan was defined as that part of the borough south of W. 110 St. and E. 96 St., and the remainder as upper Manhattan. Staten Island rate information is "not applicable" because it does not contain enough stabilized buildings to calculate reliable statistics. These rates are the aggregate average charged by lenders citywide who offer at least 25% of mortgages in the particular borough.

Lending Institutions Offer New Mortgages Throughout City

(Average Distribution of New Mortgages By Borough)



Source: Rent Guidelines Board, *2000 Mortgage Survey*.

Note: For the purposes of this survey, lower Manhattan was defined as that part of the borough south of W. 110 St. and E. 96 St., and the remainder as upper Manhattan.

Longitudinal Analysis

Since a number of respondents reply to the *Mortgage Survey* in at least two consecutive years, information regarding rent stabilized buildings can be analyzed longitudinally to more accurately measure changes in the lending market. This longitudinal comparison helps to determine whether changes highlighted in the cross-sectional analysis reflect actual fluctuations in the lending market or the presence of a different pool of respondents this year. In this section, responses from the nineteen lenders who replied to surveys both last and this year (longitudinal group) were compared to the data from all twenty-seven institutions providing responses in the 2000 survey (cross-sectional group).

Financing Availability and Terms

Analysis of the longitudinal group provides data that supports the findings in the cross-sectional group. This year's average interest rate reported by the longitudinal group was 8.72%, which represents an increase of 11%, or 0.83 percentage points, from last year's rate of 7.89%. This mirrors changes reported by the cross-sectional group (8.71% this year and 7.81% last year, a 12%, or 0.90 percentage point, increase). (See Appendix E.3)

Similar changes were reported when looking at the interest rates for refinanced loans. Both groups' average interest rate increased from one year to the next, with the rate for the longitudinal group going from 7.64% to 8.64%, an increase of 13%. (See Appendix E.4) The average rate for the cross-sectional group, however,

increased by 20%, which may be attributable to the five new organizations that responded to this year's survey.

Average points offered by lenders remained stable for new loans but increased for refinanced loans this year, mirroring the cross-sectional findings. The longitudinal group reports an average of 0.95% for new loans, the same as last year's figure, and 0.95% for refinanced loans this year, up from 0.86%.

The longitudinal group shows an increase in the average number of new loans opened by participating institutions, from 51 last year to 54 this year. In addition, the number of refinanced loans established by the longitudinal group increased, with 52 refinanced loans this year, versus 48 the year before. The longitudinal group had slightly fewer new and refinanced loans than the cross-sectional group. However, both groups show an overall trend towards an increasing number of mortgage approvals. Most lenders in the longitudinal group report that some portions of their loans were refinanced at lower rates. Ten longitudinal respondents report increases in loan volumes in this year's survey, primarily due to an increase in loan applications.

Lending Standards

In the longitudinal analysis, respondents report little change in the average maximum loan-to-value (LTV) ratio. There was a slight decline in the maximum LTV from 71.5% to 71.2% this year. The maximum LTV ratio found in the longitudinal group was slightly lower than the LTV found in the cross-sectional analysis (72.4%) for this year. The findings of both the longitudinal and the cross-sectional groups indicate relative stability in lending criteria. The actual average LTV of the longitudinal group remained virtually unchanged at 66.3%, down slightly from last year's 68.4%. It is also similar to the 67.8% reported in the cross-sectional analysis. Furthermore, this year's longitudinal debt service coverage ratio is 1.24, the same as last year, and also the same as this year's cross-sectional group figure. (See Appendix E.5)

This year, there was a substantial drop in the vacancy and collection losses in the longitudinal group from one year to the next. This year's average vacancy and collection loss was 3.74% compared to 4.53% last year, a 17% decrease. When the collection losses were calculated separately, this year's average longitudinal figure was similar to the cross-sectional study. The aggregation of the reduction in vacancy and collection losses along with the stability of lending standards illustrate that rent stabilized building owners are continuing to benefit from a stable and accessible lending market.

Non-performing and Delinquent Loans

There was very little change in the findings on non-performing or delinquent loans for the longitudinal group from one year to the next. Delinquencies continue to be minimal, with none of the lenders in the longitudinal group reporting significant changes in non-performing loans or foreclosures from the same period last year.

Conclusion

The most significant finding of this year's survey was the rise in interest rates, primarily in response to the numerous rate increases by the Federal Reserve Board over the last year. However, despite increased rates lending standards remain stable. Fewer respondents report non-performing loans and foreclosures, and vacancy and collection losses decreased this year. These findings overall, along with an increased demand for lending services, indicate that, except for higher interest rates, borrowers were operating in a relatively stable and favorable borrowing market.

Endnotes

(1) "Greenspan Warns of Another Rise in Interest Rates," The New York Times, February 18, 2000, explains that the Federal Reserve Board Chairman Alan Greenspan has raised interest rates a number of times to avert a buildup of inflation.

(2) The per unit, per month O&M expense and rent figures reported in the *Mortgage Survey* reflect a very small, non-random sample of the City's regulated stock and are included for informational purposes only. The rent and expense figures in the *Income and Expense Study* are derived from a much larger sample of stabilized buildings and can be viewed as authoritative.

(3) For the purposes of this survey, lower Manhattan was defined as that part of the borough south of W. 110 St. and E. 96 St., and the remainder as upper Manhattan.

(4) Interest rate averages for each borough are slightly lower than the overall average rate because the institutions reporting the two highest interest rates did not report their geographic distribution of mortgage lending. Therefore, those higher rates are excluded from the calculations by borough.

Income and Affordability

- *2000 Income and Affordability Study*

The Rent Guidelines Board
2000 Income and Affordability Study

What's New

- ✔ New York City's renters earned $26,000 in 1998, 1.7% more than in 1995, adjusting for inflation. However, rent stabilized tenants earned a medium income of $27,000, an inflation-adjusted decrease of 1/2 of 1% since 1995.
- ✔ Tenants in rent stabilized apartments built after 1946 earned a median income of $30,400 in 1998, an inflation-adjusted 6.9% lower than their incomes in 1995. Pre-1947 occupants, on the other hand, after inflation, saw their income remain virtually unchanged, at $25,600 in 1998.
- ✔ The median monthly contract rent for all renter-occupied apartments rose from $600 to $648, an 8% increase. Stabilized rents rose similarly, from $600 to $650.
- ✔ Renters are paying a slightly smaller portion of their household income towards rent. The median contract rent-to-income ratio for all NYC renters fell from 27.7% to 27.2%, while respective figures for stabilized renters fell from 27.6% to 27.4%.
- ✔ New York City's economy grew by 5.3% last year.
- ✔ Employment increased by 93,000 jobs last year, including 82,700 private sector jobs.
- ✔ The unemployment rate fell to 6.7% last year, down from 8.0% in 1998. However, it remains substantially higher than the U.S.unemployment rate of 4.2%.
- ✔ Inflation averaged 2.0% in the metro area last year, up from last year's 1.6%.
- ✔ Average real wages for all NYC workers increased 4.4% in 1998.

Introduction

Section 26-510(b) of the NYS Rent Stabilization Law requires the Rent Guidelines Board to consider "relevant data from the current and projected cost of living indices" and permits consideration of other measures of housing affordability in its deliberations. To assist the Board in meeting this obligation, RGB research staff produces an annual *Income & Affordability Study*, which reports on housing costs and tenant income in New York City's rental market. The study highlights year-to-year changes in many of the major economic factors affecting New York City's tenant population and takes into consideration a broad range of market forces and public policies affecting housing affordability. Such factors include New York City's overall economic condition—unemployment rate, wages, consumer price index and gross city product—as well as the level of eviction proceedings and the impact of welfare reform and federal housing policies on rents and incomes.

This year's study benefits from newly released data compiled by the Census Bureau in its 1999 New York City Housing and Vacancy Survey (HVS), the eleventh such survey since 1965. To complete the 1999 survey, the Census Bureau interviewed approximately 18,000 renter and owner households requesting detailed information about the interviewee's family members and dwelling unit. Of particular importance to the *Income and Affordability Study* is HVS data regarding household income and rental payments, which allows us to estimate housing affordability.

Summary

New York City's economy over the past year continued to mirror the strong performance of the nation. The City's improving economy is best exemplified by the growth in the Gross City Product (GCP), which increased 5.3% in 1999, the highest recorded growth in the decade. The City also saw an increase in the number of jobs by 93,000, including 82,700 in the private sector, and a significant decrease in the unemployment rate. Inflation remained moderate last year, increasing by only 2.0%. However, while many sectors of the NYC economy have benefited, other sectors have not, including apartment-hunters and households at the low end of the income scale.

Data from the recently released 1999 Housing and Vacancy Survey reflects the duality often found in NYC's economic indicators. While inflation-adjusted New York City renter income increased slightly from 1995 to 1998 (by 1.7%), real stabilized tenant income actually declined over the same period to $27,000 (-0.5%). Overall housing affordability for stabilized tenants in 1999 showed slight improvement from 1996, with the contract rent-to-income ratio remaining under the 30% affordability level for the median household. However, the percentage of stabilized households paying 50% or more of their income on contract rent in 1996 (26.9%) was virtually the same three years later (26.8%).

The 1999 citywide vacancy rate of 3.19%, the lowest found since 1987, indicates that while owners are experiencing fewer vacancies, fewer apartments are available for tenants. Furthermore, the vacancy rate for stabilized apartments was even lower at 2.46% in 1999. The lack of housing availability in NYC is exacerbated by both increasing population and limited housing growth. The effects of low housing availability and income growth combine to hamper affordability for many stabilized households in NYC.

Economic Conditions

The City's economic health has, for the most part, continued to improve over the last year. New York City's Gross City Product (GCP), which measures the total value of goods and services produced, grew by 5.3% in 1999, a significantly higher increase than that found in recent years. Over the previous three years, the GCP grew on average by just 3.9% per year. Moreover, the NYC GCP increase in 1999 outpaced the 4.2% increase in the U.S. Gross Domestic Product (GDP).[1]

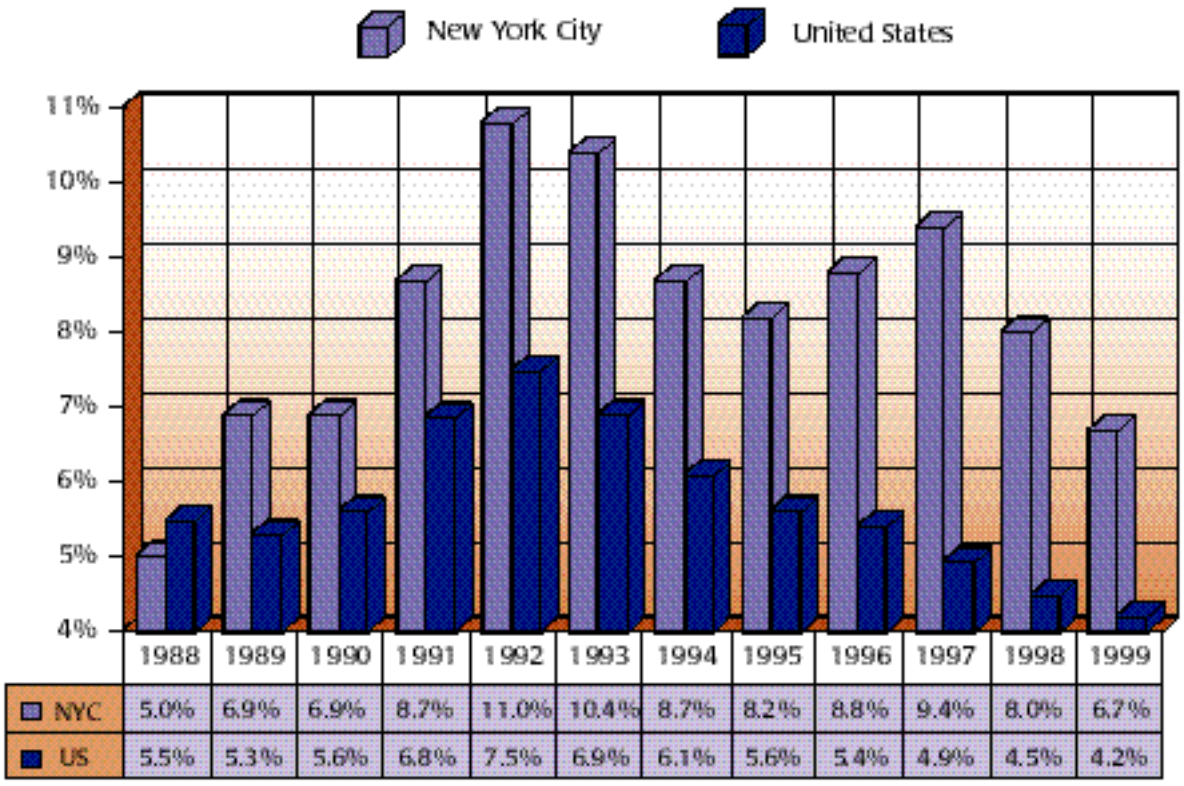
The consumer price index (CPI), which measures the change in the cost of a group of typical household goods, increased at a slightly higher rate in 1999 than in 1998 in the NYC metropolitan area, but at a lower rate than in the entire nation. The CPI increase of 2.0% in the metro area in 1999, versus 1.6% in 1998, was lower than the 2.2% increase in 1999 nationwide. (See Appendix F.6)

The employment situation has significantly improved over the last year. The NYC unemployment rate fell from 8.0% in 1998 to 6.7% in 1999. While still much higher than the U.S. unemployment rate, which was 4.2% in 1999, the discrepancy between the two narrowed to the smallest difference since 1991, as illustrated in the graph below. (See Appendix F.1)

The unemployment rate varies somewhat between each of the boroughs. In 1999, the lowest

New York City Unemployment Declines to Lowest Rate Since 1988

(Unemployment Rates, 1988-1999)



	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
NYC	5.0%	6.9%	6.9%	8.7%	11.0%	10.4%	8.7%	8.2%	8.8%	9.4%	8.0%	6.7%
US	5.5%	5.3%	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%

Source: U.S. Bureau of Labor Statistics.

rate was found in Manhattan, at 5.7% in 1999, and the highest in the Bronx, at 8.1%. All boroughs saw a drop in the unemployment rate from 1998. It declined the most in the Bronx, where it fell from 10.0% to 8.1%. Meanwhile, in Brooklyn, it fell from 9.4% to 7.8%; in Queens, from 7.0% to 5.9%; in Staten Island, from 6.9% to 5.8%; and in Manhattan, from 6.8% to 5.7%.

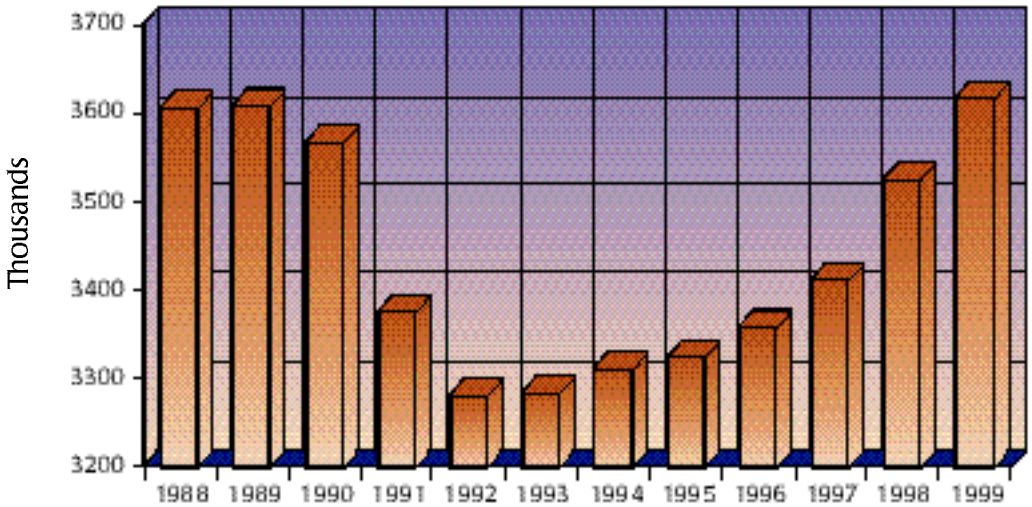
Two additional employment indices remained stable in 1999. The NYC labor force participation rate, which measures the number of people non-institutionalized, aged 16 and over who are employed or actively looking for work, decreased slightly in 1999, to 58.5%, down from 58.9% in 1998. This contrasts with the U.S. rate, which has held steady at 67.1% over the last three years. In addition, the NYC employment/population ratio, which measures the ratio of those actually employed among the aged 16 and over non-institutionalized population, increased to 54.6% in 1999, up slightly from 54.2% in 1998. The U.S. employment/population ratio, in contrast, was 64.3% in 1999, up from 64.1% in 1998. The large gap between the NYC and U.S. employment/population ratios illustrates the higher unemployment rate in NYC, which in 1999 was 2.5 percentage points, or 60% higher, than in the U.S. overall.

The employment situation in NYC continued to improve in 1999. NYC gained 93,000 new jobs, a 2.6% increase over 1998. Of these 93,000 new jobs, 82,700 were in the private sector. However, the number of new jobs in 1999 increased at a lower rate than in 1998, when 112,700 new jobs were added. Most of the job growth in 1999 occurred in the service sector, which grew by 53,700 jobs, or 4.1%. Other sectors gaining jobs in 1999 include trade, up 22,100 (3.8%); construction, up 12,800 (12.7%); and finance, insurance and real estate (FIRE) jobs, up 4,100 (0.8%). Government jobs overall increased by 10,300 (1.9%). However, the manufacturing sector continued to shed jobs, decreasing by 9,800 (3.7%) in 1999. The transportation and utilities sector also declined, by 200 jobs, or 0.1%, in 1999. (See Appendix F.2) The graph below shows the change in the average annual payroll over the last dozen years.

In another sign of an improved NYC economy, both nominal and real wages increased for NYC workers in 1998, the most recent year for which figures are available. In 1998, the average annual nominal wage was $52,006, an increase from $48,996 in 1997. Adjusted for inflation, real wages increased 4.4% in 1998. Average real wages increased in all job sectors, with the notable exception of government employment, in which real wages declined 2.4% in 1998. The

Employment Gains Match Those Found During Late 1980's Boom Years

(Average Annual Payroll Employment 1988-1999)



Source: U.S.Bureau of Labor Statistics.

manufacturing sector saw the largest increase in real wages (9.9%). (See Appendix F.3)

While the manufacturing sector saw the largest increase in real wages, the financial services industry continued to maintain the highest salaries. The FIRE sector continues to pay the highest wages of all sectors, at an average of $115,695, a real wage increase of 7.3% from 1997. By contrast, the lowest paid job sector remained trade, whose average wage was $33,256 in 1998, a real wage increase of 2.7%. This is a continuation of a trend, where the highest levels in job growth are seen in industries that pay the least, and conversely see the smallest annual increases in wages. Similarly, the highest paid sectors of the NYC economy also add the fewest jobs. This is most notable when examining the manufacturing sector, which was one of only two sectors to lose jobs in recent years, but also saw the largest increase in real wages, suggesting that the remaining manufacturing jobs pay more than those jobs being eliminated. (See Appendices F.3 and F.4)

Close examination of wage and job growth data by industry reveals a duality in the New York City economy. As a small number of workers earn more income, and the rest see their incomes increase very little (or, in the case of government workers, see a decline in real wages), this wage and income dichotomy is exacerbated. These effects contribute to the long-term trend in income inequality. According to one recent report, since the late 1970's, the gap between the richest and poorest families has grown significantly in New York State.[2] The poorest fifth of NYS families have seen an inflation-adjusted decline in income from the late 1970s to the late 1990s of $2,900, or 21%. Meanwhile, the richest fifth have seen their income increase by $45,480, or 43%, in the same time period. Furthermore, the richest 5% have seen an even larger 67% increase in income.

New York City Renters

Though the state of the City's economy offers broad indicators by which to measure the overall economic condition of New York City's residents, this report also measures more direct information about the City's rent stabilized tenants. The focal statistic from the 1999 Housing and Vacancy Survey shows that housing was generally less available compared to three years ago. The citywide vacancy rate in 1999 was 3.19%, down from 4.01% in 1996. This is the lowest vacancy rate since the 2.46% rate seen in 1987. The number of vacant-for-rent units in the city has declined by 16,800 since 1996. The vacancy rate also fell in all boroughs except Staten Island. It is the lowest in Queens, where it fell from 3.28% to just 2.11%. In Manhattan, it fell from 3.47% to 2.57%; in Brooklyn, from 4.20% to 3.26%; and in the Bronx, from 5.43% to 5.04%. In Staten Island, the vacancy rate increased from 4.17% to 5.82%.

Income

Total household income in the HVS includes wages, salaries, and tips; self-employment income; interest dividends; pensions; and other transfer and in-kind payments. According to the 1999 HVS, which reflects household income for 1998, the median nominal income for renter households in NYC increased by 10.2%, from $23,600 in 1995 to $26,000 in 1998. However, the inflation-adjusted median income for renter households increased by just 1.7%. By comparison, rent stabilized tenants, after adjusting for inflation, saw their median household income decline slightly by 0.5%, falling from $27,132 to $27,000. The figures for renters are significantly different than for all NYC households. These households saw an overall 11.5% increase in nominal average wages and a 4.2% increase in real average wages. In addition, an even greater increase in wages was found when examining data for all individuals who work in NYC but do not necessarily live in the City. These workers saw a 19.8% increase in nominal average wages and a 12.0% increase in real average wages, over the last three years. (See Appendices F.3 and F.4)

The 1999 HVS found that for those living in post-1946 rent stabilized units, their inflation-adjusted incomes actually declined in the past three years. The median income of renter households in post-1946 rent stabilized units fell from $32,644 in 1995 to $30,400 in 1998, an inflation-adjusted decrease of 6.9%. By comparison, of those in pre-1947 stabilized units, their 1998 inflation-adjusted income remained substantially lower, but virtually the same, at $25,600 (vs. $25,687 in 1995). However, the study also found that the proportion of rent stabilized households with poverty-level incomes fell slightly, from 23.6% in 1995 to 23.0% in 1998.[3]

Rent

The rent and vacancy rate data found in the HVS reveal both the disappearance of lower-rent stabilized units, as well as a decline in inflation-adjusted stabilized tenant income. The 1999 HVS found that the median monthly contract rent, which excludes any additional tenant payments for fuel and utilities, after adjusting for inflation, increased by 1.9% (from $636 to $648). For stabilized tenants, their median monthly contract rent increased similarly, after adjusting for inflation (from $636 to $650) in April 1999 dollars. For all renters, the median monthly gross rent, which includes fuel and utility payments, increased at a greater rate than renter households' incomes: the increase was 3.1%, going from $679 in 1996 to $700 in 1999, in April 1999 dollars.

Apartments renting for less than $600 were more scarce in 1999. The vacancy rate for the most affordable rental apartments fell dramatically: just 1.26% of units with asking rents of under $400 were vacant, down from 3.21% in 1996, using inflation-adjusted asking rents (converting 1996 rents into April 1999 dollars). The vacancy rate for $400-$499 units also fell, from 3.31% in 1996 to 2.53% in 1999. Also, the $500-$599 unit vacancy rate fell from 3.89% to 2.86%. The vacancy rate for all but the most expensive apartments fell similarly. However, the vacancy rate of higher-rent units increased noticeably: units renting for $1,750 and up increased from 3.40% in 1996 to 5.70% in 1999.

Furthermore, the proportion of stabilized apartments renting for less than $400 decreased substantially. In 1996, 13.1% of stabilized apartments rented for less than $400; in 1999, only 8.7% did. The number of stabilized apartments renting for $400-$499 also dropped considerably, from 15.6% to 11.7%. Meanwhile, the number of apartments renting for $500-$999 increased from 59.1% to 64.2%, and the proportion of $1000 and up stabilized units increased from 12.2% to 15.3%.

Affordability of Rental Housing

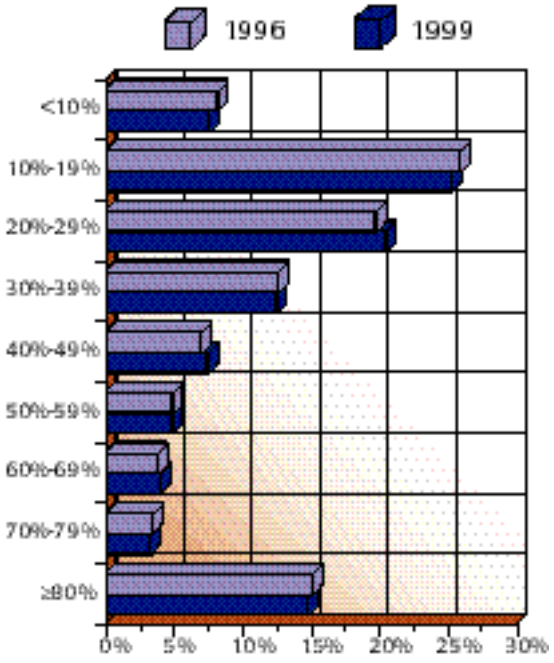
Affordability, for the typical NYC renter household, improved slightly in 1999. The median share of income paid by tenants towards gross rent in 1999 was 29.2% of their incomes, down slightly from 30.0% in 1996. After excluding utility and fuel expenses, renters' median contract rent to income ratio was 27.2% in 1999, a slight drop from 27.7% in 1996.

Stabilized tenants also saw a similarly slight improvement hold affordability. In 1999, they paid a median 29.8% of their gross income towards rent, slightly lower than three years earlier, when they paid 30.1%. Likewise, their median contract rent to income ratio improved, from 27.6% in 1996 to 27.4% in 1999. However, about the same percentage of stabilized tenants, 26.8%, in 1999 paid 50% or more of their household income for contract rent, similar to the 26.9% three years earlier. (See graph below and Appendix F.8)

During the past three years, rental housing affordability appears to have remained constant. The general lack of affordable rental housing affects more than the well being of the City's residents: it also impacts on its workforce and economic stability. As the NYS Comptroller H. Carl McCall reports in *No Room for*

After Three Years, 27% of Stabilized Households are Still Paying ≥50% of Their Income in Rent

(Percent of Rent Stabilized Households in Contract Rent-to-Income Ratio Categories)



Source: 1996 and 1999 US Census Bureau Housing and Vacancy Surveys.

Growth: Affordable Housing and Economic Development in NYC, "...with an inadequate supply of quality housing affordable to middle income households, NYC is gradually losing [the] base of its workforce." The report further states that the lack of affordable rental housing threatens the city's economic stability. The Comptroller estimates that NYC has experienced a net loss of housing stock, losing 49,600 units between 1980 and 1994, and that the New York metropolitan area ranks at the bottom among major U.S. cities in providing an adequate new supply of housing.

Another recent report indicates that housing in many U.S. metro areas, including NYC, is all but unaffordable to most.[4] The report cites that a worker living in NYC would have to earn $17.13 an hour in a 40-hour workweek, or 293% of the current federal minimum wage, to be able to afford, at the fair market rent, a 2-bedroom apartment, at 30% of income. The study also reports that 39% of renters could not afford a fair market rent one-bedroom apartment, based on the assumption that 30% of income is applied to housing costs. In fact, for a worker to afford a one-bedroom apartment in the City, one would have to earn $15.10/hour in a 40-hour workweek. Or if two wage earners resided together and each worked a 40-hour week, each would have to earn at least $7.55/hour, or 47% higher than the minimum wage, to be able to afford a one-bedroom apartment.

As rents have increased and availability declined, apartment crowding has risen, especially for stabilized tenants. According to HVS data in 1999, 11.0% of renter households were overcrowded (more than one person per room), a slight increase over 1996, when the crowding rate was 10.3%. But stabilized tenants faced an even larger increase in crowding: in 1999, 13.2% of stabilized households were overcrowded, up from 11.8% in 1996.

Post-War Versus Pre-War Stabilized Tenants

Examining differences between stabilized tenants residing in post- and pre-war buildings reveals stark differences. Changes in rent and household incomes were not evenly distributed among renters of stabilized apartments in New York City. Though we frequently speak of rent stabilized tenants as a homogenous group, the stabilized sector is extremely varied. Apartments in pre-war buildings tend to have lower rents, probably stemming from both their location and their physical condition. Specifically, pre-war stabilized apartments have substantially more maintenance deficiencies and more often are located on streets with broken or boarded up windows, according to HVS data. Further, half of all pre-war stabilized apartments are located in the Bronx (21%) or Brooklyn (29%), while just 30% of post-war apartments are located in the Bronx (11%) or Brooklyn (19%). Since the rents in the Bronx and Brooklyn are lower than the citywide average, pre-war average rents are subsequently lower.

In addition to lower rents, stabilized tenants in pre-war buildings earn 16% less household income than tenants in post-war buildings earn. Also, the two boroughs with the largest number of pre-war apartments have the highest proportion of unemployed residents (Brooklyn and the Bronx). But while pre-war stabilized tenants' household incomes remained virtually unchanged, dropping 0.3% after accounting for inflation, the median income of post-war stabilized households declined significantly, by 6.9% after adjusting for inflation.

Furthermore, stabilized tenants in pre-war buildings saw the proportion of their income paid towards contract rent decrease slightly over the last three years, from 28.2% to 27.7%, while those in post-war buildings paid a slightly higher share of income for rent, going from 26.4% to 26.9%.

Demographic Changes

As the economic condition of the City starts to catch up to the progress made by the rest of the country, so too does its population growth. Growth in the City's population, to some extent, has an effect on the affordability of housing. As more people move into the City, especially those in need of affordable rental housing, a strain is put on the existing housing stock in an already tight rental market. New York City's population in 1999 grew 0.1% to 7.43 million. While this is not a large increase, it continues the trend started in the 1980's. In the 1970s, NYC lost 10.4% of its population, or over 800,000 people. By contrast, in the 1980's, NYC's population grew by 3.5%, and in the 1990's, the City's population increased by 1.4%. (See Appendix F.5)

Immigrants played a large part in the City's growth as more than 230,000 people settled in NYC in 1995 and 1996, according to a NYC Department of City Planning report.[5] While the number of immigrants entering the City each year helps to bolster population figures, these demographics have a profound effect on many facets of City life including the availability of housing. The recently released 1999 HVS reveals that immigration is the main driving force behind the growth in the NYC population. The HVS reports that 38% of all householders in rental units in NYC are immigrants. Among rent stabilized householders, the proportion is even higher: 43% are immigrants, up from about one-third, found in the 1996 HVS. Furthermore, as new residents to the City, immigrants do not vacate an existing unit in their search for housing but rather add to the demand for the current housing stock.

Welfare Reform

The further implementation of welfare reform reduced public assistance caseloads in NYC over the past year. Continuing a trend, the number of persons receiving public assistance decreased to 563,000 by August 2000, the lowest level since January 1967 for a total decline of 597,000 since March 1995. During the first ten months of FY 2000, 62,000 public assistance recipients found employment, 27% more than in the same period in the prior year. An average of 573,000 residents received public assistance in fiscal year 2000 (covering the period July 1, 1999 to June 30, 2000), 15% less than in the previous year and 51% less than 1993's record high of 1,170,000.[6]

Furthermore, FY 2000 saw a caseload reduction of 103,000, or 15%, in the number of participants in the Temporary Assistance to Needy Families/Family Assistance Program (TANF/FAP). The Safety Net Assistance program (SNA) also saw a drop in its caseload, to 93,000 in FY 2000, 18% less than the previous year and 47% less than in FY 1997. However, there was also a slight increase in the number of new public assistance applications, with 6,000 more received this year, bringing the total number of new applications received to 203,200 in FY 2000. (See graph on next page.)

Along with these changes, the *Mayor's Management Report* also reports that 40% of TANF/FAP families participate in work activities, up from 38% the year before. Current and former welfare recipients have been able to obtain employment more easily due to the greater availability of jobs evidenced by the declining unemployment rate. This is an indication that the economy is now better able to absorb those welfare recipients seeking work than it had been able to in prior years, especially during the recession of the early 1990's.

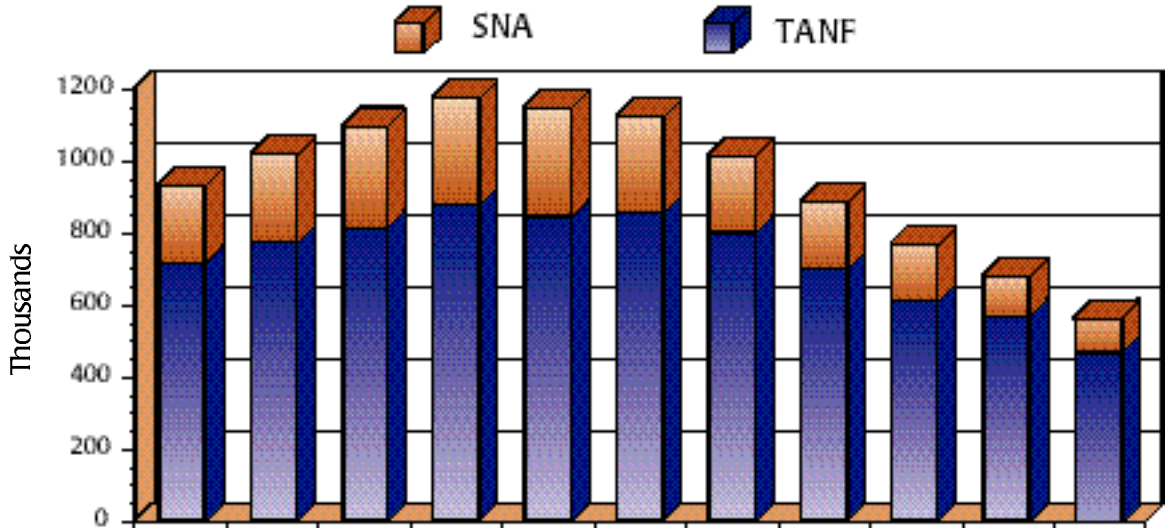
Housing Policy

After years of budget reductions, the U.S. Department of Housing and Urban Development (HUD), has continued to gather strength and resources over the last couple of years. This year, President Clinton has proposed a $32 billion HUD budget for FY 2001, the largest in more than 20 years. Included in the proposal is an increase of 60,000 new rental assistance vouchers to be distributed nationwide. Although 50,000 vouchers were approved in FY 2000, Congress had not authorized vouchers and certificates (only renewals) for the four preceding years. Also proposed are 120,000 new Incremental Housing Vouchers, of which about 1,700, at a value of $14 million, would be available in NYC to address the need for affordable housing. In addition, an $86 million increase in the Public Housing Capital Fund is proposed, bringing the total budget to $2.955 billion, with similar increases proposed in other housing program budgets. Overall, the proposed HUD budget for FY 2001 for NYC is $1.2 billion, an increase of $61 million over FY 2000.[7]

Notwithstanding federal and other governmental assistance, New York State overall still suffers from a very low housing creation rate. The U.S. Census Bureau reported that NYS ranks 49th, just above West Virginia, in the number of housing units created between 1990 and 1998.[8] During this period, NYS had only a 3.2% increase in housing units. The state has spent an average of $98 million a year statewide since 1990 (plus an additional $18 million in 1998) on building affordable housing, according to the Assembly Housing Committee.[9]

Public Assistance Caseload Continued to Decline in 2000

(Temporary Assistance to Needy Families (TANF) and Safety Net Assistance (SNA), 1990-2000)



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
SNA	207.7	245.0	281.3	296.8	299.8	268.7	209.9	179.7	152.7	113.2	93.3
TANF	716.4	771.3	811.7	873.3	840.8	850.7	798.1	700.4	610.6	562.3	479.6

*Note: In 1997 TANF and SNA replaced AFDC and HR respectively.
Source: *Mayor's Management Reports,* FY 1990-FY 2000.

Evictions & Homelessness

Homelessness & Emergency Assistance

Despite overall improvement in the City's economy, statistics reveal that homelessness remains a problem in New York City. While the average number of adults lodged in temporary housing stayed virtually unchanged during the previous two years, at 6,792 in FY 2000, the average number of families staying in temporary housing each night increased 5%, from 4,802 to 5,029. Furthermore, the average number of days that families spent in temporary housing increased by 11%, from 257 to 285 days. In addition, the number of adults relocated to permanent housing decreased this year, from 1,847 to 1,341, a 27% drop over the prior year, but the number of families relocated to permanent housing increased by 6%, from 3,569 to 3,787. Also, the number of people found ineligible for temporary housing fell by 28%, to 8,294.[10] Overall, on an average night, 22,000 use the homeless shelter system and 80,000 different people use this service over the course of a year.[11]

The number of recipients in other areas of emergency assistance this year fell as well, following a similar decline seen the year before. There was a 10% drop in the number of persons receiving food stamps, dropping by almost 95,000, to 897,000 in FY 2000. The continued reduction in demand for many areas of emergency assistance is probably due to a combination of the improving area economy as well as tougher standards that have been implemented for receiving assistance.

While the *Mayor's Management Report* for FY 2000 indicates mixed outcomes among homeless services, reports by homeless advocates paint a bleaker picture. One recent report on homelessness and welfare reform revealed that since 1995, 84% of New York State shelter operators have seen an increase in the number of mentally ill people and 68% have seen an increase in the number of mothers and children requesting shelter.[12] They have also seen a 35% decrease in the number of people using the shelters who qualify for public assistance and a 55% drop in the number of people who qualify for certain types of emergency aid, such as

money for food or clothing. According to the report, these statistics indicate that many of the indigent who are being removed from welfare rolls are still in need of assistance, but are not receiving it.

Homelessness and housing affordability remain persistent problems not only in NYC, but also nationwide. A recent study found that nearly two percent of the nation's children are likely to become homeless at some point in a given year. The study also found that about 65% more Americans had an episode of homelessness in 1996 than during 1987.[13] Furthermore, it found that most poor families are paying 60-70% of their income on rent, twice the figure from 25 years ago.

Housing Court

In addition to income and rents, the RGB gathers housing court data to assess the impact of changing economic conditions on New York City's renters. Specifically, Housing Court actions are reviewed to determine the proportion of tenants who are unable to meet their rental payments. Similarly, evictions are tracked to measure the number of households experiencing the most severe affordability problems. The passage of the New York State Rent Regulation Reform Act of 1997, which included a mandatory rent deposit provision for tenants involved in summary proceedings before Housing Court, has not significantly changed the volume and process of eviction proceedings. Most landlords continue to go to Housing Court to obtain rent from delinquent tenants.

While court filings have declined over the long run, the proportion of cases reaching trial has steadily risen. In the mid-1980s, 300,000 to 350,000 non-payment proceedings were initiated against delinquent tenants each year, approximately one quarter of which went to trial. In recent years, however, fewer than 300,000 non-payment cases have been initiated, while about 45% are scheduled for court appearances.

The number of non-payment proceedings, or filings, initiated by landlords totaled an all time high of 373,000 in 1983, the first year for which the RGB has data. Proceedings declined steadily in subsequent years and hovered around 300,000 from 1987 to 1994. Non-payment actions dropped once again in 1995, by 10%. For the past several years the number of filings has fluctuated and in 1999, landlords initiated 276,000 proceedings. (See Appendix F.7)

Unlike non-payment petition filings, which remained steady during the recession, the number of cases, or intakes, making it to the court appearance stage increased steadily between 1987 and 1993, but has declined during the current economic recovery, with the exception of an increase in 1998. This pattern reflects the strengthening economy, with tenants presumably better able to afford rents or resolve payment problems when they arise. This year the number of cases noticed for trial was 123,000, a decrease of 3.5% over last year's figure of 128,000.

Another useful indicator of the impact of economic conditions on tenants is an examination of the number of evictions. Of the 123,000 cases scheduled for trial in 1999, 18% (or 22,700) ended in evictions or possessions being warranted, the same percentage as the year before. ❒

Endnotes

(1) GCP now using 1996 base, so percentage change over prior year differs from that reported previously; also note that these numbers are preliminary.
(2) Economic Policy Institute report/Center on Budget and Policy Priorities report, "Low Unemployment, Rising Wages Fuel Poverty Decline," 10/1/99.
(3) According to the U.S. Census Bureau, the poverty threshold for a four-person family including two children was $15,976 in 1995 and $17,088 in 1998.
(4) National Low Income Housing Coalition report, "Out of Reach: The Gap between Housing Costs and Income of Poor People in the U.S.," September 1999.
(5) NYC Dept. of City Planning report, "The Newest New Yorkers 1995-1996: An Update of Immigration to the City in the Mid 90's," 11/8/99.
(6) All welfare reform section figures derived from the *Mayor's Management Report*, Fiscal 2000.
(7) HUD News Release, 2/7/00.
(8) U.S. Dept. of Commerce - Census Bureau, News Release, 12/8/99.
(9) "New York State Ranks 49th In Growth of Housing in 90's," New York Times, 12/9/99.
(10) All figures on homelessness are derived from the *Mayor's Management Report*, Fiscal 2000..
(11) "Giuliani's New Policy on Work for the Homeless Leaves Many Unanswered Questions" by Nina Bernstein, New York Times, 10/27/99.
(12) Coalition for the Homeless report, "Legacy of Neglect: The Impact of Welfare Reform on New York's Homeless," August 1999.
(13) Urban Institute study news release, 2/1/00.

Housing Supply

- *2000 Housing Supply Report*

The Rent Guidelines Board
2000 Housing Supply Report

What's New

- ✔ Vacant available rentals fell by almost 17,000 units, or 20.7%, over the last three years,lowering the vacancy rate from 4.01% in 1996 to 3.19% in 1999.
- ✔ The number of vacant available-for-rent stabilized units fell by 31.3% over the last three years.
- ✔ Over 12,000 new dwelling units were approved for construction in 1999, an increase of 20% over 1998.
- ✔ The number of units newly receiving 421-a certificates increased 189% last year, to over 6,000 units.
- ✔ About 82,000 dwellings obtained J-51 tax benefits last year, 21% fewer than in 1998.
- ✔ The City reduced its *in rem* occupied housing stock by 11%, or 1,720 units, from FY 1999 to FY 2000.

Introduction

The continuing strength of the national and local economies is reflected in New York City's housing industry. For the first time since 1987, the number of permits issued for new residential construction topped 12,000 (12,421 permits were issued in 1999, an increase of 20% over the prior year). The number of permits issued for the first three months of 2000 indicates that even more permits will be issued this year. There has also been an increase in the number of properties receiving tax incentives for new construction or rehabilitation. The number of new units benefiting from tax incentives under the 421-a program increased dramatically last year, increasing to its highest level since 1988. The number of certificates of occupancy, which are issued to new housing completions, also significantly increased last year, especially in Manhattan. However, while New York City experienced a net gain of total units from 1996 to 1999, the number of rental units declined. Furthermore, the number of units which are vacant and available-for-rent dropped considerably over the period.

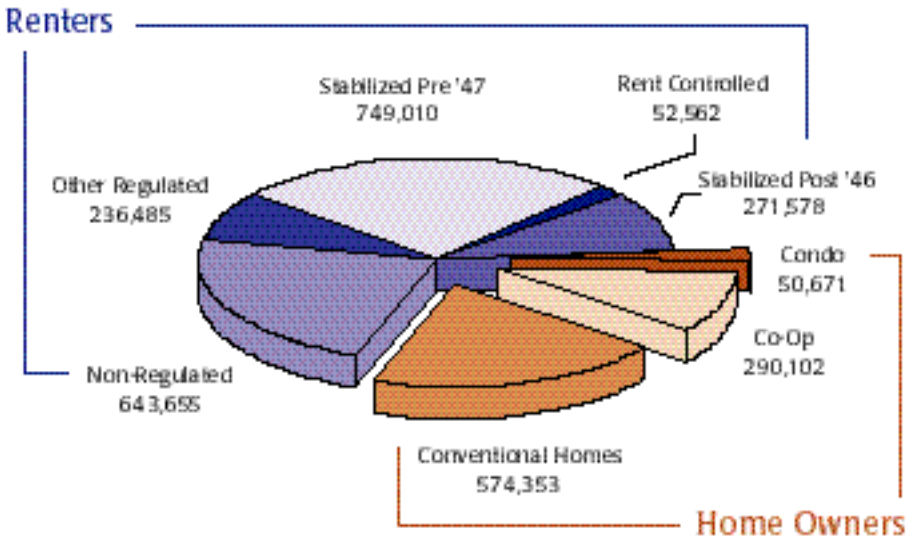
New York City's Housing Inventory

According to the 1999 Housing and Vacancy Survey (HVS), the percent of rental units relative to all dwellings declined slightly, from 70% in 1996 to 66% in 1999.[1] This shift resulted from a decline in the total number of rental units by one-half of one percent, or about 10,000 rental units, and an increase in the number of owner units by 8.7%, or about 74,000. While the proportion of rental units declined, NYC remains unique compared to other large urbanized areas in that the substantial majority of its residents live in rental units. The City's proportion of renter households is more than twice the national average, which is 34.2%, according to the 1997 American Housing Survey, also conducted by the Census Bureau. New York City is also unique in the types of dwelling units owned. Whereas conventional one- and two-family homes are the norm nationally, the high number of cooperatives and condominiums and small multiple dwellings such as brownstones in its owner-occupied housing pool further differentiates New York City from other parts of the country. In New York City, these alternative forms of home ownership account for 45% (412,000) of owner-occupied dwellings, according to the 1999 HVS, an increase from the 42% figure reported in the 1996 HVS. (See graph on next page)

Examining both rental and owner units combined, NYC saw a net increase in total housing units of 44,000, or 1.5%, to 3,039,000 in 1999. However, there was a significant drop in the number of vacant rental and owner units. The number of vacant, available-for-rent units fell 20.7% over the last three years. Similarly, the number of vacant available-for-sale units fell by 27.9%. Furthermore, the number of vacant units not available for sale or rent also fell by 19.2%.

New York City's Housing Stock is Predominantly Renter-Occupied

(Number of Renter and Owner Occupied Units)



Source: 1999 New York City Housing & Vacancy Survey, U.S. Census Bureau.

The 1999 HVS shows different shifts in the City's stock of privately-owned, rental, and vacant units unavailable for sale or rent. Although the 1999 HVS found 25,000 more conventional[2] homes than in 1996, the expansion in the privately-owned housing stock[3] stems more significantly from the addition of 49,500 cooperative and condominium apartments over the last three years, for a total gain of 75,000 owner units. However, there was a drop of almost 10,000 total rental units over the period. While unregulated units increased by more than 27,000, the number of regulated units dropped. Rent controlled units declined by 18,000, stabilized units fell by 6,000 and the number of other regulated units[4] declined by 13,000. Finally, there were 21,000 fewer vacant units which were off the sale or rental markets. These units were most likely either added to the housing market or to a lesser degree, demolished.

With the significant drop in vacant, available-for-rent and -sale units, the vacancy rate for New York City's rental stock decreased from 4.01% in 1996 to 3.19% in 1999. It is the lowest in Queens, where just 2.11%, or 9,000, available rental units are vacant. Meanwhile, Staten Island's vacancy rate, at 5.82%, is the highest. (See table at right for vacancy rate by borough.)

The vacancy rate for rental housing in New York City is a matter of close scrutiny. The City's vacancy rate is calculated triennially in the HVS to determine if the percentage of vacant rental apartments which constitutes the end of the 'housing emergency' (5%), has been surpassed. If the citywide vacancy rate exceeds the benchmark level of 5%, it would in theory mean the end of the housing crisis. At that point, rent stabilization and rent control would be subject to statutory termination.

Vacant Available Rentals

	1996	1999	Change
Total	81,256	64,412	-20.7%
Controlled	NA*	NA*	NA*
Stabilized	37,549	25,790	-31.3%
Pre-1947	29,381	20,069	-31.7%
Post-1946	8,168	5,720	-30.0%
Mitchell Lama	3,500	2,829	-19.2%
Public Housing	6,450	3,323	-48.5%
Private, Non-regulated	33,758	32,471	-3.8%

*NA:Once a rent controlled unit becomes vacant it typically converts to rent stabilization.

Source:1996 and 1999 New York City Housing and Vacancy Surveys.

Vacancy Rates

	1996	1999	Change
NYC Total	4.01%	3.19%	-20.3%
Pre-1947*	3.85%	2.61%	-32.2%
Post-1946*	2.83%	2.06%	-27.2%
Bronx	5.43%	5.04%	-7.2%
Brooklyn	4.20%	3.26%	-22.4%
Manhattan	3.47%	2.57%	-25.9%
Queens	3.28%	2.11%	-35.7%
Staten Island	4.17%	5.82%	39.6%

*Stabilized units only

Source:1996 and 1999 New York City Housing and Vacancy Surveys.

Housing in New York City is clearly dominated by the size of its rental housing stock, which comprised 66% of all occupied units in 1999. The rental housing stock is also very diverse and contains many subgroups. Unlike many other urban centers in the nation, however, the bulk of rental units in New York City are rent regulated. Of the 2,018,000 occupied and vacant available rental units reported in the most recent HVS, only about 30% were unregulated, or "free market." The remainder is comprised of rent controlled (3%), pre-war rent stabilized (38%), post-war rent stabilized (14%) and various other types of regulated apartment units (16%).

The decline in the City's stock of 6,000 rent stabilized units from 1996 to 1999 results from several specific circumstances. Units can be added to the stabilized stock in various ways. For example, units that were once rent controlled and are vacated in buildings with six or more units will generally fall under stabilization laws, unless the new rent is $2,000 or more per month. In 1996, 70,600 units were rent controlled, while 52,600 were rent controlled in 1999—a drop of 26%. Also, newly constructed units that participate in tax abatement and exemption programs, such as 421-a, will be subject to rent regulation. The 421-a plan added more than 10,000 units to stabilization from 1996 to 1999. (This program will be further discussed in the section on tax incentive programs.) However, units can also leave stabilization through several mechanisms, primarily "luxury" or vacancy decontrol, the expiration of tax incentives or co-op or condo conversion.

Different forces changed the pre- and post-war stabilized housing stock from 1996 to 1999. Though there was a decrease in the overall number of rent stabilized apartments over the last three years, the number of pre-1947 stabilized apartments actually increased by 0.7%, while the number of post-1946 stabilized apartments fell by 3.8%. Although more exact explanations will be evident when the longitudinal HVS file is released, there are two likely causes. The increase in pre-war units may in large part be due to the decline in the number of rent controlled units. Since all rent controlled units are in pre-war buildings, the 18,000 units that have been decontrolled over the last three years probably explains much of the increase in stabilized units in those buildings.

Meanwhile, the decrease in stabilized units in post-war buildings may in large part be attributed to decontrol provisions enacted by the Rent Regulation Reform Act of 1997 (RRRA-97), since post-war buildings generally command higher rents. Since RRRA-97 was enacted, many units have become deregulated due either to "luxury" or vacancy decontrol. From 1994 through May 1999, 1978 units have been deregulated due to "luxury" decontrol, according to the NYS Division of Housing and Community Renewal (DHCR). However, exact vacancy decontrol figures are unavailable. "Luxury" decontrol occurs when an occupied stabilized household's income exceeds $175,000 for two successive years and the rent is $2,000 or more per month, and vacancy decontrol occurs when the rent is $2,000 or more after a vacancy. Furthermore, the loss of post-war units may be due to expiring tax incentive programs or co-op and condo conversions, which will be discussed further below.

Changes in the Housing Inventory

New Additions

The housing inventory is typically enlarged through new construction, through substantial rehabilitation of deteriorated apartments, and through conversions from non-residential to residential use. The number of permits authorized for new construction indicates how many new dwellings will be completed and ready for occupancy within three years, depending on the type of housing structure. The gap between units issued permits and those that are actually constructed has significantly narrowed in recent years, according to the Census Bureau. Thus, tracking permits is a solid measure of new housing coming on-line in the near future.

New York City again saw a significant increase last year in the number of permits issued. In 1999, 12,421 permits were issued for new construction, an increase of 19.6% over the 10,387 permits issued in 1998. Though still well below the 1980's peak of 20,000 reached in 1985, and the 1960's average of 37,000 new permits each year, residential building has continued its resurgence since recovering from the recession of the early 1990's, as shown in the graph on the next page. More permits were issued last year than in any year since 1987. While the

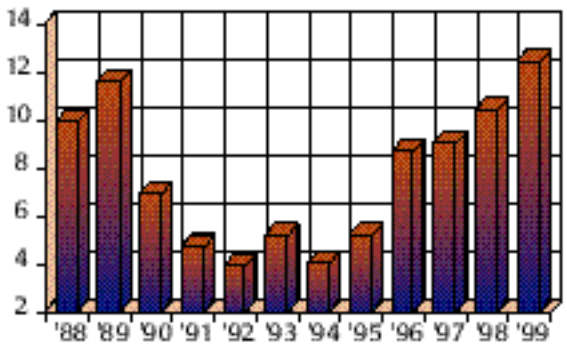
City overall saw an increase in 1999, the number of permits issued for Manhattan remained virtually unchanged, falling 0.8% to 3,791. In the Bronx, permits fell by 11.9%, to 1,153. However, the other three boroughs saw significant increases last year, most notably a 62% increase in Brooklyn, to 2,894 and 50% in Queens, to 2,169. Staten Island also increased, by 19%, to 2,414. (See the map on this page and Appendix G.1.)

In Manhattan, the Bronx and Brooklyn, however, there were significant changes in the number of permits issued during the first quarter of 2000. During the first three months of this year, Manhattan has seen a 50% increase in permits over the first three months of last year, and in the Bronx, permits are up by 102%. But in Brooklyn, permits are down by close to 50%. Staten Island remained virtually unchanged, and only Queens has seen its significant increase in permits issued last year continue into this year, with an even larger 70% increase in the first quarter. The City overall has seen an 11.4% increase in permits in the first quarter of 2000, with a total of 3,166 filed so far.

Another way of measuring the level of housing creation involves examining the number of certificates of occupancy issued each year. In 1999, there were 9,827 new housing completions citywide, a decrease of 14%. After a 534% increase the prior year, Manhattan saw the number of new housing completions fall 55% last year, from 5,175 to 2,341. The Bronx saw the largest percentage jump, increasing by 114%, from 575 in 1998 to 1,228 in 1999. Two other boroughs also saw an increase in 1999. Queens increased from 2,598 to 2,971, a 14% increase, and Staten Island increased from 1,751 to 2,262, a 29% increase. Meanwhile, Brooklyn (at 1,025 in 1999) saw a 23% decline.[5] (See Appendix G.2)

Increase in Number of Permits Issued for New Construction Continues

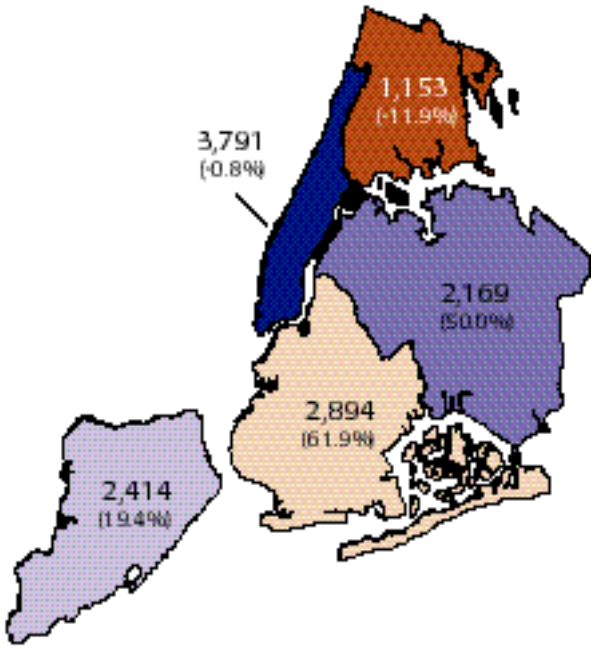
(Units Issued New Housing Permits, in Thousands)



Source: U.S. Bureau of the Census, Manufacturing and Construction Division - Building Permits Branch.

Over 12,000 Permits Issued Last Year for New Housing Units in New York City

(Total Number of Permits Issued in 1999 and Percentage Change From 1998 by Borough)



Source: U.S. Bureau of the Census, Manufacturing and Construction Division Building Permits Branch.

Tax Incentive Programs

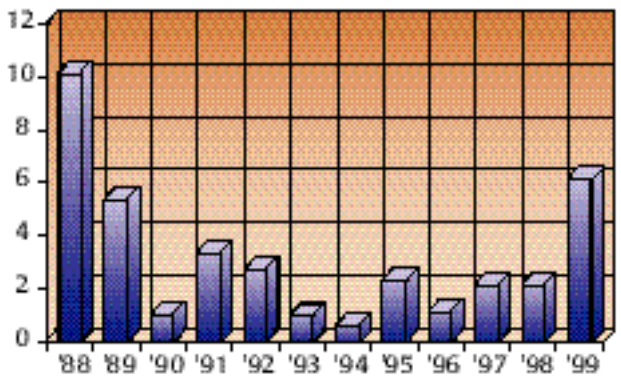
Many new multifamily properties containing three or more rental units receive tax exemptions under the 421-a tax incentive program created in 1970. The program (and its counterpart for conventional, one- to two-family homes, under Section 421-b of the New York State Real Property Tax Law) allows a reduction by owners in the taxable assessed value of eligible properties. That is, owners are exempt from paying additional real estate taxes due to the increased value of the property resulting from the improvements made. According to the NYC Department of Housing Preservation and Development (HPD), eligible projects

must be new construction of multiple dwellings on lots that were vacant, predominantly vacant or improved with a non-conforming use three or more years before the new construction is to commence. Owners are exempt from paying additional real estate taxes on the increased value of the property due to the new construction (i.e. housing structure). Apartments built with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Thus, 421-a tenants share the same tenancy protection as stabilized tenants, and initial rents approved by HPD are then confined to increases established by the Rent Guidelines Board (RGB).

The level and duration of 421-a benefits depend on geographic location, reservation of units for low- and moderate-income families, construction periods and government involvement. All properties are subject to construction guidelines as well. Rental properties located outside what is known as the Manhattan Exclusionary Zone (which is located between 14th and 96th Streets) receive an exemption for 10 to 25 years depending on location, whether they meet one of the first two conditions listed above, and whether they are located in a neighborhood preservation area. Longer exemption periods apply in northern Manhattan and the other boroughs, and to projects which receive governmental assistance or contain 20% low-income units.

Units Newly Receiving 421-a Certificates Increased 189% From 1998 to 1999

(Units Receiving Certificates, in Thousands)



Source: NYC Dept. of Housing Preservation & Development.

Housing developments located in the Manhattan Exclusionary Zone receive exemptions for ten years—a full exemption from taxes for two years, followed by an eight year period in which taxes are phased in at 20% every two years, provided they meet all of the criteria listed above. Manhattan's strong residential market has the effect of stimulating development of affordable housing in other parts of the City. Participation in the 421-a Affordable Housing Program, under the criteria listed above, enables developers of new market-rate projects in Manhattan's exclusionary zone to buy tax-abatement certificates from developers who create or rehabilitate affordable housing elsewhere in the City. For each low-income rental unit produced, five tax abatement certificates are given. According to HPD, these certificates are generally sold for $10,000 to $20,000 each.[6] There were slightly more housing starts under the Affordable Housing Program in 1999 than in 1998. It is estimated that when all the units begun in 1999 are completed, 533 new affordable units will be produced, creating 2,665 certificates to be sold. There were also 93 housing units that began undergoing gut rehabilitation under the program last year, which will produce 465 certificates.

In addition, significantly more affordable units were completed under the program last year than in the previous year. Last year, 485 new affordable units were completed, which produced 2,420 certificates for market-rate housing, and 145 units finished undergoing gut rehabilitation last year, creating 725 certificates.

Citywide, the number of apartments newly receiving 421-a exemptions increased 189% to 6,123 in 1999, from 2,118 units in 1998 (see graph on this page). The largest number of certificates awarded last year were for buildings located in Brooklyn and Queens, with each containing a third, and in Manhattan, in which 19% of the buildings receiving certificates are located. However, because Manhattan's buildings tend to be much larger, the vast majority of apartment units receiving certificates last year are located in that borough, where three-quarters of the units receiving benefits are located.

While last year's increase in the number of certificates issued was substantial, it was still lower than the late 1980's average when 8,000 new units per year received exemptions. However, the number of units receiving exemptions last year was the highest number

since over 10,000 were issued in 1988. According to the 1999 HVS, there were close to 30,000 rent stabilized apartments currently receiving 421-a benefits. These units, however, do not remain permanent members of the stabilized stock. As exemptions expire, rental apartments are no longer governed by rent regulation rules. (See Appendices G.5 and G.6.)

Conversions and Subdivisions

New York City's population last year grew one tenth of one percentage point, to 7.43 million. While small, the increase does have an impact on housing availability, as more people search for housing, particularly affordable housing, posing a further strain on an already tight housing market. Since new development alone cannot satisfy the growing needs of residents, alternative methods for supplying new housing units, such as subdivisions and conversions, help to meet demand. Conversions are generally non-residential spaces, such as offices or industrial spaces, that are converted for residential uses. Over the last few years, there has been a growing number of conversions in neighborhoods like SoHo and TriBeCa in Manhattan, and DUMBO and Williamsburg in Brooklyn. Former commercial spaces are being transformed into loft apartments in these areas, attracting those individuals who are looking for less conventional residences.

In addition to conversion of manufacturing and unused office space into residential units, there has also been an increasing number of conversions taking place among single room occupancy (SRO) buildings. Over the past few years, there have been an increasing number of reports of SRO buildings being converted to tourist hotels or single-family dwellings or apartments. SRO owners may convert SRO housing to other uses only after they obtain a "Certificate of No Harassment" from HPD. The number of Certificates issued over the past three years has greatly increased in Manhattan, where the vast majority of SRO's are located. In 1995 and 1996, an average of 67 applications were filed each year. However, from 1997 through 1999, an average of 115 applications for Certificates of No Harassment were filed in Manhattan, a 72% increase.[7]

New rental units are also added to the housing market by subdividing existing housing units. By dividing large apartments and houses into one or more apartments per floor, more units are made available for rental. However, while this helps to alleviate the housing shortage, in many cases the subdivision is done illegally and poses a danger to communities in which they are most commonly found. Illegally subdivided apartments not only violate building and maintenance codes, they also strain sanitation, sewer and school systems, and well as other City services.

To deal with the problem of illegal conversions, a Quality of Life Team, whose purpose is to address illegal conversions and related quality of life complaints, was created by the NYC Department of Buildings (DOB). According to the FY 2000 *Mayor's Management Report*, the number of complaints, field visits and violations issued have continued to increase since the advent of the team. In FY 1997, there were 1,466 violations issued, while in FY 1998 there were 4,931. In FY 1999, the city issued 6,935 violations and in FY 2000, 9,217 violations were issued, a 33% increase over the prior year.

Cooperative and Condominium Activity

Another source of new housing is created in New York City by the construction of cooperatives and condominiums. Co-ops and condos are also created by converting or rehabilitating existing units. While New York remains predominantly a city of renters, the level of home-ownership has been increasing. In fact, the number of co-op and condo apartments increased by almost 50,000 over the last three years, almost twice the number of unregulated rental apartment units added from 1996 to 1999, according to the most recent Housing and Vacancy Survey.

Owners wishing to convert their buildings to co-ops or condos, and developers wanting to build new co-op or condo buildings, must file their plan with the New York State Attorney General's Office. In 1999, the Attorney General received 119 plans, eleven percent less than in the prior year. These plans translate into 2,854 units in 1999, which is a third less than in 1998. The bulk of the plans and units are located in Manhattan, where 78 plans and 2,209 unit filings were made. citywide, new construction represents the bulk of the increase in plans accepted, accounting for 50 plans and 1,123 units. Rehabilitation accounted for 30 plans and

1,029 units, and the remainder, 39 plans and 702 units, were conversions. (See Appendices G.3 and G.4.)

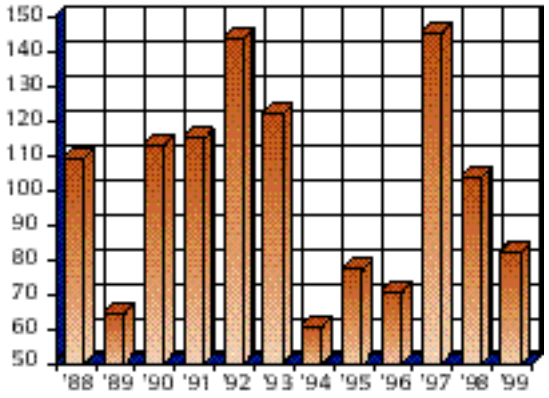
However, the increasing number of co-op and condo units on the market also hurts the rental apartment market when conversion takes place. Co-op and condo conversions typically reduce the number of apartments available to renters. Conversions represent 24.6% of the total number of units filing plans with the Attorney General in 1999, a significant increase from the 4.9% figure found in 1998. While the number of units converted has dropped over the last couple of years, residual effects remain because of the time lag in its impact on the housing market. Since most conversion plans are non-eviction plans, only when the original rental tenant moves out does the apartment become owner-occupied. When that happens, the unit is then removed from the rental universe, thereby reducing the number of rental apartments available. Thus, thousands of renter-occupied units are being converted as tenants under non-eviction plans move out, even as the number of units planned for conversion have dwindled in recent years.

Rehabilitation

New York City's aging housing stock, more than 60% of which is over 50 years old, requires periodic renovation and rehabilitation to remain in livable condition. Substantial rehabilitation, subsidized through tax abatement and exemption programs, is another method by which units remain or are readmitted to the City's housing stock. The J-51 tax abatement and exemption program is designed to promote the periodic renovation of New York City's stock of rental housing. In the late 1980's and early 1990's, the number of units approved for initial J-51 tax abatements and exemptions each year was frequently above 100,000 dwellings. In the mid-1990's, rehabilitation activity declined to just under 70,000 units per year. With the improving NYC economy, the number of units receiving J-51 benefits increased sharply, with over 145,000 additional units receiving this tax incentive in 1997. However, over the last two years, despite the improved economy, the number of units newly receiving benefits has declined, falling to 82,121 last year, a drop of 21% from 1998 and 44% since 1997, as illustrated in the graph on this page. (See Appendices G.5 and G.6.)

21% Decline in the Number of Units Receiving J-51 Certificates Last Year

(Units Receiving Initial Benefits, in Thousands)



Source: NYC Dept. of Housing Preservation & Development.

The J-51 tax relief program requires that rental units be subject to rent regulation for the duration of the benefits, just like the 421-a program. Apartment units in many high-rent neighborhoods are not allowed to enter the program because the apartment tax assessment generally cannot exceed $38,000 after completion.

Rehabilitation activities that are eligible for tax abatements and exemptions include Major Capital Improvements (MCIs), substantial rehabilitation, conversion from non-residential uses, and moderate rehabilitation, which requires significant improvement to at least one major building-wide system. Enriched exemption and abatement benefits are also available for conversion to Class A multiple dwellings (which are permanent residential dwellings) and rehabilitation of Class A buildings that are not entirely vacant.

Approximately 500,000 total dwellings were receiving J-51 tax benefits as of 1999, the vast majority of which were rentals in multifamily buildings and cooperatives, the 1999 HVS reports. Since most units receiving J-51 benefits would ordinarily be under the jurisdiction of rent stabilization laws even without tax abatements, the majority of these units will remain stabilized after the benefit period. However, rental apartments not stabilized prior to receiving tax benefits will not be subject to the City's rent regulations once their benefits expire.

Tax-Delinquent Property

Since the mid 1990's, the NYC Department of Housing Preservation and Development (HPD) has taken various actions to reduce the level of tax delinquency and abandonment. Prior to 1994, the policy of the City was to take the title or vest properties that were in tax arrears for at least a year. These properties are known as '*in rem*' buildings. However, after ending this *in rem* foreclosure policy, new policies were devised to deal with these properties. The alternative to City ownership has been rehabilitation and transfer of *in rem* units to private or non-profit entities. HPD has successfully reduced the number of occupied *in rem* units in central (City) management to 13,613 by the end of FY 2000, and the number of occupied buildings to 1,730, the lowest number since HPD took over the *in rem* program in 1978. The department plans to further reduce the number of occupied units to 10,504 by the end of FY 2001. (See Appendix G.7.) From FY 1994 through FY 2000, the City has reduced the number of occupied *in rem* housing units by 55%, or by almost 17,000 units, adding an estimated $7.9 million annually to the City in tax revenue, and providing additional low-cost housing opportunities to needy families.[8] (See graph below.)

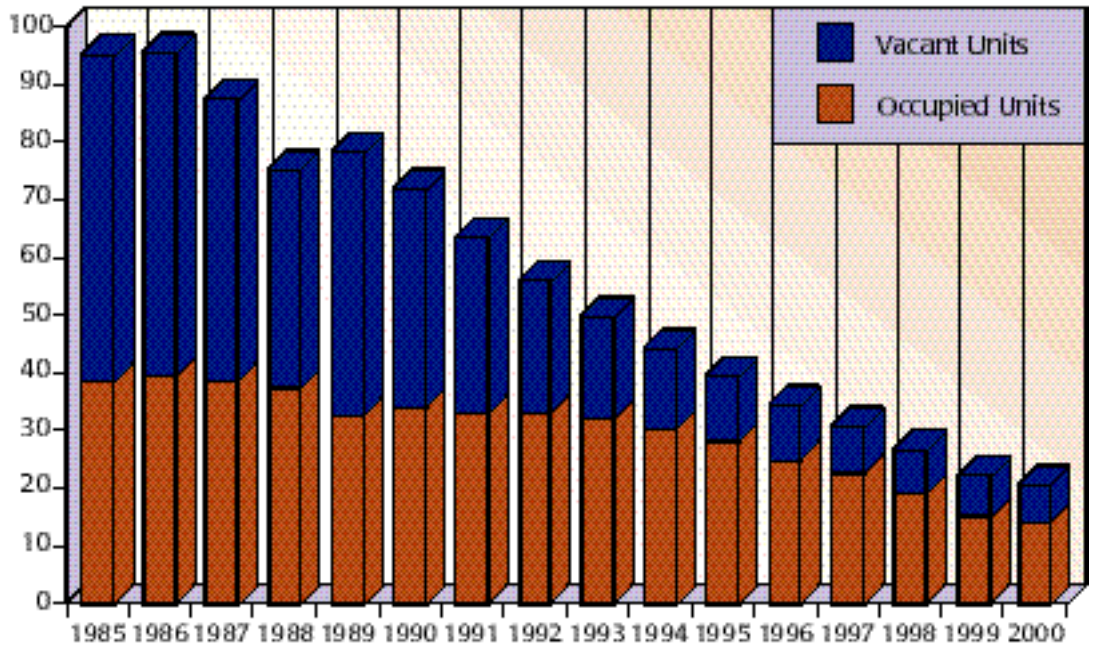
The City has also reduced the number of vacant, city-owned buildings substantially over the past four years, declining 7% over the last year, to 805 by the end of FY 2000. The number of vacant units subsequently declined, to 6,295.

The City has been selling its *in rem* buildings in three different ways, as part of its Building Blocks Initiative program: the Neighborhood Entrepreneurs Program (NEP) for private entrepreneurs; Neighborhood Redevelopment Program (NRP) for nonprofit community groups; and the Tenant Interim Lease (TIL) program for tenants.

Demolitions

Last year saw a decline in the number of demolitions in New York City, after increases over the prior three years. From 1996 to 1998 the number of demolitions increased. However, demolitions decreased to 717 last year, 15% less than in 1998. While in the early 1990's relatively few residential buildings in New York City

City *In Rem* Housing Stock Continued to Decline This Year
(Units in HPD Central Management Stock, in Thousands)



Source: *Mayor's Management Report,* Office of Operations, FY 1985-FY 2000.

were being demolished, this began to change in 1996, when the number of buildings demolished doubled from the previous year, and in 1997, when the number of buildings razed increased to 494, a 30% increase.[9] Despite the decline last year, the number of demolitions that occurred in 1999 was the second highest since the RGB started collecting this data in 1985. According to the NYC Department of Buildings (DOB), the overall higher number of demolitions over the last few years is in large part due to the increased size of current and future developments. Larger projects require more space, sometimes an entire city block, and this calls for the demolition of more buildings. (See Appendix G.8.)

Prospects for Housing Programs

After experiencing budget cuts in prior years, the U.S. Department of Housing and Urban Development (HUD), has seen its proposed budgets for upcoming fiscal years increase. Since it is the largest single source of funds for local housing initiatives, the HUD budget has a great impact in NYC. This year, President Clinton has proposed a $32 billion HUD budget for FY 2001, the largest in more than 20 years. Included in the proposal is a nationwide addition of 60,000 new rental assistance vouchers, following the approval last year of 50,000 vouchers, after four years of no new vouchers. Also proposed are 120,000 new Incremental Housing Vouchers, of which about 1,700, at a value of $14 million, would be available in NYC, to address the need for affordable housing. In addition, an $86 million increase in the Public Housing Capital Fund is proposed, bringing the total budget to $2.955 billion, with similar increases proposed in other housing program budgets.

Overall, the proposed HUD budget for FY 2001 for NYC is $1.2 billion, an increase of $61 million over FY 2000. This includes an additional 1,700 new incremental housing vouchers, worth $14 million, a 1.7% increase in public housing operating subsidies worth $12 million, and a 5.9% increase in community development block grants worth $13 million.

A recent Census Bureau report found that New York State has one of the lowest rates of housing creation in the country. During the 1990's, NYS had only a 3.2% increase in the number of total housing units, ranking it 49th in the nation in the number of housing units created.[10] However, proposed increases in the HUD budget may impact positively on the level of new housing created in the City and State.

Another recent study found that the cost of residential construction in NYC is the highest in the nation, making it prohibitively expensive to build new homes for those unable to pay high prices or without governmental assistance. The study found pervasive corruption, outdated regulations and excessive labor and material costs to be the prime reasons for the high expense. It found that it costs an average of $183,000 to build one apartment in a typical six-story building in NYC, which is between 21 and 55 percent higher than in three other major U.S. cities examined for the study: Los Angeles, Chicago and Dallas.[11] ❒

Endnotes

(1) 1996 and 1999 New York City Housing & Vacancy Survey, U.S. Bureau of the Census.
(2) Conventional homes include privately owned units, houses or buildings which are not coops or condos.
(3) Includes owner-occupied and owner-vacant and available for sale.
(4) Other units include public housing, Mitchell-Lama, *In Rem*, HUD regulated, Article 4 and Loft Board units.
(5) Housing completions for Manhattan are compiled from the Yale Robbins, Inc. Residential Construction in Manhattan Newsletter and the Final Certificate of Occupancy Issued listings from the NYC Dept. of Buildings. All other boroughs based solely on Final Certificate listings only.
(6) Landlord Information/Tax Incentives: 421-A, New York City Department of Housing Preservation & Development web site.
(7) NYC Department of Housing Preservation and Development, as presented at May 2, 2000 Rent Guidelines Board meeting by West Side SRO Law Project.
(8) Mayor's Management Report, FY 2000.
(9) For the last several years, the DOB could not guarantee that the number of demolitions provided to the RGB contained residential units only.
(10) U.S. Dept. of Commerce - Census Bureau, News Release, 12/8/99.
(11) "Reducing the Cost of New Housing Construction in New York City," The New York University School of Law Center for Real Estate and Urban Policy, Salama, J., Schill, M., and Stark, M., July 1999.

Appendices

Appendix A: Guidelines Adopted by the Board

A.1 Apartments & Lofts – Order #32

On June 22, 2000, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2000 and on or before September 30, 2001 for rent stabilized apartments:

One-Year Lease	Two-Year Lease
4%	6%

For apartments renting for $500 or less on September 30, 2000, a supplemental adjustment of $15 per month may be added when the lease is renewed. Rents that are $215 or less after any allowable increases in this order are applied can be increased to $215 on renewal.

In the event of a sublease governed by subdivision (e) of section 2525.6 of the Rent Stabilization Code, the allowance authorized by such subdivision shall be 10%.

No vacancy allowance is permitted except as provided by sections 19 and 20 of the Rent Regulation Reform Act of 1997.

Any increase for a renewal lease may be collected no more than once during the guideline period.

For Loft units that are covered under Article 7-C of the Multiple Dwelling Law, the Board established the following maximum rent increases for increase periods commencing on or after October 1, 2000 and on or before September 30, 2001:

One-Year Increase Period	Two-Year Increase Period
3%	5%

Leases for units subject to rent control on September 30, 2000, which subsequently become vacant and then enter the stabilization system, are not subject to the above adjustments. The rents for these newly stabilized units are subject to review by the New York State Division of Housing and Community Renewal (DHCR). In order to aid DHCR in this review, the RGB has set a special guideline. For rent controlled units which become vacant after September 30, 2000, the special guideline shall be the greater of the following:

(1) 150% above the maximum base rent as it existed or would have existed, plus the allowable fuel cost adjustment, or

(2) The Fair Market Rent for existing housing as established by the United States Department of Housing and Urban Development (HUD) for the New York City Primary Metropolitan Statistical Area pursuant to Section 8(c) (1) of the United States Housing Act of 1937 (42 U.S.C. section 1437f [c] [1]) and 24 C.F.R. Part 888, with such Fair Market Rents to be adjusted based upon whether the tenant pays his or her own gas and/or electric charges as part of his or her rent as such gas and/or electric charges are accounted for by the New York City Housing Authority.

Such HUD-determined Fair Market Rents will be published in the Federal Register, to take effect on October 1, 2000.

A.2 Hotel Units – Order #30

On June 22, 2000, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2000 and on or before September 30, 2001 for rent stabilized hotels:

Single Room Occupancy Buildings (SRO)	2%
Lodging Houses	2%
Class A Hotels	2%
Class B Hotels	2%
Rooming Houses	2%

Except that the allowable level of rent adjustment over the lawful rent actually charged and paid on September 30, 2000 shall be 0% if:

- Fewer than 70% of the residential units in a building are occupied by permanent rent stabilized or rent controlled tenants paying no more than the legal regulated rent, at the time that any rent increase in this Order would otherwise be authorized.
- Furthermore, the allowable level of rent adjustment over the lawful rent actually charged and paid on September 30, 2000 shall be 0% on any individual unit if the owner has failed to provide to the new occupant of that unit a copy of the Rights and Duties of Hotel Owners and Tenants, pursuant to Section 2522.5 of the Rent Stabilization Code.

Appendix B: Price Index of Operating Costs

B.1 PIOC Sample, Number of Price Quotes per Item, 1999 vs. 2000

Spec	Description	1999	2000
211	Apartment Value	158	175
212	Non-Union Super	87	114
216	Non-Union Janitor/Porter	53	60
	LABOR COST	**298**	**349**
301	Fuel Oil #2	32	31
302	Fuel Oil #4	9	9
303	Fuel Oil #6	7	7
	FUEL COSTS	**48**	**47**
501	Repainting	126	131
502	Plumbing,Faucet	32	34
503	Plumbing,Stoppage	28	31
504	Elevator #1	11	14
505	Elevator #2	11	14
506	Elevator #3	11	14
507	Burner Repair	10	13
508	Boiler Repair, Tube	10	10
509	Boiler Repair, Weld	5	5
510	Refrigerator Repair	9	11
511	Range Repair	12	12
512	Roof Repair	22	24
513	Air Conditioner Repair	8	11
514	Floor Maint. #1	6	10
515	Floor Maint. #2	6	10
516	Floor Maint. #3	6	10
518	Linen/Laundry Service	5	6
	CONTRACTOR SERVICES	**318**	**360**
601	Management Fees	89	124
602	Accountant Fees	28	28
603	Attorney Fees	21	23
604	Newspaper Ads	18	20
605	Agency Fees	5	5
606	Lease Forms	7	10
607	Bill Envelopes	10	14
608	Ledger Paper	5	9
	ADMINISTRATIVE COSTS	**183**	**233**

Spec	Description	1999	2000
701	INSURANCE COSTS	**636**	**656**
801	Light bulbs	6	10
802	Light Switch	6	10
803	Wet Mop	8	8
804	Floor Wax	5	7
805	Paint	14	16
806	Pushbroom	6	8
807	Detergent	8	7
808	Bucket	10	11
809	Washers	10	12
810	Linens	10	10
811	Pine Disinfectant	5	7
812	Window/Glass Cleaner	9	6
813	Switch Plate	6	10
814	Duplex Receptacle	7	11
815	Toilet Seat	13	16
816	Deck Faucet	11	13
	PARTS & SUPPLIES	**134**	**162**
901	Refrigerator #1	10	7
902	Refrigerator #2	10	10
903	Air Conditioner #1	5	5
904	Air Conditioner #2	5	5
905	Floor Runner	6	13
906	Dishwasher	5	9
907	Range #1	5	7
908	Range #2	6	7
909	Carpet	11	15
910	Dresser	5	9
911	Mattress & Box Spring	6	13
	REPLACEMENT COSTS	**74**	**100**
	All Items	**1691**	**1907**

B.2 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Apartments, 2000

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES,FEES,& PERMITS	**0.2589**	**1.0518**	**5.18%**	**0.1371**
201	Payroll,Bronx,All	0.1216	1.0181	1.81%	0.0000
202	Payroll,Other, Union,Supts.	0.1171	1.0276	2.76%	0.0000
203	Payroll,Other, Union,Other	0.2887	1.0276	2.76%	0.0000
204	Payroll,Other, Non-Union,All	0.2800	1.0384	3.84%	0.9024
205	Social Security Insurance	0.0470	1.0294	2.94%	0.0000
206	Unemployment Insurance	0.0063	1.0897	8.97%	0.0000
207	Private Health & Welfare	0.1393	1.0005	0.05%	0.0000
	LABOR COSTS	**0.1762**	**1.0262**	**2.62%**	**0.2527**
301	Fuel Oil #2	0.2864	1.3576	35.76%	2.0807
302	Fuel Oil #4	0.2103	1.5790	57.90%	3.4882
303	Fuel Oil #6	0.5033	1.6432	64.32%	3.2402
	FUEL	**0.0733**	**1.5479**	**54.79%**	**1.8849**
401	Electricity #1,2,500 KWH	0.0124	1.1081	10.81%	0.0000
402	Electricity #2,15,000 KWH	0.1528	1.1441	14.41%	0.0000
403	Electricity #3,82,000 KWH	0.0000	1.1466	14.66%	0.0000
404	Gas #1,12,000 therms	0.0047	1.0634	6.34%	0.0000
405	Gas #2,65,000 therms	0.0507	1.0410	4.10%	0.0000
406	Gas #3,214,000 therms	0.1284	1.0414	4.14%	0.0000
407	Steam #1,1.2m lbs	0.0144	1.2306	23.06%	0.0000
408	Steam #2,2.6m lbs	0.0053	1.2763	27.63%	0.0000
409	Telephone	0.0116	1.0120	1.20%	0.0000
410	Water & Sewer - Frontage	0.4780	1.0400	4.00%	0.0000
411	Water & Sewer - Metered	0.1417	1.0119	1.19%	2.8328
	UTILITIES	**0.1466**	**1.0568**	**5.68%**	**0.4014**
501	Repainting	0.4075	1.0622	6.22%	0.8211
502	Plumbing,Faucet	0.1382	1.0404	4.04%	1.1930
503	Plumbing,Stoppage	0.1264	1.0274	2.74%	1.1598
504	Elevator #1,6 fl.,1 e.	0.0544	1.0536	5.36%	1.9909
505	Elevator #2,13 fl.,2 e.	0.0363	1.0382	3.82%	1.9062
506	Elevator #3,19 fl.,3 e.	0.0209	1.0518	5.18%	2.4443
507	Burner Repair	0.0391	1.0328	3.28%	1.2893
508	Boiler Repair,Tube	0.0461	1.0389	3.89%	1.6797
509	Boiler Repair,Weld	0.0339	1.0161	1.61%	1.1621
510	Refrigerator Repair	0.0130	1.0230	2.30%	1.0248
511	Range Repair	0.0140	1.0105	1.05%	0.6165
512	Roof Repair	0.0555	1.0278	2.78%	1.1636
513	Air Conditioner Repair	0.0090	1.0200	2.00%	1.2207
514	Floor Maint.#1,Studio	0.0003	1.0422	4.22%	2.0777
515	Floor Maint.#2,1 Br.	0.0005	1.0297	2.97%	1.2315
516	Floor Maint.#3,2 Br.	0.0049	1.0347	3.47%	1.7606
	CONTRACTOR SERVICES	**0.1564**	**1.0458**	**4.58%**	**0.4410**
601	Management Fees	0.6824	1.0409	4.09%	1.2740
602	Accountant Fees	0.1430	1.0426	4.26%	1.5498
603	Attorney Fees	0.1351	1.0330	3.30%	1.7419
604	Newspaper Ads	0.0045	1.0245	2.45%	0.8504
605	Agency Fees	0.0054	1.0509	5.09%	3.6527
606	Lease Forms	0.0105	1.0282	2.82%	1.2400
607	Bill Envelopes	0.0101	1.0397	3.97%	1.3069
608	Ledger Paper	0.0090	1.0095	0.95%	0.9687
	ADMINISTRATIVE COSTS	**0.0885**	**1.0396**	**3.96%**	**0.9280**
701	INSURANCE COSTS	**0.0665**	**1.0066**	**0.66%**	**0.0701**
801	Light Bulbs	0.0385	1.0000	0.00%	0.0000
802	Light Switch	0.0491	1.0000	0.00%	0.0000
803	Wet Mop	0.0411	1.0314	3.14%	2.3989
804	Floor Wax	0.0397	1.0235	2.35%	1.6126
805	Paint	0.2198	1.0293	2.93%	2.1519
806	Pushbroom	0.0367	1.0043	0.43%	1.0333
807	Detergent	0.0329	1.0000	0.00%	0.0000
808	Bucket	0.0428	0.9927	-0.73%	2.2435
809	Washers	0.1002	1.0155	1.55%	1.4325
811	Pine Disinfectant	0.0482	1.0000	0.00%	0.0000
812	Window/Glass Cleaner	0.0518	1.0060	0.60%	0.6291
813	Switch Plate	0.0449	1.0362	3.62%	1.9836
814	Duplex Receptacle	0.0349	1.0000	0.00%	0.0000
815	Toilet Seat	0.0989	1.0286	2.86%	1.3627
816	Deck Faucet	0.1203	1.0370	3.70%	2.0813
	PARTS AND SUPPLIES	**0.0234**	**1.0193**	**1.93%**	**0.5988**
901	Refrigerator #1	0.0899	1.0298	2.98%	2.0254
902	Refrigerator #2	0.4797	0.9987	-0.13%	0.8067
903	Air Conditioner #1	0.0172	1.0102	1.02%	0.9668
904	Air Conditioner #2	0.0223	1.0000	0.00%	0.0000
905	Floor Runner	0.0875	1.0192	1.92%	1.8860
906	Dishwasher	0.0477	1.0089	0.89%	0.4846
907	Range #1	0.0442	1.0419	4.19%	3.3426
908	Range #2	0.2116	1.0070	0.70%	1.7868
	REPLACEMENT COSTS	**0.0101**	**1.0077**	**0.77%**	**0.6130**
	ALL ITEMS	**1.0000**	**1.0782**	**7.82%**	**0.1938**

B.3 Price Relatives by Building Type, Apartments, 2000

Spec #'s	Components	Pre-1947	Post-1946	Gas Heated	Oil Heated	MASTER METERED BLDGS
101	TAXES,FEES, & PERMITS	1.0518	1.0518	1.0518	1.0518	1.0518
201-207	LABOR COSTS	1.0274	1.0248	1.0286	1.0259	1.0302
301-303	FUEL	1.5289	1.6074	1.6311	1.5484	1.5128
401-411	UTILITIES	1.0498	1.0708	1.0476	1.0551	1.0876
501-516	CONTRACTOR SERVICES	1.0452	1.0472	1.0494	1.0449	1.0438
601-608	ADMINISTRATIVE COSTS	1.0262	1.0359	1.0326	1.0301	1.0253
701	INSURANCE COSTS	1.0066	1.0066	1.0066	1.0066	1.0066
801-816	PARTS AND SUPPLIES	1.0196	1.0187	1.0201	1.0190	1.0135
901-908	REPLACEMENT COSTS	1.0079	1.0073	1.0078	1.0078	1.0098
	ALL ITEMS	**1.0881**	**1.0723**	**1.0461**	**1.0909**	**1.0822**

Note: In prior years appendix B.3 included intermediate computations at the item level that were not actual price relatives. The item price relatives for appendix B.3 are the same as the item relatives in the All-Apartments index (see appendix B.2).This year the intermediate computations have been eliminated and only the actual component price relatives are reported.Item price relatives are not repeated from appendix B.2.

B.4 Price Relatives by Hotel Type, 2000

Spec #	Components	Hotel	RH*	SRO°
101	TAXES,FEES,& PERMITS	1.1086	1.0571	1.0470
205-206,208-216	LABOR COSTS	1.0365	1.0537	1.0442
301-302	FUEL	1.4251	1.3576	1.5446
401-407,409-411	UTILITIES	1.0753	1.0735	1.0779
501-509,511-516,518	CONTRACTOR SERVICES	1.0266	1.0336	1.0335
601-608	ADMINISTRATIVE COSTS	1.0378	1.0384	1.0381
701	INSURANCE COSTS	1.0066	1.0066	1.0066
801-816	PARTS AND SUPPLIES	1.0189	1.0211	1.0215
901-904,907-911	REPLACEMENT COSTS	1.0130	1.0118	1.0122
	ALL ITEMS*	**1.0880**	**1.0806**	**1.0860**

* See Endnote 2,2000 *Price Index of Operating Costs*.

Note: In prior years appendix B.4 included intermediate computations at the item level that were not actual price relatives. The item price relatives for appendix B.4 are the same as the item relatives in the All-Hotel index (see appendix B.7).This year the intermediate computations have been eliminated and only the actual component price relatives are reported.Item price relatives are not repeated from appendix B.7.

*RH - Rooming Houses
°SRO - Single Room Occupancy

B.5 Percentage Change in Real Estate Tax Sample by Borough and Source of Change, Apartments and Hotels, 2000

	% Change Due to Assessments	% Change Due to Exemptions	% Change Due to Abatements	% Change Due to Tax Rate	% Change Due to Interactions	Total % Change
APARTMENTS						
Manhattan	5.50%	-1.31%	0.04%	0.99%	0.04%	5.26%
Bronx	5.09%	-1.00%	-0.11%	1.17%	0.04%	5.19%
Brooklyn	4.23%	0.30%	0.13%	1.13%	0.05%	5.84%
Queens	3.67%	-0.48%	0.08%	1.10%	0.03%	4.41%
Staten Island	5.45%	-3.15%	-1.88%	1.06%	0.02%	1.50%
Total	**4.98%**	**-0.92%**	**0.04%**	**1.05%**	**0.04%**	**5.18%**
HOTELS						
Hotels	13.38%	-0.15%	-0.08%	-2.01%	-0.29%	10.86%
Rooming Houses	4.95%	-0.05%	0.02%	0.77%	0.01%	5.71%
SRO's	4.78%	0.97%	-0.99%	-0.07%	0.02%	4.70%
Total	**8.00%**	**0.39%**	**-0.49%**	**-0.65%**	**-0.10%**	**7.15%**

Note: Totals may not add due to rounding.

B.6 Tax Change by Borough and Community Board, Apartments, 2000

Borough	Community Board	Number of Buildings	Tax Relative
Manhattan	**All**	**12,991**	**5.26**
	1	35	117.1*
	2	1,223	6.4
	3	1,545	5.9
	4	1,028	-3.0
	5	300	5.0
	6	960	5.3
	7	2,099	6.2
	8	2,342	5.6
	9	704	4.0
	10	746	1.2
	11	571	2.2
	12	1,418	6.7
Lower Man.	**1-8**	**9030**	**5.24**
Upper Man	**9-12**	**3961**	**5.49**
Bronx	**All**	**4,864**	**5.19**
	1	245	3.0
	2	205	-3.7
	3	239	-6.2
	4	649	4.2
	5	635	7.1
	6	450	2.1
	7	922	7.1
(Bronx cont.)	8	346	3.7
	9	286	8.4
	10	170	5.6
	11	274	7.2
	12	381	6.3
Brooklyn	**All**	**12,390**	**5.84**
	1	1,480	5.0
	2	685	11.6
	3	732	9.4
	4	1,249	8.1
	5	296	8.2
	6	997	9.3
	7	883	6.0
	8	934	6.8
	9	550	4.8
	10	835	4.7
	11	752	4.3
	12	618	4.7
	13	174	3.5
	14	902	5.7
	15	391	5.0
	16	221	5.5
	17	604	5.0
	18	69	3.8
Queens	**All**	**6,355**	**4.41**
(Queens cont.)	1	1,817	5.2
	2	844	7.1
	3	397	5.3
	4	366	4.1
	5	1,148	6.7
	6	348	4.0
	7	428	3.4
	8	185	2.6
	9	193	7.0
	10	64	5.1
	11	130	6.4
	12	150	5.4
	13	51	2.1
	14	86	4.9
Staten Island	**All**	**175**	**1.50**
	1	117	1.0
	2	33	3.1
	3	21	2.5
No Comm. Board Listed	NA	252	3.5
Citywide	**All**	**36,775**	**5.18**

* The 117.1% increase found in Manhattan's Financial District is due to the impact of 5 buildings that had large increases in tax cost from FY 1999-2000. Two buildings had no taxes in the previous year but experienced high tax cost increases in the current year because of expiring exemptions and increases in assessed value. Three other properties had declines in exemptions in the current year that resulted in large increases in tax costs over the previous year.

B.7 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Hotels, 2000

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES, FEES,& PERMITS	**0.2389**	**1.0715**	**7.15%**	**0.5469**
205	Social Security Insurance	0.0578	1.0294	2.94%	0.0000
206	Unemployment Insurance	0.0138	1.0897	8.97%	0.0000
208	Hotel Private Health/Welfare	0.0355	1.0248	2.48%	0.0000
209	Hotel Union Labor	0.3286	1.0286	2.86%	0.0000
210	SRO Union Labor	0.0128	1.0262	2.62%	0.0000
211	Apartment Value	0.1173	1.0779	7.79%	0.7311
212	Non-Union Superintendent	0.3078	1.0325	3.25%	1.1536
213	Non-Union Maid	0.0000	0.0000	NA	0.0000
214	Non-Union Desk Clerk	0.0000	0.0000	NA	0.0000
215	Non-Union Maintenance Worker	0.0000	0.0000	NA	0.0000
216	Non-Union Janitor/Porter	0.1263	1.0525	5.25%	1.3374
	LABOR COSTS	**0.1947**	**1.0393**	**3.93%**	**0.4025**
301	Fuel Oil #2	0.7203	1.3576	35.76%	2.0807
302	Fuel Oil #4	0.0137	1.5790	57.90%	3.4882
303	Fuel Oil #6	0.2660	1.6432	64.32%	3.2402
	FUEL	**0.0798**	**1.4366**	**43.66%**	**1.7296**
401	Electricity #1,2,500 KWH	0.0779	1.1081	10.81%	0.0000
402	Electricity #2,15,000 KWH	0.0815	1.1441	14.41%	0.0000
403	Electricity #3,82,000 KWH	0.2533	1.1466	14.66%	0.0000
404	Gas #1,12,000 therms	0.0458	1.0634	6.34%	0.0000
405	Gas #2,65,000 therms	0.0349	1.0410	4.10%	0.0000
406	Gas #3,214,000 therms	0.1435	1.0414	4.14%	0.0000
407	Steam #1,1.2m lbs	0.0002	1.2306	23.06%	0.0000
409	Telephone	0.1903	1.0120	1.20%	0.0000
410	Water & Sewer - Frontage	0.1332	1.0400	4.00%	0.0000
411	Water & Sewer - Metered	0.0395	1.0119	1.19%	2.8328
	UTILITIES	**0.1575**	**1.0757**	**7.57%**	**0.1119**
501	Repainting	0.2091	1.0622	6.22%	0.8211
502	Plumbing,Faucet	0.0805	1.0404	4.04%	1.1930
503	Plumbing,Stoppage	0.0780	1.0274	2.74%	1.1598
504	Elevator #1,6 fl.,1 e.	0.0343	1.0536	5.36%	1.9909
505	Elevator #2,13 fl.,2 e.	0.0315	1.0382	3.82%	1.9062
506	Elevator #3,19 fl.,3 e.	0.0297	1.0518	5.18%	2.4443
507	Burner Repair	0.0263	1.0328	3.28%	1.2893
508	Boiler Repair, Tube	0.0280	1.0389	3.89%	1.6797
509	Boiler Repair, Weld	0.0243	1.0161	1.61%	1.0248
511	Range Repair	0.1516	1.0105	1.05%	0.6165
512	Roof Repair	0.0230	1.0278	2.78%	1.1636
513	Air Conditioner Repair	0.0426	1.0200	2.00%	1.2207
514	Floor Maint.#1,Studio	0.0009	1.0422	4.22%	2.0777
515	Floor Maint.#2,1 Br.	0.0019	1.0297	2.97%	1.2315
516	Floor Maint.#3,2 Br.	0.0173	1.0347	3.47%	1.7606
518	Linen/Laundry Service	0.2208	1.0000	0.00%	0.0000
	CONTRACTOR SERVICES	**0.1050**	**1.0291**	**2.91%**	**0.2788**
601	Management Fees	0.6128	1.0409	4.09%	1.2740
602	Accountant Fees	0.0826	1.0426	4.26%	1.5498
603	Attorney Fees	0.1403	1.0330	3.30%	1.7419
604	Newspaper Ads	0.1048	1.0245	2.45%	0.8504
605	Agency Fees	0.0238	1.0509	5.09%	3.6527
606	Lease Forms	0.0118	1.0282	2.82%	1.2400
607	Bill Envelopes	0.0136	1.0397	3.97%	1.3069
608	Ledger Paper	0.0103	1.0095	0.95%	0.9687
	ADMINISTRATIVE COSTS	**0.0990**	**1.0380**	**3.80%**	**0.8377**
701	INSURANCE COSTS	**0.0371**	**1.0066**	**0.66%**	**0.0701**
801	Light Bulbs	0.0159	1.0000	0.00%	0.0000
802	Light Switch	0.0185	1.0000	0.00%	0.0000
803	Wet Mop	0.0485	1.0314	3.14%	2.3989
804	Floor Wax	0.0494	1.0235	2.35%	1.6126
805	Paint	0.1206	1.0293	2.93%	2.1519
806	Pushbroom	0.0417	1.0043	0.43%	1.0333
807	Detergent	0.0440	1.0000	0.00%	0.0000
808	Bucket	0.0522	0.9927	-0.73%	2.2435
809	Washers	0.0500	1.0155	1.55%	1.4325
810	Linens	0.3157	1.0232	2.32%	2.3029
811	Pine Disinfectant	0.0188	1.0000	0.00%	0.0000
812	Window/Glass Cleaner	0.0200	1.0060	0.60%	0.6291
813	Switch Plate	0.0531	1.0362	3.62%	1.9836
814	Duplex Receptacle	0.0421	1.0000	0.00%	0.0000
815	Toilet Seat	0.0493	1.0286	2.86%	1.3627
816	Deck Faucet	0.0600	1.0370	3.70%	2.0813
	PARTS AND SUPPLIES	**0.0623**	**1.0198**	**1.98%**	**0.8173**
901	Refrigerator #1	0.0192	1.0298	2.98%	2.0254
902	Refrigerator #2	0.1018	0.9987	-0.13%	0.8067
903	Air Conditioner #1	0.0611	1.0102	1.02%	0.9668
904	Air Conditioner #2	0.0751	1.0000	0.00%	0.0000
907	Range #1	0.0083	1.0419	4.19%	3.3426
908	Range #2	0.0408	1.0070	0.70%	1.7868
909	Carpet	0.3443	1.0142	1.42%	1.0695
910	Dresser	0.1777	1.0343	3.43%	2.4583
911	Mattress & Box Spring	0.1717	1.0000	0.00%	0.0000
	REPLACEMENT COSTS	**0.0259**	**1.0127**	**1.27%**	**0.5868**
	ALL ITEMS	**1.0000**	**1.0801**	**8.01%**	**0.2305**

B.8 Expenditure Weights and Price Relatives, Lofts, 2000

Spec #	Item Description	Weights	Price Relative
101	TAXES	**0.2470**	**1.0518**
201	Payroll,Bronx,All	0.0000	1.0181
202	Payroll,Other, Union,Supts.	0.2928	1.0276
203	Payroll,Other, Union,Other	0.0000	1.0276
204	Payroll,Other, Non-Union,All	0.5332	1.0384
205	Social Security Insurance	0.0465	1.0294
206	Unemployment Insurance	0.0070	1.0897
207	Private Health & Welfare	0.1204	1.0005
	LABOR COSTS	**0.1163**	**1.0306**
301	Fuel Oil #2	0.3628	1.3576
302	Fuel Oil #4	0.5310	1.5790
303	Fuel Oil #6	0.1062	1.6432
	FUEL	**0.0470**	**1.5055**
401	Electricity #1,2,500 KWH	0.0124	1.1081
402	Electricity #2,15,000 KWH	0.1539	1.1441
403	Electricity #3,82,000 KWH	0.0000	1.1466
404	Gas #1,12,000 therms	0.0047	1.0634
405	Gas #2,65,000 therms	0.0506	1.0410
406	Gas #3,214,000 therms	0.1283	1.0414
407	Steam #1,1.2m lbs	0.0144	1.2306
408	Steam #2,2.6m lbs	0.0052	1.2763
409	Telephone	0.0116	1.0120
410	Water & Sewer - Frontage	0.5114	1.0400
411	Water & Sewer - Metered	0.1075	1.0119
	UTILITIES	**0.0805**	**1.0578**
501	Repainting	0.4074	1.0622
502	Plumbing,Faucet	0.1382	1.0404
503	Plumbing,Stoppage	0.1265	1.0274
504	Elevator #1,6 fl.,1 e.	0.0544	1.0536
505	Elevator #2,13 fl.,2 e.	0.0363	1.0382
506	Elevator #3,19 fl.,3 e.	0.0208	1.0518
507	Burner Repair	0.0391	1.0328
508	Boiler Repair, Tube	0.0461	1.0389
509	Boiler Repair, Weld	0.0340	1.0161
510	Refrigerator Repair	0.0130	1.0230
511	Range Repair	0.0140	1.0105
512	Roof Repair	0.0554	1.0278
513	Air Conditioner Repair	0.0090	1.0200
514	Floor Maint.#1,Studio	0.0003	1.0422
515	Floor Maint.#2,1 Br.	0.0006	1.0297
516	Floor Maint.#3,2 Br.	0.0049	1.0347
	CONTRACTOR SERVICES	**0.0836**	**1.0457**
	ADMINISTRATIVE COSTS,LEGAL	**0.1150**	**1.0330**
601	Management Fees	0.7975	1.0409
602	Accountant Fees	0.1543	1.0426
604	Newspaper Ads	0.0055	1.0245
605	Agency Fees	0.0066	1.0509
606	Lease Forms	0.0115	1.0282
607	Bill Envelopes	0.0131	1.0397
608	Ledger Paper	0.0114	1.0095
	ADMINISTRATIVE COSTS - OTHER	**0.1063**	**1.0406**
701	INSURANCE COSTS	**0.1606**	**1.0066**
801	Light Bulbs	0.0385	1.0000
802	Light Switch	0.0491	1.0000
803	Wet Mop	0.0410	1.0314
804	Floor Wax	0.0398	1.0235
805	Paint	0.2197	1.0293
806	Pushbroom	0.0367	1.0043
807	Detergent	0.0329	1.0000
808	Bucket	0.0428	0.9927
809	Washers	0.1002	1.0155
811	Pine Disinfectant	0.0482	1.0000
812	Window/Glass Cleaner	0.0519	1.0060
813	Switch Plate	0.0449	1.0362
814	Duplex Receptacle	0.0350	1.0000
815	Toilet Seat	0.0989	1.0286
816	Deck Faucet	0.1204	1.0370
	PARTS AND SUPPLIES	**0.0243**	**1.0193**
901	Refrigerator #1	0.0899	1.0298
902	Refrigerator #2	0.4797	0.9987
903	Air Conditioner #1	0.0172	1.0102
904	Air Conditioner #2	0.0222	1.0000
905	Floor Runner	0.0874	1.0192
906	Dishwasher	0.0477	1.0089
907	Range #1	0.0441	1.0419
908	Range #2	0.2117	1.0070
	REPLACEMENT COSTS	**0.0196**	**1.0077**
	ALL ITEMS	**1.0000**	**1.0584**

B.9 Changes in the Price Index of Operating Costs, Expenditure Weights and Price Relatives, Apartments, 1990-2000

	1990		1991		1992		1993		1994	
	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
Taxes	0.229	12.0%	0.232	12.8%	0.246	11.0%	0.263	3.1%	0.259	2.3%
Labor	0.167	5.7%	0.159	5.2%	0.158	5.2%	0.160	5.6%	0.161	4.3%
Fuel	0.112	20.9%	0.122	4.6%	0.121	-10.9%	0.103	5.2%	0.104	-0.5%
Utilities	0.128	20.8%	0.140	1.2%	0.133	6.6%	0.137	12.7%	0.147	2.1%
Contractor Services	0.163	6.5%	0.157	5.5%	0.156	2.4%	0.154	2.5%	0.150	0.9%
Administrative Costs	0.087	7.5%	0.084	3.0%	0.082	2.8%	0.081	3.8%	0.080	3.7%
Insurance	0.074	3.6%	0.069	4.4%	0.068	2.3%	0.067	-0.5%	0.064	0.8%
Parts & Supplies	0.027	6.1%	0.026	3.6%	0.026	2.5%	0.025	1.0%	0.024	1.0%
Replacement Costs	0.012	2.7%	0.011	1.3%	0.011	3.8%	0.011	4.2%	0.010	1.6%
All Items		**10.9%**		**6.0%**		**4.0%**		**4.7%**		**2.0%**
Pre '47										
Taxes	0.155	12.0%	0.156	12.8%	0.167	11.0%	0.180	3.1%	0.178	2.3%
Labor	0.143	5.5%	0.136	5.2%	0.134	5.1%	0.139	5.3%	0.140	4.3%
Fuel	0.154	20.0%	0.167	4.8%	0.166	-10.4%	0.144	5.1%	0.145	-0.8%
Utilities	0.125	22.2%	0.137	1.5%	0.137	7.6%	0.138	12.3%	0.149	2.3%
Contractor Services	0.195	6.5%	0.188	5.4%	0.187	2.1%	0.186	2.5%	0.183	1.0%
Administrative Costs	0.082	7.0%	0.079	3.2%	0.078	2.7%	0.078	3.7%	0.077	3.6%
Insurance	0.097	3.6%	0.090	4.4%	0.089	2.3%	0.089	-0.5%	0.085	0.8%
Parts & Supplies	0.032	6.2%	0.030	3.5%	0.030	2.5%	0.030	1.0%	0.029	1.0%
Replacement Costs	0.018	2.7%	0.017	1.3%	0.016	3.6%	0.016	4.2%	0.016	1.5%
All Items		**10.9%**		**5.5%**		**2.8%**		**4.6%**		**1.8%**
Post '46										
Taxes	0.303	12.0%	0.306	12.8%	0.324	11.0%	0.343	3.1%	0.337	2.3%
Labor	0.205	6.0%	0.196	5.1%	0.194	5.4%	0.195	6.0%	0.197	4.2%
Fuel	0.082	23.4%	0.091	3.8%	0.089	-12.5%	0.074	5.6%	0.075	0.4%
Utilities	0.115	18.2%	0.123	0.6%	0.116	4.7%	0.116	13.6%	0.125	1.6%
Contractor Services	0.113	6.6%	0.109	5.8%	0.108	3.1%	0.106	2.5%	0.104	0.5%
Administrative Costs	0.099	8.2%	0.097	2.7%	0.093	3.0%	0.092	4.0%	0.091	3.8%
Insurance	0.052	3.6%	0.048	4.4%	0.047	2.3%	0.046	-0.5%	0.044	0.8%
Parts & Supplies	0.022	6.0%	0.021	3.6%	0.021	2.5%	0.020	1.1%	0.019	1.0%
Replacement Costs	0.010	2.8%	0.009	1.3%	0.008	4.2%	0.008	4.1%	0.008	1.6%
All Items		**10.8%**		**6.5%**		**4.8%**		**4.9%**		**2.3%**

1995		1996		1997		1998		1999		2000	
Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
0.260	1.4%	0.263	3.0%	0.255	2.4%	0.255	1.2%	0.258	0.4%	0.259	5.2%
0.165	4.1%	0.171	3.1%	0.167	2.3%	0.166	2.7%	0.171	3.4%	0.176	2.6%
0.101	-12.7%	0.088	29.6%	0.108	0.4%	0.106	-15.0%	0.090	-18.4%	0.073	54.8%
0.147	-4.0%	0.141	7.8%	0.143	2.9%	0.144	2.3%	0.147	-0.4%	0.147	5.7%
0.149	2.4%	0.152	1.8%	0.146	3.4%	0.147	2.7%	0.151	3.5%	0.156	4.6%
0.081	3.8%	.0.084	3.5%	0.082	3.9%	0.083	3.3%	0.086	2.9%	0.089	4.0%
0.063	5.2%	0.066	5.0%	0.066	1.9%	0.065	-1.5%	0.064	3.5%	0.067	0.7%
0.024	-0.5%	0.024	0.8%	0.023	1.5%	0.023	1.9%	0.023	2.2%	0.023	1.9%
0.010	0.2%	0.010	1.0%	0.010	1.0%	0.010	0.6%	0.010	1.7%	0.010	0.8%
	0.1%		**6.0%**		**2.4%**		**0.1%**		**0.03%**		**7.8%**
0.179	1.4%	0.182	3.0%	0.175	2.4%	0.175	1.2%	0.178	0.4%	0.180	5.2%
0.143	3.8%	0.150	3.3%	0.145	2.4%	0.145	2.7%	0.150	3.8%	0.156	2.7%
0.141	-12.7%	0.124	28.9%	0.149	0.7%	0.147	-14.8%	0.126	-17.9%	0.104	52.9%
0.149	-4.1%	0.144	7.6%	0.145	3.3%	0.146	2.6%	0.151	0.1%	0.152	5.0%
0.181	2.5%	0.186	1.9%	0.178	3.3%	0.179	2.7%	0.185	3.6%	0.192	4.5%
0.078	3.8%	0.082	3.4%	0.079	3.7%	0.080	3.2%	0.083	1.5%	0.084	2.6%
0.084	5.2%	0.088	5.0%	0.087	1.9%	0.086	-1.5%	0.086	3.5%	0.089	0.7%
0.028	-0.5%	0.028	0.8%	0.027	1.5%	0.026	2.0%	0.027	2.2%	0.028	2.0%
0.016	0.2%	0.016	0.9%	0.015	1.0%	0.015	0.7%	0.016	1.5%	0.016	0.8%
	-0.4 %		**6.8%**		**2.5%**		**-0.5%**		**-0.4%**		**8.8%**
0.337	1.4%	0.340	3.0%	0.332	2.4%	0.332	1.2%	0.335	0.4%	0.336	5.2%
0.200	4.3%	0.207	3.0%	0.202	2.1%	0.202	2.7%	0.206	2.9%	0.212	2.5%
0.073	-12.6%	0.064	31.9%	0.080	-0.5%	0.078	-15.6%	0.065	-20.0%	0.052	60.7%
0.125	-3.8%	0.119	8.2%	0.122	2.2%	0.122	1.8%	0.124	-1.5%	0.122	7.1%
0.102	2.2%	0.104	1.4%	0.100	3.6%	0.101	2.6%	0.103	3.2%	0.107	4.7%
0.092	3.7%	0.095	3.5%	0.093	4.1%	0.095	3.4%	0.097	2.5%	0.100	3.6%
0.043	5.2%	0.045	5.0%	0.045	1.9%	0.045	-1.5%	0.044	3.5%	0.045	0.7%
0.019	-0.4%	0.019	0.9%	0.018	1.4%	0.018	1.9%	0.018	2.2%	0.019	1.9%
0.008	0.2%	0.008	1.0%	0.008	1.0%	0.008	0.6%	0.008	2.0%	0.008	0.7%
	0.6%		**5.4%**		**2.3%**		**0.5%**		**0.02%**		**7.2%**

Appendix C: Income and Expense Study

C.1 Cross-Sectional Income and Expense Study: Estimated Average Operating & Maintenance Cost (1998) per Apartment per Month by Building Size and Location, Structures Built Before 1947

	Taxes	Labor	Fuel	Water & Sewer	Light & Power	Maint.	Admin.	Insurance	Misc.	Total
Citywide	$89	$53	$37	$28	$16	$94	$57	$23	$32	$430
11-19 units	$115	$30	$47	$30	$18	$104	$63	$30	$39	$476
20-99 units	$80	$49	$37	$28	$15	$91	$54	$23	$31	$408
100+ units	$118	$108	$30	$27	$26	$108	$68	$17	$29	$530
Bronx	$48	$41	$39	$28	$14	$89	$48	$24	$27	$357
11-19 units	$52	$37	$57	$28	$18	$107	$48	$34	$43	$422
20-99 units	$49	$38	$37	$28	$13	$87	$46	$24	$27	$350
100+ units	$31	$86	$42	$21	$16	$83	$71	$19	$15	$384
Brooklyn	$65	$35	$39	$26	$14	$78	$44	$22	$26	$349
11-19 units	$66	$21	$54	$28	$14	$91	$47	$28	$34	$382
20-99 units	$63	$35	$38	$26	$14	$75	$43	$22	$25	$342
100+ units	$70	$55	$32	$25	$12	$83	$46	$17	$23	$364
Manhattan	$127	$72	$36	$29	$16	$104	$67	$24	$37	$513
11-19 units	$160	$34	$42	$31	$22	$113	$81	$32	$43	$558
20-99 units	$112	$66	$36	$29	$17	$106	$68	$24	$39	$498
100+ units	$164	$138	$26	$28	$36	$128	$81	$16	$35	$652
Queens	$79	$40	$36	$28	$12	$76	$45	$21	$24	$362
11-19 units	$82	$19	$48	$28	$11	$80	$33	$24	$23	$347
20-99 units	$78	$36	$35	$28	$12	$74	$47	$21	$25	$357
100+ units	$79	$82	$30	$29	$11	$84	$43	$21	$22	$402
Staten Island* 20+ units	-	-	-	-	-	-	-	-	-	-

*The number of pre - 47 buildings in Staten Island was too small to calculate reliable statistics.

Note: The sum of the lines may not equal the total due to rounding. Totals in this table may not match those in Appendix C.3 due to rounding. Data in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The category "Utilities" used in the I & E report is the sum of "Water & Sewer" and "Light & Power".

Source: NYC Department of Finance, RPIE Filings.

C.2 Cross-Sectional Income and Expense Study: Estimated Average Operating & Maintenance Cost (1998) per Apartment per Month by Building Size and Location, Structures Built After 1946

	Taxes	Labor	Fuel	Water & Sewer	Light & Power	Maint.	Admin.	Insurance	Misc.	Total
Citywide	$146	$99	$29	$27	$25	$86	$67	$19	$37	$536
11-19 units	$182	$28	$36	$27	$37	$110	$97	$29	$48	$595
20-99 units	$103	$60	$31	$27	$20	$76	$52	$21	$30	$420
100+ units	$190	$144	$26	$26	$29	$95	$82	$16	$43	$651
Bronx	$88	$60	$29	$25	$21	$73	$45	$22	$34	$398
11-19 units*	-	-	-	-	-	-	-	-	-	-
20-99 units	$80	$48	$30	$26	$20	$75	$46	$23	$34	$383
100+ units*	-	-	-	-	-	-	-	-	-	-
Brooklyn	$92	$68	$31	$26	$20	$79	$57	$21	$30	$424
11-19 units*	-	-	-	-	-	-	-	-	-	-
20-99 units	$89	$57	$33	$26	$19	$77	$52	$22	$29	$403
100+ units	$91	$102	$26	$27	$20	$82	$67	$17	$30	$463
Manhattan	$260	$174	$27	$27	$33	$110	$101	$16	$50	$797
11-19 units	$326	$34	$38	$31	$74	$166	$208	$31	$76	$983
20-99 units	$192	$98	$26	$26	$23	$93	$75	$20	$34	$588
100+ units	$275	$191	$27	$27	$35	$113	$106	$15	$54	$843
Queens	$107	$72	$30	$27	$22	$75	$54	$19	$31	$437
11-19 units	$130	$38	$35	$28	$18	$80	$42	$25	$41	$437
20-99 units	$101	$57	$32	$28	$21	$72	$48	$20	$29	$407
100+ units	$110	$100	$26	$26	$23	$78	$60	$16	$32	$471
St.Island	$104	$47	$33	$23	$22	$83	$63	$22	$30	$428
20+ units	$89	$51	$32	$22	$19	$78	$56	$21	$26	$394

*The number of rent stabilized units located in buildings with fewer than 20 units in Brooklyn,the Bronx and Staten Island,as well as buildings with 100+ units in the Bronx, were too small to calculate reliable statistics.

Note: The sum of the lines may not equal the total due to rounding. Totals in this table may not match those in Appendix C.3 due to rounding.Data in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs.

Source:NYC Department of Finance, RPIE Filings.

C.3 Cross-Sectional Income and Expense Study, Estimated Average Rent and Income (1998) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	$849	$940	$536	$617	$684	$430	$681	$755	$459
11-19 units	$659	$952	$595	$614	$743	$476	$618	$761	$486
20-99 units	$634	$671	$420	$587	$641	$408	$597	$648	$411
100+ units	$1,092	$1,218	$651	$818	$904	$530	$989	$1,100	$606
Bronx	$586	$618	$398	$491	$509	$357	$508	$528	$365
11-19 units*	-	-	-	$478	$520	$422	$479	$534	$425
20-99 units	$563	$581	$383	$489	$505	$350	$499	$516	$354
100+ units*	-	-	-	$536	$550	$384	$583	$605	$395
Brooklyn	$605	$636	$424	$518	$534	$349	$536	$555	$364
11-19 units*	-	-	-	$513	$548	$382	$526	$568	$387
20-99 units	$591	$615	$403	$514	$527	$342	$532	$548	$356
100+ units	$638	$660	$463	$551	$570	$364	$590	$611	$409
Manhattan	$1,415	$1,613	$797	$753	$885	$530	$892	$1,037	$586
11-19 units	$830	$1,622	$983	$713	$930	$558	$715	$942	$566
20-99 units	$978	$1,105	$588	$703	$814	$498	$721	$833	$504
100+ units	$1,515	$1,727	$843	$1,019	$1,161	$652	$1,319	$1,503	$768
Queens	$637	$685	$437	$570	$591	$362	$609	$645	$406
11-19 units	$589	$628	$437	$528	$551	$347	$545	$572	$371
20-99 units	$609	$642	$407	$566	$587	$357	$591	$620	$387
100+ units	$681	$729	$471	$643	$657	$402	$675	$717	$459
St.Island*	$615	$672	$428	-	-	-	$615	$672	$428

*The number of Post-1946 buildings with 11-19 units in the Bronx and Brooklyn,and buildings with 100+ units in the Bronx, were too small to calculate reliable statistics as was the number of Pre-47 bldgs in Staten Island.

Note: City and borough totals are weighted,while figures for building size categories are unweighted. All expense data is unaudited.

Source: NYC Department of Finance, RPIE Filings.

C.4 Cross-Sectional Income and Expense Study, Net Operating Income in 1998 by Building Size and Location

	Post-46	Pre-47	All
Citywide	$404	$254	$295
11-19 units	$357	$268	$275
20-99 units	$251	$234	$237
100+ units	$566	$374	$494
Bronx	$220	$152	$164
11-19 units*	-	$98	$109
20-99 units	$198	$155	$162
100+ units*	-	$166	$210
Brooklyn	$212	$185	$191
11-19 units*	-	$166	$181
20-99 units	$212	$185	$192
100+ units	$197	$207	$202
Manhattan	$816	$354	$451
11-19 units	$639	$372	$377
20-99 units	$517	$317	$330
100+ units	$884	$509	$735
Queens	$247	$229	$240
11-19 units	$191	$205	$201
20-99 units	$235	$230	$233
100+ units	$258	$255	$258
St.Island*	$244	-	$244

*The number of Post-1946 buildings with 11-19 units in the Bronx and Brooklyn,and buildings with 100+ units in the Bronx, were too small to calculate reliable statistics as was the number of Pre-47 bldgs in Staten Island.

Note: City and borough totals are weighted, while figures for building size categories are unweighted. All expense data is unaudited.

Source: NYC Department of Finance, RPIE Filings.

C.5 Cross-Sectional Distribution of Operating Costs in 1998, by Building Size and Age

	Taxes	Maint.	Labor	Admin.	Utilities	Fuel	Misc.	Insurance	Total
Pre-47	20.7%	21.9%	12.4%	13.3%	10.3%	8.6%	7.4%	5.4%	100.0%
11-19 units	24.2%	21.8%	6.2%	13.3%	10.0%	10.0%	8.2%	6.4%	100.0%
20-99 units	19.7%	22.3%	11.9%	13.4%	10.4%	9.0%	7.7%	5.7%	100.0%
100+ units	22.3%	20.4%	20.3%	12.9%	9.9%	5.6%	5.4%	3.2%	100.0%
Post-46	27.4%	16.1%	18.6%	12.6%	9.6%	5.4%	6.9%	3.5%	100.0%
11-19 units	30.7%	18.6%	4.7%	16.3%	10.8%	6.1%	8.1%	4.8%	100.0%
20-99 units	24.6%	18.1%	14.2%	12.3%	11.3%	7.4%	7.2%	5.0%	100.0%
100+ units	29.1%	14.6%	22.2%	12.6%	8.4%	4.1%	6.6%	2.5%	100.0%
All Bldgs.	22.8%	20.1%	14.4%	13.1%	10.1%	7.6%	7.2%	4.8%	100.0%
11-19 units	24.8%	21.4%	6.1%	13.6%	10.1%	9.6%	8.2%	6.2%	100.0%
20-99 units	20.1%	21.9%	12.1%	13.3%	10.5%	8.9%	7.6%	5.6%	100.0%
100+ units	23.0%	19.8%	20.5%	12.9%	9.7%	5.4%	5.5%	3.1%	100.0%

Source:NYC Department of Finance, RPIE Filings.

C.6 Cross-Sectional Distribution of "Distressed" Buildings, 1998 RPIE Filings

	Post-46 Bldgs.			Pre-47 Bldgs.			All Bldgs.		
	11-19	20-99	100+	11-19	20-99	100+	11-19	20-99	100+
Citywide	9	24	9	256	502	8	265	526	17
Bronx	2	10	1	35	139	3	37	149	4
Brooklyn	1	1	3	54	96	1	55	97	4
Manhattan	3	5	2	153	226	4	156	231	6
Queens	2	6	3	14	39	-	16	45	3
St.Island	1	2	-	-	2	-	1	4	-
Totals:									
Citywide		42			766			808	
Bronx		13			177			190	
Brooklyn		5			151			156	
Manhattan		10			383			393	
Queens		11			53			64	
St.Island		3			2			5	

Source:NYC Department of Finance, RPIE Filings.

C.7 Cross-Sectional Sample, 1998 RPIE Filings

	Post-46		Pre-47		All	
	Bldgs	DU's	Bldgs	DU's	Bldgs	DU's
Citywide	1,354	136,941	11,029	432,101	12,383	569,042
11-19 units	101	1,486	2,791	42,073	2,892	43,559
20-99 units	838	48,317	7,893	326,926	8,731	375,243
100+ units	415	87,138	345	63,102	760	150,240
Bronx	217	14,921	2,117	103,496	2,400	118,417
11-19 units	10	147	189	2,873	199	3,020
20-99 units	183	10,623	1,928	88,590	2,111	99,213
100+ units	24	4,151	66	12,033	90	16,184
Brooklyn	256	23,625	2,456	96,646	2,712	120,271
11-19 units	14	211	533	8,090	547	8,301
20-99 units	165	10,871	1,866	81,635	2,031	92,506
100+ units	77	12,543	57	6,921	134	19,464
Manhattan	379	55,733	5,142	182,055	5,521	237,788
11-19 units	30	450	1,729	25,863	1,759	26,313
20-99 units	178	9,101	3,245	119,597	3,423	128,698
100+ units	171	46,182	168	36,595	339	82,777
Queens	455	40,305	1,231	49,085	1,686	89,390
11-19 units	36	521	336	5,179	372	5,700
20-99 units	283	16,569	844	36,679	1,127	53,248
100+ units	136	23,215	51	7,227	187	30,442
St.Island	47	2,357	17	819	64	3,176
11-19 units	11	157	4	68	15	225
20-99 units	29	1,153	10	425	39	1,578
100+ units	7	1,047	3	326	10	1,373

Source:NYC Department of Finance, RPIE Filings.

C.8 Longitudinal Income and Expense Study, Estimated Average Rent and Income Changes (1997-1998) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	5.8%	5.2%	0.9%	5.4%	5.4%	1.9%	5.5%	5.3%	1.5%
11-19 units	7.7%	-7.2%	-2.0%	6.7%	6.9%	3.7%	6.8%	5.1%	3.1%
20-99 units	4.6%	4.8%	1.1%	5.6%	5.4%	1.6%	5.4%	5.3%	1.5%
100+ units	5.7%	5.4%	0.9%	3.2%	4.2%	1.6%	5.0%	5.1%	1.1%
Bronx	2.7%	1.4%	-1.7%	4.3%	3.9%	0.5%	3.9%	3.3%	0.1%
11-19 units	-	-	-	2.9%	3.3%	4.1%	2.9%	2.6%	3.7%
20-99 units	3.0%	1.9%	-1.1%	4.4%	3.9%	0.6%	4.2%	3.6%	0.3%
100+ units	-	-	-	3.9%	3.7%	-5.6%	2.6%	2.8%	-4.1%
Brooklyn	3.9%	3.7%	1.1%	3.8%	4.1%	0.7%	3.8%	4.0%	0.8%
11-19 units*	-	-	-	5.5%	6.0%	3.4%	5.5%	5.3%	2.1%
20-99 units	4.9%	6.1%	3.6%	4.4%	4.4%	0.2%	4.5%	4.8%	1.1%
100+ units*	-	-	-	-1.2%	0.8%	0.6%	2.3%	1.6%	-2.5%
Manhattan	6.7%	6.3%	0.4%	6.4%	6.5%	2.9%	6.5%	6.4%	2.2%
11-19 units*	-	-	-	8.3%	7.9%	4.1%	8.4%	7.1%	3.8%
20-99 units	8.0%	7.8%	0.2%	6.9%	6.6%	2.8%	7.0%	6.7%	2.6%
100+ units	6.5%	6.2%	0.5%	3.9%	4.9%	2.5%	5.7%	5.8%	1.1%
Queens	4.5%	3.7%	2.3%	4.6%	4.4%	1.1%	4.6%	4.0%	1.8%
11-19 units	4.1%	4.6%	6.6%	4.4%	4.9%	1.3%	4.3%	4.8%	2.9%
20-99 units	3.7%	3.9%	0.6%	4.5%	4.2%	0.4%	4.0%	4.0%	0.5%
100+ units	5.5%	5.1%	5.3%	5.3%	5.0%	4.9%	5.5%	5.1%	5.2%
St.Island*	5.1%	1.8%	2.8%	-	-	-	5.1%	1.8%	2.8%

* The number of Post-1946 buildings with 11-19 units in the Bronx,Brooklyn and Manhattan,as well as buildings with 100+ units in the Bronx and Brooklyn, were too small to calculate reliable statistics as was the number of Pre-47 bldgs in Staten Island.

Note: City and borough totals are weighted,while figures for building size categories are unweighted. All expense data is unaudited.

Source: NYC Department of Finance, RPIE Filings.

C.9 Longitudinal Income and Expense Study, Net Operating Income Changes (1997-1998) by Building Size and Location

	Post-46	Pre-47	All
Citywide	11.6%	11.9%	11.8%
11-19 units	-14.8%	12.9%	8.8%
20-99 units	11.9%	12.7%	12.5%
100+ units	11.2%	8.0%	10.3%
Bronx	7.6%	12.5%	11.3%
11-19 units*	-	-	-
20-99 units	8.5%	12.1%	11.5%
100+ units*	-	-	-
Brooklyn	9.1%	11.3%	10.8%
11-19 units*	-	-	-
20-99 units	11.2%	13.0%	12.5%
100+ units*	-	-	-
Manhattan	12.8%	12.1%	12.4%
11-19 units*	-	-	-
20-99 units	18.2%	13.1%	13.6%
100+ units	12.3%	8.0%	11.1%
Queens	6.5%	10.1%	8.0%
11-19 units	0.3%	11.9%	8.6%
20-99 units	10.4%	10.8%	10.6%
100+ units	4.7%	5.1%	4.7%
St.Island*	0.0%	-	0.0%

*The number of Post-1946 buildings with 11-19 units in the Bronx,Brooklyn and Manhattan,as well as buildings with 100+ units in the Bronx and Brooklyn, were too small to calculate reliable statistics as was the number of Pre-47 bldgs in Staten Island.

Note: City and borough totals are weighted,while figures for building size categories are unweighted. All expense data is unaudited.

Source: NYC Department of Finance, RPIE Filings.

C.10 Longitudinal Sample, 1997 and 1998 RPIE Filings

	Post-46		Pre-47		All	
	Bldgs	DU's	Bldgs	DU's	Bldgs	DU's
Citywide	978	94,029	9,083	350,085	10,061	444,114
11-19 units	85	1,258	2,294	34,694	2,379	35,952
20-99 units	630	35,440	6,539	268,495	7,169	303,935
100+ units	263	57,331	250	46,896	513	104,227
Bronx	183	12,319	1,904	87,865	2,087	100,184
11-19 units	7	106	157	2,398	164	2,504
20-99 units	158	9,134	1,698	77,737	1,856	86,871
100+ units	18	3,079	49	7,730	67	10,809
Brooklyn	141	11,843	1,834	70,172	1,975	82,015
11-19 units	11	164	410	6,246	421	6,410
20-99 units	102	6,681	1,384	59,004	1,486	65,685
100+ units	28	4,998	40	4,922	68	9,920
Manhattan	324	46,397	4,269	150,834	4,593	197,231
11-19 units	29	438	1,426	21,398	1,455	21,836
20-99 units	151	7,727	2,718	100,291	2,869	108,018
100+ units	144	38,232	125	29,145	269	67,377
Queens	299	21,805	1,065	40,657	1,364	62,462
11-19 units	33	480	298	4,603	331	5,083
20-99 units	198	10,973	734	31,281	932	42,254
100+ units	68	10,352	33	4,773	101	15,125
St.Island	31	1,665	11	557	42	2,222
11-19 units	5	70	3	49	8	119
20-99 units	21	925	5	182	26	1,107
100+ units	5	670	3	326	8	996

Source:NYC Department of Finance, RPIE Filings.

D: 1999 Housing and Vacancy Survey, Summary Tables

D.1 Occupancy Status

	ALL UNITS	Owner Units	Renter Units	Stabilized
Number of Units (occupied and vacant, available)	3,038,797@	932,123	2,017,701	1,046,378
Occupied Units	2,868,415	915,126	1,953,289	1,020,588
Bronx	419,040	91,596	327,444	186,928
Brooklyn	821,293	233,513	587,780	270,294
Manhattan	727,437	165,904	561,534	354,595
Queens	755,737	332,332	423,405	198,244
Staten Island	144,907	91,781	53,126	10,526
Vacant Units	170,382			
Vacant, for rent or sale	81,409	16,997	64,412	25,790
Bronx	18,612	1,227	17,385	8,867
Brooklyn	23,640	3,821	19,819	6,906
Manhattan	20,691	5,875	14,816	5,283
Queens	14,293	5,184	9,109	3,635
Staten Island	4,174	891	3,283	1,099
Asking Rent				
<$300	-	-	2,090	166
$300-$399	-	-	1,794	0
$400-$499	-	-	5,203	3,302
$500-$599	-	-	8,510	4,183
$600-$699	-	-	11,176	5,984
$700-$799	-	-	13,685	6,931
$800-$899	-	-	6,661	1,938
$900-$999	-	-	3,107	592
$1000-$1249	-	-	4,600	1,228
$1250+	-	-	7,587	1,467
Vacant,not for rent or sale	88,973	-	-	-
Bronx	11,619	-	-	-
Brooklyn	23,775	-	-	-
Manhattan	33,923	-	-	-
Queens	16,042	-	-	-
Staten Island	3,613	-	-	-
Dilapidated	4,542	-	-	-
Rented-Not Yet Occupied	5,049	-	-	-
Sold-Not Yet Occupied	5,385	-	-	-
Undergoing Renovation	19,121	-	-	-
Awaiting Renovation	12,870	-	-	-
Non-Residential Use	1,888	-	-	-
Legal Dispute	5,990	-	-	-
Awaiting Conversion	364	-	-	-
Held for Occasional Use	17,229	-	-	-
Unable to Rent or Sell	5,276	-	-	-
Held Pending Sale of Building	3,160	-	-	-
Held for Planned Demolition	0	-	-	-
Held for Other Reasons	7,019	-	-	-
(Not Reported)	1,079	-	-	-

@ All housing units,including owner-occupied, renter-occupied,vacant for rent,vacant for sale, and vacant unavailable.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
769,079	277,298	52,562	69,975	172,662	73,264	602,861	Number of Units (occupied and vacant, available)
749,010	271,578	52,562	67,146	169,339	70,792	572,862	Occupied Units
156,223	30,705	4,292	19,219	36,131	16,509	64,365	Bronx
217,491	52,803	14,429	17,040	57,513	19,713	208,790	Brooklyn
291,725	62,871	24,184	22,365	53,199	28,639	78,552	Manhattan
80,908	117,336	9,251	8,522	17,149	4,966	185,273	Queens
2,663	7,864	406	0	5,346	965	35,883	Staten Island
							Vacant Units
20,069	5,720	0	2,829	3,323	2,472	29,999	Vacant, for rent or sale
7,762	1,105	0	1,290	1,514	456	5,258	Bronx
6,322	584	0	385	776	859	10,893	Brooklyn
4,810	473	0	844	611	760	7,318	Manhattan
888	2,746	0	309	422	0	4,742	Queens
287	812	0	0	0	398	1,786	Staten Island
							Asking Rent
166	0	-	0	976	624	323	<$300
0	0	-	0	941	291	561	$300-$399
2,876	425	-	839	589	71	404	$400-$499
3,947	236	-	174	607	171	3,376	$500-$599
4,134	1,850	-	465	210	319	4,198	$600-$699
5,388	1,544	-	0	0	109	6,645	$700-$799
1,336	602	-	827	0	680	3,216	$800-$899
393	198	-	145	0	33	2,338	$900-$999
600	628	-	181	0	175	3,015	$1000-$1249
1,230	237	-	198	0	0	5,923	$1250+
-	-	-	-	-	-	-	Vacant,not for rent or sale
-	-	-	-	-	-	-	Bronx
-	-	-	-	-	-	-	Brooklyn
-	-	-	-	-	-	-	Manhattan
-	-	-	-	-	-	-	Queens
-	-	-	-	-	-	-	Staten Island
-	-	-	-	-	-	-	Dilapidated
-	-	-	-	-	-	-	Rented-Not Yet Occupied
-	-	-	-	-	-	-	Sold-Not Yet Occupied
-	-	-	-	-	-	-	Undergoing Renovation
-	-	-	-	-	-	-	Awaiting Renovation
-	-	-	-	-	-	-	Non-Residential Use
-	-	-	-	-	-	-	Legal Dispute
-	-	-	-	-	-	-	Awaiting Conversion
-	-	-	-	-	-	-	Held for Occasional Use
-	-	-	-	-	-	-	Unable to Rent or Sell
-	-	-	-	-	-	-	Held Pending Sale of Building
-	-	-	-	-	-	-	Held for Planned Demolition
-	-	-	-	-	-	-	Held for Other Reasons
-	-	-	-	-	-	-	(Not Reported)

* Other Regulated Rentals encompasses *In Rem* units,as well as those regulated by HUD, Article 4 or 5,and the New York City Loft Board.

** Other Rentals encompasses dwellings which have never been regulated,units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.2 Economic Characteristics

	All Households@	Owner Households	Renter Households	Stabilized
Monthly Contract Rent				
$0-$199	-	-	114,465	19,271
$200-$299	-	-	87,915	23,600
$300-$399	-	-	102,889	45,629
$400-$499	-	-	200,770	117,972
$500-$599	-	-	289,199	193,016
$600-$699	-	-	313,967	187,148
$700-$799	-	-	242,162	129,755
$800-$899	-	-	170,906	84,499
$900-$999	-	-	110,288	54,687
$1000-$1249	-	-	133,677	72,136
$1250-$1499	-	-	51,045	31,638
$1500-$1749	-	-	38,178	26,570
$1750+	-	-	73,379	25,025
(No Cash Rent)	-	-	(24,448)	(9,642)
Mean	-	-	$727	$731
Mean/Room	-	-	$237	$275
Median	-	-	$648	$650
Median/Room	-	-	$181	$200
Monthly Cost of Electricity				
Mean	$62	$83	$50	$46
Median	$50	$70	$45	$40
Monthly Cost of Utility Gas				
Mean	$71	$124	$33	$26
Median	$30	$100	$25	$20
Monthly Cost of Water/Sewer				
Mean	$34	$34	$29	-
Median	$33	$33	$25	-
Monthly Cost of Other Fuels				
Mean	$119	$123	$66	-
Median	$100	$100	$33	-
Monthly Mortgage Payments				
Mean	-	$1,267	-	-
Median	-	$1,023	-	-
Monthly Insurance Payments				
Mean	-	$67	-	-
Median	-	$56	-	-
Monthly Property Taxes				
Mean	-	$146	-	-
Median	-	$125	-	-

@ All households,including owners and renters.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Monthly Contract Rent
14,910	4,362	6,576	2,276	66,811	17,337	2,194	$0-$199
20,897	2,702	5,814	2,689	33,984	16,086	5,743	$200-$299
40,706	4,922	6,924	4,479	23,291	7,652	14,916	$300-$399
97,073	20,898	6,834	10,705	26,795	6,203	32,261	$400-$499
154,054	38,962	9,430	12,357	8,970	5,085	60,341	$500-$599
133,632	53,515	6,093	9,630	7,217	4,407	99,473	$600-$699
85,510	44,245	2,265	9,771	1,578	3,477	95,316	$700-$799
54,569	29,929	2,458	5,610	336	2,272	75,732	$800-$899
35,601	19,086	1,845	2,945	170	2,510	48,130	$900-$999
49,270	22,866	2,245	3,085	0	3,568	52,643	$1000-$1249
23,072	8,566	567	2,794	187	689	15,171	$1250-$1499
18,524	8,046	181	0	0	787	10,641	$1500-$1749
14,832	10,193	193	641	0	0	47,520	$1750+
(6,357)	(3,284)	(1,138)	(166)	0	(721)	(12,782)	(No Cash Rent)
$703	$811	$498	$657	$293	$432	$916	Mean
$268	$296	$153	$210	$78	$140	$240	Mean/Room
$620	$700	$477	$600	$250	$303	$750	Median
$193	$225	$133	$170	$65	$93	$187	Median/Room
							Monthly Cost of Electricity
$45	$49	$42	$45	$50	$46	$56	Mean
$40	$40	$40	$45	$40	$40	$50	Median
							Monthly Cost of Utility Gas
$25	$30	$26	$21	$30	$30	$45	Mean
$20	$25	$19	$15	$24	$25	$28	Median
							Monthly Cost of Water/Sewer
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Other Fuels
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Mortgage Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Insurance Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Property Taxes
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median

* Other Regulated Rentals encompass *In Rem* units,as well as those regulated by HUD, Article 4 or 5, and the New York City Loft Board.

** Other Rentals encompass dwellings which have never been regulated,units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
Monthly Contract Rent				
$0-$199	-	-	6.0%	1.9%
$200-$299	-	-	4.6%	2.3%
$300-$399	-	-	5.3%	4.5%
$400-$499	-	-	10.4%	11.7%
$500-$599	-	-	15.0%	19.1%
$600-$699	-	-	16.3%	18.5%
$700-$799	-	-	12.6%	12.8%
$800-$899	-	-	8.9%	8.4%
$900-$999	-	-	5.7%	5.4%
$1000-$1249	-	-	6.9%	7.1%
$1250-$1499	-	-	2.6%	3.1%
$1500-$1749	-	-	2.0%	2.6%
$1750+	-	-	3.8%	2.5%
(No Cash Rent)	-	-	-	-
Mean	-	-	-	-
Mean/Room	-	-	-	-
Median	-	-	-	-
Median/Room	-	-	-	-
Monthly Cost of Electricity				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Utility Gas				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Water/Sewer				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Other Fuels				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Mortgage Payments				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Insurance Payments				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Property Taxes				
Mean	-	-	-	-
Median	-	-	-	-

@ All households,including owners and renters.
Totals may not add to 100% due to rounding.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Monthly Contract Rent
2.0%	1.6%	12.7%	3.4%	39.4%	24.7%	0.4%	$0-$199
2.8%	1.0%	11.3%	4.0%	20.1%	23.0%	1.0%	$200-$299
5.5%	1.8%	13.5%	6.7%	13.8%	10.9%	2.7%	$300-$399
13.1%	7.8%	13.3%	16.0%	15.8%	8.9%	5.8%	$400-$499
20.7%	14.5%	18.3%	18.4%	5.3%	7.3%	10.8%	$500-$599
18.0%	19.9%	11.8%	14.4%	4.3%	6.3%	17.8%	$600-$699
11.5%	16.5%	4.4%	14.6%	0.9%	5.0%	17.0%	$700-$799
7.3%	11.2%	4.8%	8.4%	0.2%	3.2%	13.5%	$800-$899
4.8%	7.1%	3.6%	4.4%	0.1%	3.6%	8.6%	$900-$999
6.6%	8.5%	4.4%	4.6%	0.0%	5.1%	9.4%	$1000-$1249
3.1%	3.2%	1.1%	4.2%	0.1%	1.0%	2.7%	$1250-$1499
2.5%	3.0%	0.4%	0.0%	0.0%	1.1%	1.9%	$1500-$1749
2.0%	3.8%	0.4%	1.0%	0.0%	0.0%	8.5%	$1750+
-	-	-	-	-	-	-	(No Cash Rent)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Mean/Room
-	-	-	-	-	-	-	Median
-	-	-	-	-	-	-	Median/Room
							Monthly Cost of Electricity
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Utility Gas
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Water/Sewer
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Other Fuels
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Mortgage Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Insurance Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Property Taxes
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median

* Other Regulated Rentals encompass *In Rem* units,as well as those regulated by HUD, Article 4 or 5,and the New York City Loft Board.
** Other Rentals encompass dwellings which have never been regulated,units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

Totals may not add to 100% due to rounding.

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
1998 Total Household Income				
Loss,no income or<$5000	199,768	24,427	175,342	87,972
$5000-$9999	297,267	39,316	257,951	119,961
$10,000-$19,999	447,395	102,024	345,371	179,668
$20,000-$29,999	363,446	82,245	281,201	154,693
$30,000-$39,999	316,816	87,983	228,833	121,849
$40,000-$49,999	257,526	85,576	171,950	95,306
$50,000-$59,999	212,276	78,978	133,298	70,391
$60,000-$69,999	172,723	74,523	98,200	51,800
$70,000-$79,999	134,647	64,725	69,922	37,205
$80,000-$89,999	97,275	53,612	43,663	25,748
$90,000-$99,999	77,684	45,450	32,234	17,045
$100,000+	291,592	176,267	115,324	58,949
(Not Reported)	0	0	0	0
Mean	$47,487	$69,898	$36,987	$36,968
Median	$33,000	$53,000	$26,000	$27,000
Contract Rent to Income Ratio				
<10%	-	-	145,377	73,845
10%-19%	-	-	471,506	245,961
20%-29%	-	-	404,196	199,474
30%-39%	-	-	241,160	121,196
40%-49%	-	-	140,865	72,447
50%-59%	-	-	91,078	47,285
60%-69%	-	-	72,197	38,718
70%+	-	-	291,199	173,623
(Not Computed)	-	-	(95,712)	(48,039)
Mean	-	-	35.5%	37.0%
Median	-	-	27.2%	27.4%
Households in Poverty				
Households Below 100% of Poverty Level	536,521	58,183	478,338	234,727
Households at or Above 100% of Poverty Level	2,331,893	856,943	1,474,951	785,861
(Not Reported)	0	0	0	0
Households Below 125% of Poverty Level	694,423	84,596	609,827	296,590
Households at or Above 125% of Poverty Level	2,173,992	830,530	1,343,462	723,997
(Not Reported)	0	0	0	0
Households Receiving Public Assistance	385,526	30,770	354,756	176,459
Households Not Receiving Public Assistance	1,950,891	716,452	1,234,438	641,268
(Do Not Know)	(18,181)	(8,368)	(9,813)	(6,794)
(Not Reported)	(513,817)	(159,535)	(354,282)	(196,067)
Households Receiving TANF§	119,848	3,427	116,421	60,922
Households Receiving Safety Net∞	10,780	787	9,994	3,947
Households Receiving Social Security Insurance	144,515	11,922	132,593	61,782
Households Receiving Other Public Assistance	151,638	15,997	135,642	67,037
Households Receiving Rent Subsidy				
Households Receiving Section 8 Certif./Voucher	-	-	107,838	53,081
Households Receiving Shelter Allowance	-	-	123,803	62,884
Households Receiving SCRIE∞	-	-	22,756	13,640
Households Receiving Another Federal Housing Subsidy	-	-	29,099	10,535
Households Receiving Another State/City Housing Subsidy	-	-	20,792	11,939

§Temporary Assistance for Needy Families
∞Senior Citizens Rent Increase Exemption
@ All households,including owners and renters.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							1998 Total Household Income
69,015	18,957	4,769	5,940	28,897	11,603	36,160	Loss,no income or<$5000
93,426	26,535	10,008	9,149	57,240	22,587	39,006	$5000-$9999
133,836	45,832	16,259	16,633	36,719	15,260	80,443	$10,000-$19,999
117,649	37,044	5,455	10,630	22,312	7,743	80,774	$20,000-$29,999
87,027	34,822	4,847	7,163	11,994	5,604	77,378	$30,000-$39,999
71,473	23,834	2,968	5,053	4,918	2,298	61,111	$40,000-$49,999
50,810	19,581	2,849	4,790	3,281	1,695	50,356	$50,000-$59,999
33,526	18,275	1,033	3,073	1,338	1,165	39,508	$60,000-$69,999
25,509	11,696	541	900	1,184	651	30,003	$70,000-$79,999
18,513	7,235	985	919	621	577	14,986	$80,000-$89,999
10,418	6,627	350	337	416	673	13,171	$90,000-$99,999
37,808	21,141	2,498	2,558	418	935	49,965	$100,000+
0	0	0	0	0	0	0	(Not Reported)
$35,318	$41,519	$27,401	$29,622	$15,541	$18,603	$47,358	Mean
$25,580	$30,400	$17,000	$21,611	$9,704	$10,248	$35,350	Median
							Contract Rent to Income Ratio
56,007	17,838	7,535	3,666	14,541	6,214	35,033	<10%
175,906	70,056	11,810	14,627	32,130	10,996	148,389	10%-19%
148,182	51,292	6,820	12,149	50,732	17,515	114,734	20%-29%
87,093	34,102	5,342	8,748	25,753	6,688	70,416	30%-39%
51,262	21,185	4,756	5,328	12,279	5,049	39,791	40%-49%
34,499	12,785	3,386	5,476	6,763	3,595	23,022	50%-59%
29,191	9,528	2,470	4,010	5,347	1,750	19,149	60%-69%
132,791	40,830	7,690	10,510	13,471	14,460	68,069	70%+
(34,078)	(13,961)	(2,753)	(2,631)	(8,323)	(4,526)	(54,261)	(Not Computed)
37.4%	35.6%	35.2%	39.3%	31.2%	42.0%	35.3%	Mean
27.7%	26.9%	27.0%	31.7%	27.9%	28.1%	25.8%	Median
							Households in Poverty
187,909	46,819	10,968	16,314	91,028	34,376	90,924	Households Below 100% of Poverty Level
561,101	224,759	41,593	50,832	78,310	36,416	481,938	Households at or Above 100% of Poverty Level
0	0	0	0	0	0	0	(Not Reported)
234,814	61,777	16,996	20,629	109,207	42,077	124,327	Households Below 125% of Poverty Level
514,196	209,802	35,565	46,517	60,132	28,715	448,535	Households at or Above 125% of Poverty Level
0	0	0	0	0	0	0	(Not Reported)
146,592	29,866	7,180	12,158	74,258	*84,700°*		Households Receiving Public Assistance*
461,247	180,021	36,183	36,839	73,902	*446,246*		Households Not Receiving Public Assistance
(4,154)	(2,640)	(571)	(193)	(560)	*(1,695)*		(Do Not Know)
(137,017)	(59,050)	(8,628)	(17,956)	(20,617)	*(111,013)*		(Not Reported)
53,345	7,577	927	2,141	27,294	8,701	16,436	Households Receiving TANF§
2,583	1,364	181	789	2,471	644	1,961	Households Receiving Safety Net
51,080	10,702	3,995	4,591	31,748	11,360	19,118	Households Receiving Social Security Insurance
54,588	12,449	2,613	4,967	24,802	9,022	27,200	Households Receiving Other Public Assistance
							Households Receiving Rent Subsidy¥
45,394	7,687	419	7,618	3,958	23,812	18,948	Households Receiving Section 8 Certif./Voucher
54,703	8,181	938	3,576	31,404	7,232	17,770	Households Receiving Shelter Allowance
8,076	5,564	2,512	1,805	3,204	1,287	309	Households Receiving SCRIE∞
8,843	1,693	184	6,214	4,758	5,175	2,232	Households Receiving Another Federal Housing Subsidy
9,558	2,381	207	879	3,877	1,812	2,078	Households Receiving Another State/City Housing Subsidy

° Separate public assistance figures cannot be run for "Other Regulated" and "Other Rentals" households. The households receiving assistance for these two categories are reported together.

¥ Due to a change in the reporting of households receiving rent subsidies in the 1999 HVS,households receiving each type of subsidy is reported,rather than the total number of households receiving rent subsidies. Because households can receive more than one type of subsidy, it was impossible to report those households "Not Receiving Subsidies",those reporting "Don't Know" or "Not reported/ Not Applicable".

* Because households can receive more than one type of public assistance, the sum of the households receiving each category of assistance (TANF, Safety Net etc.) exceed the total households receiving public assistance.

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
1998 Total Household Income				
Loss,no income or<$5000	7.0%	2.7%	9.0%	8.6%
$5000-$9999	10.4%	4.3%	13.2%	11.8%
$10,000-$19,999	15.6%	11.1%	17.6%	17.6%
$20,000-$29,999	12.6%	9.0%	14.4%	15.2%
$30,000-$39,999	11.0%	9.6%	11.7%	11.9%
$40,000-$49,999	9.0%	9.4%	8.8%	9.3%
$50,000-$59,999	7.4%	8.6%	6.8%	6.9%
$60,000-$69,999	6.0%	8.1%	5.0%	5.1%
$70,000-$79,999	4.7%	7.1%	3.6%	3.6%
$80,000-$89,999	3.4%	5.9%	2.2%	2.5%
$90,000-$99,999	2.7%	5.0%	1.7%	1.7%
$100,000+	10.1%	19.2%	5.9%	5.7%
(Not Reported)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-
Contract Rent to Income Ratio				
<10%	-	-	7.8%	7.6%
10%-19%	-	-	25.3%	25.3%
20%-29%	-	-	21.8%	20.5%
30%-39%	-	-	13.0%	12.4%
40%-49%	-	-	7.6%	7.4%
50%-59%	-	-	4.9%	4.9%
60%-69%	-	-	3.9%	4.0%
70%+	-	-	15.7%	17.9%
(Not Computed)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-
Households in Poverty				
Households Below 100% of Poverty Level	18.7%	6.4%	24.5%	23.0%
Households at or Above 100% of Poverty Level	81.3%	93.6%	75.5%	77.0%
(Not Reported)	-	-	-	-
Households Below 125% of Poverty Level	24.2%	9.2%	31.2%	29.1%
Households at or Above 125% of Poverty Level	75.8%	90.8%	68.8%	70.9%
(Not Reported)	-	-	-	-
Households Receiving Public Assistance	16.5%	4.1%	22.3%	21.6%
(Not Reported)	-	-	-	-
Households Receiving TANF§	5.2%	0.5%	7.4%	7.5%
Households Receiving Safety Net	0.5%	0.1%	0.6%	0.5%
Households Receiving Social Security Insurance	6.2%	1.6%	8.4%	7.6%
Households Receiving Other Public Assistance	6.6%	2.2%	8.7%	8.3%
Households Receiving Rent Subsidy				
Households Receiving Section 8 Certif./Voucher	-	-	6.8%	6.5%
Households Receiving Shelter Allowance	-	-	7.8%	7.7%
Households Receiving SCRIE∞	-	-	6.6%	8.4%
Households Receiving Another Federal Housing Subsidy	-	-	1.8%	1.3%
Households Receiving Another State/City Housing Subsidy	-	-	1.3%	1.5%

§Temporary Assistance for Needy Families
∞Senior Citizens Rent Increase Exemption
@ All households,including owners and renters.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							1998 Total Household Income
9.2%	7.0%	9.1%	8.8%	17.1%	16.4%	6.3%	Loss,no income or<$5000
12.5%	9.8%	19.0%	13.6%	33.8%	31.9%	6.8%	$5000-$9999
17.8%	16.9%	31.0%	24.8%	21.7%	21.6%	14.0%	$10,000-$19,999
15.8%	13.6%	10.4%	15.8%	13.2%	11.0%	14.1%	$20,000-$29,999
11.6%	12.8%	9.2%	10.7%	7.1%	7.9%	13.5%	$30,000-$39,999
9.5%	8.8%	5.6%	7.5%	2.9%	3.2%	10.7%	$40,000-$49,999
6.8%	7.2%	5.4%	7.1%	1.9%	2.4%	8.8%	$50,000-$59,999
4.5%	6.7%	2.0%	4.6%	0.8%	1.6%	6.9%	$60,000-$69,999
3.4%	4.3%	1.0%	1.3%	0.7%	0.9%	5.2%	$70,000-$79,999
2.5%	2.7%	1.9%	1.4%	0.4%	0.8%	2.6%	$80,000-$89,999
1.4%	2.4%	0.7%	0.5%	0.2%	0.9%	2.3%	$90,000-$99,999
5.0%	7.8%	4.7%	3.8%	0.2%	1.3%	8.7%	$100,000+
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Contract Rent to Income Ratio
7.8%	6.9%	15.1%	5.7%	9.0%	9.4%	6.8%	<10%
24.6%	27.2%	23.7%	22.7%	20.0%	16.6%	28.6%	10%-19%
20.7%	19.9%	13.7%	18.9%	31.5%	26.5%	22.2%	20%-29%
12.2%	13.3%	10.8%	13.5%	16.0%	10.1%	13.6%	30%-39%
7.2%	8.2%	9.5%	8.3%	7.6%	7.6%	7.7%	40%-49%
4.8%	5.0%	6.8%	8.5%	4.2%	5.4%	4.4%	50%-59%
4.1%	3.7%	5.0%	6.2%	3.3%	2.6%	3.7%	60%-69%
18.6%	15.8%	15.4%	16.3%	8.4%	21.8%	13.1%	70%+
-	-	-	-	-	-	-	(Not Computed)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Households in Poverty
25.1%	17.2%	20.9%	24.3%	53.8%	48.6%	15.9%	Households Below 100% of Poverty Level
74.9%	82.8%	79.1%	75.7%	46.2%	51.4%	84.1%	Households at or Above 100% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
31.3%	22.7%	32.3%	30.7%	64.5%	59.4%	21.7%	Households Below 125% of Poverty Level
68.7%	77.3%	67.7%	69.3%	35.5%	40.6%	78.3%	Households at or Above 125% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
24.1%	14.2%	16.6%	24.8%	50.1%	*16.0%°*		Households Receiving Public Assistance*
-	-	-	-	-	-		(Not Reported)
8.8%	3.6%	2.1%	4.4%	18.6%	15.0%	3.5%	Households Receiving TANF§
0.4%	0.7%	0.4%	1.6%	1.7%	1.1%	0.4%	Households Receiving Safety Net
8.4%	5.1%	9.3%	9.4%	21.6%	19.6%	4.1%	Households Receiving Social Security Insurance
9.1%	6.0%	6.2%	10.4%	17.1%	15.7%	5.9%	Households Receiving Other Public Assistance
							Households Receiving Rent Subsidy¥
7.4%	3.6%	1.0%	15.4%	2.7%	41.1%	4.0%	Households Receiving Section 8 Certif./Voucher
9.0%	3.9%	2.2%	7.2%	21.3%	12.5%	3.8%	Households Receiving Shelter Allowance
7.7%	9.6%	7.9%	10.5%	7.2%	5.4%	0.5%	Households Receiving SCRIE∞
1.4%	0.8%	0.4%	12.9%	3.2%	9.1%	0.5%	Households Receiving Another Federal Housing Subsidy
1.6%	1.1%	0.5%	1.9%	2.7%	3.2%	0.4%	Households Receiving Another State/City Housing Subsidy

° Separate public assistance figures cannot be run for "Other Regulated" and "Other Rentals" households. The households receiving assistance for these two categories are reported together.

¥ Due to a change in the reporting of households receiving rent subsidies in the 1999 HVS,households receiving each type of subsidy is reported,rather than the total number of households receiving rent subsidies. Because households can receive more than one type of subsidy, it was impossible to report those households "Not Receiving Subsidies",those reporting "Don't Know" or "Not reported/ Not Applicable".

* Because households can receive more than one type of public assistance, the sum of the households receiving each category of assistance (TANF, Safety Net etc.) exceed the total households receiving public assistance.

D.3 Demographic Characteristics

	All Households@	Owner Households	Renter Households	Stabilized
Year Moved Into Current Dwelling				
1996-1999	1,003,472	197,741	805,731	412,478
1993-1995	436,098	115,082	321,017	172,878
1990-1992	256,190	81,013	175,177	95,255
1987-1989	193,678	80,991	112,686	53,961
1984-1986	142,795	61,068	81,728	45,414
1981-1983	125,814	49,653	76,161	44,974
1971-1980	394,015	156,436	237,579	144,580
Prior to 1971	316,351	173,141	143,210	51,049
(Not Reported)§	41,800	41,800	-	-
Household Composition				
Married Couples	1,140,117	505,051	635,066	317,067
Children <18 Years of Age	421,106	158,533	262,572	125,296
w/o Children <18 Years of Age	150,711	85,734	64,977	32,944
Other Household Members	145,524	66,814	78,710	42,032
w/o Other Household Members	422,777	193,970	228,807	116,794
(Not Reported)	0	0	0	0
Female Householder	1,126,512	272,529	853,983	439,151
Children <18 Years of Age	208,107	23,306	184,801	92,850
w/o Children <18 Years of Age	215,173	62,250	152,923	78,029
Other Household Members	140,665	26,168	114,497	50,650
w/o Other Household Members	562,567	160,806	401,762	217,622
(Not Reported)	0	0	0	0
Male Householder	601,785	137,546	464,239	264,370
Children <18 Years of Age	20,169	4,799	15,370	7,719
w/o Children <18 Years of Age	159,792	35,347	124,445	66,796
Other Household Members	32,187	7,197	24,991	15,053
w/o Other Household Members	389,636	90,203	299,433	174,802
(Not Reported)	0	0	0	0
(Sex Not Reported)	0	0	0	0
Race of Householder				
White, non-Hispanic	1,326,166	556,940	769,226	436,243
Black,non-Hispanic	668,264	190,632	477,632	197,592
Puerto Rican	280,269	40,914	239,354	112,496
Other Hispanic	362,220	46,047	316,173	197,495
Asian/Pacific Islander	218,671	77,004	141,667	71,808
American/Aleut/Eskimo	12,824	3,588	9,236	4,954
(Not Reported)	0	0	0	0
Age of Householder				
Under 25 years	116,078	10,712	105,366	60,633
25-34	581,624	96,015	485,609	265,897
35-44	679,595	194,898	484,697	247,769
45-54	527,413	203,345	324,068	173,779
55-61	276,877	115,946	160,930	87,716
62-64	100,192	43,004	57,188	26,936
65-74	319,142	139,042	180,100	92,174
75-84	202,113	85,426	116,687	51,331
85 or more years	65,381	26,736	38,645	14,353
(Not Reported)	0	0	0	0
Mean	48	54	46	45
Median	45	52	42	41

@ All households,including owners and renters.

§ The 'Not Reported' figure must be subtracted from both the total for All Occupied Units and Owner Occupied Units,and from the 1996-99 figures to obtain the correct percentage on the following page. All other year categories should be taken as a percentage of the total occupied households less the 'Not Reported' value.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Year Moved Into Current Dwelling
309,335	103,143	0	23,528	41,105	19,827	308,793	1996-1999
131,479	41,398	0	11,347	21,054	11,735	104,002	1993-1995
72,786	22,469	0	7,363	16,750	8,214	47,596	1990-1992
43,176	10,785	0	5,066	16,196	6,683	30,780	1987-1989
32,861	12,553	0	2,477	10,982	5,312	17,544	1984-1986
33,481	11,493	192	2,589	7,727	5,807	14,872	1981-1983
100,462	44,118	3,311	13,281	30,033	9,138	37,235	1971-1980
25,430	25,619	49,058	1,495	25,490	4,076	12,041	Prior to 1971
-	-	-	-	-	-	-	(Not Reported)
							Household Composition
214,498	102,569	9,074	17,461	29,539	14,185	247,739	Married Couples
91,672	33,625	716	4,921	11,998	5,263	114,379	Children <18 Years of Age
23,130	9,814	1,384	2,135	2,586	2,517	23,411	w/o Children <18 Years of Age
30,389	11,643	356	742	5,431	1,252	28,895	Other Household Members
69,308	47,486	6,618	9,663	9,524	5,153	81,054	w/o Other Household Members
0	0	0	0	0	0	0	(Not Reported)
331,596	107,554	29,691	39,179	115,855	43,896	186,212	Female Householder
78,339	14,511	380	8,033	32,245	11,301	39,993	Children <18 Years of Age
60,653	17,375	3,871	3,724	19,489	5,048	42,763	w/o Children <18 Years of Age
42,229	8,421	1,605	5,633	23,070	7,143	26,397	Other Household Members
150,375	67,247	23,836	21,790	41,051	20,404	77,059	w/o Other Household Members
0	0	0	0	0	0	0	(Not Reported)
202,915	61,455	13,796	10,507	23,944	12,711	138,912	Male Householder
6,615	1,104	341	552	1,738	968	4,053	Children <18 Years of Age
51,896	14,900	3,454	2,557	3,836	2,856	44,946	w/o Children <18 Years of Age
12,176	2,878	0	528	2,747	479	6,183	Other Household Members
132,228	42,574	10,002	6,869	15,622	8,408	83,730	w/o Other Household Members
0	0	0	0	0	0	0	(Not Reported)
0	0	0	0	0	0	0	(Sex Not Reported)
							Race of Householder
292,978	143,265	35,091	17,859	12,319	13,732	253,982	White, non-Hispanic
141,713	55,879	7,113	29,260	85,084	31,443	127,140	Black,non-Hispanic
99,141	13,355	4,375	8,664	46,798	13,856	53,164	Puerto Rican
160,694	36,801	4,900	6,002	20,467	9,333	77,975	Other Hispanic
50,075	21,733	887	4,771	3,684	1,938	58,579	Asian/Pacific Islander
4,409	544	195	589	986	490	2,022	American/Aleut/Eskimo
0	0	0	0	0	0	0	(Not Reported)
							Age of Householder
49,178	11,455	168	2,180	4,004	2,596	35,784	Under 25 years
208,784	57,113	1,335	10,571	27,017	8,602	172,188	25-34
189,207	58,562	3,267	15,132	38,759	15,365	164,404	35-44
124,174	49,604	6,375	12,380	29,773	11,401	90,361	45-54
61,557	26,159	4,957	7,011	20,336	5,470	35,441	55-61
18,186	8,750	2,960	3,369	7,563	2,872	13,488	62-64
59,801	32,373	12,135	7,699	22,882	10,220	34,990	65-74
28,727	22,603	14,403	5,369	14,464	10,054	21,066	75-84
9,393	4,960	6,963	3,435	4,541	4,212	5,141	85 or more years
0	0	0	0	0	0	0	(Not Reported)
44	49	68	51	51	54	42	Mean
40	47	70	50	49	52	39	Median

* Other Regulated Rentals encompass *In Rem* units,as well as those regulated by HUD, Article 4 or 5,and the New York City Loft Board.
** Other Rentals encompass dwellings which have never been regulated,units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.3 Demographic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
Year Moved Into Current Dwelling				
1996-1999	34.0%	17.9%	41.2%	40.4%
1993-1995	15.4%	13.2%	16.4%	16.9%
1990-1992	9.1%	9.3%	9.0%	9.3%
1987-1989	6.9%	9.3%	5.8%	5.3%
1984-1986	5.1%	7.0%	4.2%	4.4%
1981-1983	4.5%	5.7%	3.9%	4.4%
1971-1980	13.9%	17.9%	12.2%	14.2%
Prior to 1971	11.2%	19.8%	7.4%	5.0%
Household Composition				
Married Couples	39.7%	55.2%	32.5%	31.1%
Children <18 Years of Age	14.7%	17.3%	13.4%	12.3%
w/o Children <18 Years of Age	5.3%	9.4%	3.3%	3.2%
Other Household Members	5.1%	7.3%	4.0%	4.1%
w/o Other Household Members	14.7%	21.2%	11.7%	11.4%
(Not Reported)	-	-	-	-
Female Householder	39.3%	29.8%	43.7%	43.0%
Children <18 Years of Age	7.3%	2.5%	9.5%	9.1%
w/o Children <18 Years of Age	7.5%	6.8%	7.8%	7.6%
Other Household Members	4.9%	2.9%	5.9%	5.0%
w/o Other Household Members	19.6%	17.6%	20.6%	21.3%
(Not Reported)	-	-	-	-
Male Householder	21.0%	15.0%	23.8%	25.9%
Children <18 Years of Age	0.7%	0.5%	0.8%	0.8%
w/o Children <18 Years of Age	5.6%	3.9%	6.4%	6.5%
Other Household Members	1.1%	0.8%	1.3%	1.5%
w/o Other Household Members	13.6%	9.9%	15.3%	17.1%
(Not Reported)	-	-	-	-
(Sex Not Reported)	-	-	-	-
Race of Householder				
White, non-Hispanic	46.2%	60.9%	39.4%	42.7%
Black,non-Hispanic	23.3%	20.8%	24.5%	19.4%
Puerto Rican	9.8%	4.5%	12.3%	11.0%
Other Hispanic	12.6%	5.0%	16.2%	19.4%
Asian/Pacific Islander	7.6%	8.4%	7.3%	7.0%
American/Aleut/Eskimo	0.4%	0.4%	0.5%	0.5%
(Not Reported)	-	-	-	-
Age of Householder				
Under 25 years	4.0%	1.2%	5.4%	5.9%
25-34	20.3%	10.5%	24.9%	26.1%
35-44	23.7%	21.3%	24.8%	24.3%
45-54	18.4%	22.2%	16.6%	17.0%
55-61	9.7%	12.7%	8.2%	8.6%
62-64	3.5%	4.7%	2.9%	2.6%
65-74	11.1%	15.2%	9.2%	9.0%
75-84	7.0%	9.3%	6.0%	5.0%
85 or more years	2.3%	2.9%	2.0%	1.4%
(Not Reported)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-

@ All households,including owners and renters. Totals may not add to 100% due to rounding.

§ The 'Not Reported' figure must be subtracted from both the total for All Occupied Units and Owner Occupied Units,and from the 1996-99 figures to obtain the correct percentage on the following page. All other year categories should be taken as a percentage of the total occupied households less the 'Not Reported' value.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Year Moved Into Current Dwelling
41.3%	38.0%	0.0%	35.0%	24.3%	28.0%	53.9%	1996-1999
17.6%	15.2%	0.0%	16.9%	12.4%	16.6%	18.2%	1993-1995
9.7%	8.3%	0.0%	11.0%	9.9%	11.6%	8.3%	1990-1992
5.8%	4.0%	0.0%	7.5%	9.6%	9.4%	5.4%	1987-1989
4.4%	4.6%	0.0%	3.7%	6.5%	7.5%	3.1%	1984-1986
4.5%	4.2%	0.4%	3.9%	4.6%	8.2%	2.6%	1981-1983
13.4%	16.2%	6.3%	19.8%	17.7%	12.9%	6.5%	1971-1980
3.4%	9.4%	93.3%	2.2%	15.0%	5.8%	2.1%	Prior to 1971
							Household Composition
28.6%	37.8%	17.3%	26.0%	17.4%	20.1%	43.2%	Married Couples
12.2%	12.4%	1.4%	7.3%	7.1%	7.4%	20.0%	Children <18 Years of Age
3.1%	3.6%	2.6%	3.2%	1.5%	3.6%	4.1%	w/o Children <18 Years of Age
4.1%	4.3%	0.7%	1.1%	3.2%	1.8%	5.0%	Other Household Members
9.3%	17.5%	12.6%	14.4%	5.6%	7.3%	14.1%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
44.3%	39.6%	56.5%	58.3%	68.4%	62.0%	32.6%	Female Householder
10.5%	5.3%	0.7%	12.0%	19.0%	16.0%	7.0%	Children <18 Years of Age
8.1%	6.4%	7.4%	5.5%	11.5%	7.1%	7.5%	w/o Children <18 Years of Age
5.6%	3.1%	3.1%	8.4%	13.6%	10.1%	4.6%	Other Household Members
20.1%	24.8%	45.3%	32.5%	24.2%	28.8%	13.5%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
27.1%	22.6%	26.2%	15.6%	14.1%	18.0%	24.2%	Male Householder
0.9%	0.4%	0.6%	0.8%	1.0%	1.4%	0.7%	Children <18 Years of Age
6.9%	5.5%	6.6%	3.8%	2.3%	4.0%	7.8%	w/o Children <18 Years of Age
1.6%	1.1%	0.0%	0.8%	1.6%	0.7%	1.1%	Other Household Members
17.7%	15.7%	19.0%	10.2%	9.2%	11.9%	14.6%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	(Sex Not Reported)
							Race of Householder
39.1%	52.8%	66.8%	26.6%	7.3%	19.4%	44.3%	White, non-Hispanic
18.9%	20.6%	13.5%	43.6%	50.2%	44.4%	22.2%	Black,non-Hispanic
13.2%	4.9%	8.3%	12.9%	27.6%	19.6%	9.3%	Puerto Rican
21.5%	13.6%	9.3%	8.9%	12.1%	13.2%	13.6%	Other Hispanic
6.7%	8.0%	1.7%	7.1%	2.2%	2.7%	10.2%	Asian/Pacific Islander
0.6%	0.2%	0.4%	0.9%	0.6%	0.7%	0.4%	American/Aleut/Eskimo
-	-	-	-	-	-	-	(Not Reported)
							Age of Householder
6.6%	4.2%	0.3%	3.2%	2.4%	3.7%	6.2%	Under 25 years
27.9%	21.0%	2.5%	15.7%	16.0%	12.2%	30.1%	25-34
25.3%	21.6%	6.2%	22.5%	22.9%	21.7%	28.7%	35-44
16.6%	18.3%	12.1%	18.4%	17.6%	16.1%	15.8%	45-54
8.2%	9.6%	9.4%	10.4%	12.0%	7.7%	6.2%	55-61
2.4%	3.2%	5.6%	5.0%	4.5%	4.1%	2.4%	62-64
8.0%	11.9%	23.1%	11.5%	13.5%	14.4%	6.1%	65-74
3.8%	8.3%	27.4%	8.0%	8.5%	14.2%	3.7%	75-84
1.3%	1.8%	13.2%	5.1%	2.7%	6.0%	0.9%	85 or more years
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median

* Other Regulated Rentals encompass *In Rem* units,as well as those regulated by HUD, Article 4 or 5,and the New York City Loft Board.
** Other Rentals encompass dwellings which have never been regulated,units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

Totals may not add to 100% due to rounding.

D.4 Housing / Neighborhood Quality Characteristics

	All Units@	Owner Units	Renter Units	Stabilized
Maintenance Quality				
(Units Experiencing:)				
Additional Heating Required	288,643	40,036	248,607	120,535
Additional Heating Not Required	2,107,939	729,325	1,378,614	718,465
(Not Reported)	(471,832)	(145,764)	(326,068)	(181,587)
Heating Breakdowns	311,166	46,815	264,351	154,896
No Breakdowns	2,078,426	722,382	1,356,044	682,646
(Not Reported)	(478,822)	(145,928)	(332,894)	(183,046)
Broken Plaster/Peeling Paint	376,607	47,006	329,602	195,228
No Broken Plaster/Peeling Paint	2,004,187	718,420	1,285,767	635,963
(Not Reported)	(487,621)	(149,701)	(337,920)	(189,397)
Cracked Interior Walls or Ceilings	294,125	27,686	266,439	160,850
No Cracked Interior Walls or Ceilings	2,106,580	743,018	1,363,562	679,474
(Not Reported)	(467,709)	(144,421)	(323,288)	(180,264)
Holes in Floor	142,532	8,474	134,058	86,664
No Holes in Floor	2,173,013	727,948	1,445,065	725,950
(Not Reported)	(552,870)	(178,704)	(374,166)	(207,973)
Rodent Infestation	498,914	56,611	442,303	275,653
No Infestation	1,905,071	713,540	1,191,531	566,851
(Not Reported)	(464,429)	(144,975)	(319,454)	(178,083)
Toilet Breakdown	257,572	54,039	203,532	106,238
No Toilet Breakdown/No Facilities	2,134,846	707,437	1,427,408	733,831
(Not Reported)	(475,997)	(153,649)	(322,348)	(180,519)
Water Leakage Inside Unit	447,836	93,605	354,231	216,282
No Water Leakage	1,950,742	675,790	1,274,952	623,344
(Not Reported)	(469,837)	(145,731)	(324,106)	(180,962)
Units in Buildings w. No Maintenance Defects	1,172,820	493,070	679,750	306,127
Units in Buildings w. 1 Maintenance Defect	484,359	145,025	339,334	179,688
Units in Buildings w. 2 Maintenance Defects	247,051	42,632	204,419	116,538
Units in Buildings w. 3 Maintenance Defects	135,311	11,782	123,529	75,687
Units in Buildings w. 4 Maintenance Defects	86,446	7,063	79,383	48,539
Units in Buildings w. 5+ Maintenance Defects	68,954	2,957	65,997	37,838
(Not Reported)	(673,474)	(212,597)	(460,877)	(256,172)
Condition of Neighboring Buildings				
Excellent	465,153	226,986	238,167	108,195
Good	1,325,899	446,176	879,723	454,042
Fair	508,152	88,820	419,332	223,246
Poor Quality	101,004	8,834	92,170	53,649
(Not Reported)	(468,206)	(144,310)	(323,896)	(181,455)
Boarded Up Structures in Neighborhood	319,376	74,978	244,398	119,804
Units Not Close to " "	2,127,060	708,402	1,418,658	737,264
(Not Reported)	(421,978)	(131,745)	(290,233)	(163,519)

@ All housing units,including owners and renters.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Maintenance Quality (Units Experiencing:)
94,706	25,830	4,955	8,774	35,829	14,672	63,841	Additional Heating Required
527,299	191,167	40,692	41,595	112,849	45,375	419,638	Additional Heating Not Required
(127,005)	(54,582)	(6,914)	(16,777)	(20,661)	(10,745)	(89,384)	(Not Reported)
124,399	30,498	7,544	6,546	31,073	13,349	50,943	Heating Breakdowns
496,154	186,492	38,195	44,169	115,501	46,355	429,178	No Breakdowns
(128,457)	(54,588)	(6,822)	(16,431)	(22,765)	(11,088)	(92,742)	(Not Reported)
157,495	37,732	12,972	6,747	45,792	10,310	58,554	Broken Plaster/Peeling Paint
457,867	178,096	31,746	43,768	102,179	49,503	422,609	No Broken Plaster/Peeling Paint
(133,647)	(55,749)	(7,844)	(16,632)	(21,368)	(10,980)	(91,700)	(Not Reported)
139,175	21,675	7,222	6,135	34,722	12,661	44,850	Cracked Interior Walls or Ceilings
484,523	194,952	38,095	44,727	114,490	47,789	438,987	No Cracked Interior Walls or Ceilings
(125,312)	(54,952)	(7,245)	(16,284)	(20,127)	(10,343)	(89,025)	(Not Reported)
80,111	6,554	4,030	1,424	11,546	6,652	23,742	Holes in Floor
522,312	203,638	39,100	47,858	134,205	52,218	445,733	No Holes in Floor
(146,587)	(61,386)	(9,432)	(17,865)	(23,588)	(11,922)	(103,387)	(Not Reported)
231,894	43,759	10,125	10,484	42,001	25,172	78,867	Rodent Infestation
392,609	174,242	35,103	40,395	106,981	35,255	406,947	No Infestation
(124,507)	(53,576)	(7,334)	(16,267)	(20,356)	(10,365)	(87,048)	(Not Reported)
87,459	18,779	6,192	7,602	30,672	8,909	43,920	Toilet Breakdown
537,275	196,555	38,295	44,255	118,933	51,511	440,585	No Toilet Breakdown/No Facilities
(124,275)	(56,244)	(8,075)	(15,289)	(19,734)	(10,373)	(88,358)	(Not Reported)
175,014	41,267	12,923	9,262	33,298	16,390	66,076	Water Leakage Inside Unit
448,416	174,928	31,581	41,788	115,714	44,119	418,406	No Water Leakage
(125,579)	(55,383)	(8,058)	(16,096)	(20,327)	(10,283)	(88,380)	(Not Reported)
200,200	105,927	16,541	23,283	50,244	19,795	263,761	Units in Buildings w. No Maintenance Defects
134,995	44,693	9,876	12,044	31,024	13,327	93,376	Units in Buildings w. 1 Maintenance Defect
92,180	24,358	5,272	6,641	23,261	7,749	44,959	Units in Buildings w. 2 Maintenance Defects
62,677	13,009	4,683	2,521	14,878	5,206	20,555	Units in Buildings w. 3 Maintenance Defects
42,624	5,915	1,902	1,473	8,238	4,689	14,543	Units in Buildings w. 4 Maintenance Defects
33,484	4,355	1,552	1,629	11,485	4,656	8,837	Units in Buildings w. 5+ Maintenance Defects
(182,851)	(73,321)	(12,735)	(19,556)	(30,209)	(15,372)	(126,833)	(Not Reported)
							Condition of Neighboring Buildings
71,126	37,069	6,607	8,103	8,921	3,088	103,253	Excellent
327,142	126,900	28,085	26,799	70,038	29,342	271,417	Good
180,851	42,396	8,231	12,635	55,183	21,782	98,254	Fair
45,057	8,593	1,666	2,716	14,648	5,972	13,519	Poor Quality
(124,835)	(56,621)	(7,973)	(16,893)	(20,548)	(10,607)	(86,420)	(Not Reported)
104,288	15,516	4,663	7,075	27,653	18,616	66,587	Boarded Up Structures in Neighborhood
531,666	205,598	41,628	45,505	121,870	43,291	429,099	Units Not Close to " "
(113,055)	(50,464)	(6,271)	(14,567)	(19,815)	(8,885)	(77,176)	(Not Reported)

* Other Regulated Rentals encompass *In Rem* units,as well as those regulated by HUD, Article 4 or 5,and the New York City Loft Board.

** Other Rentals encompass dwellings which have never been regulated,units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.4 Housing / Neighborhood Quality Characteristics (Continued)

	All Dwellings@	Owner Units	Rental Units	Stabilized
Maintenance Quality				
(Units Experiencing:)				
Additional Heating Required	12.0%	5.2%	15.3%	14.4%
Additional Heating Not Required	88.0%	94.8%	84.7%	85.6%
(Not Reported)	-	-	-	-
Heating Breakdowns	13.0%	6.1%	16.3%	18.5%
No Breakdowns	87.0%	93.9%	83.7%	81.5%
(Not Reported)	-	-	-	-
Broken Plaster/Peeling Paint	15.8%	6.2%	20.4%	23.5%
No Broken Plaster/Peeling Paint	84.2%	93.9%	79.6%	76.5%
(Not Reported)	-	-	-	-
Cracked Interior Walls or Ceilings	12.3%	3.6%	16.3%	19.1%
No Cracked Interior Walls or Ceilings	87.7%	96.4%	83.7%	80.9%
(Not Reported)	-	-	-	-
Holes in Floor	6.2%	1.2%	8.5%	10.7%
No Holes in Floor	93.8%	98.8%	91.5%	89.3%
(Not Reported)	-	-	-	-
Rodent Infestation	20.8%	7.4%	27.1%	32.7%
No Infestation	79.2%	92.6%	72.9%	67.3%
(Not Reported)	-	-	-	-
Toilet Breakdown	10.8%	7.1%	12.5%	12.8%
No Toilet Breakdown	89.2%	92.9%	87.5%	87.2%
(Not Reported)	-	-	-	-
Water Leakage Inside Unit	18.7%	12.2%	21.7%	25.8%
No Water Leakage	81.3%	87.8%	78.3%	74.2%
(Not Reported)	-	-	-	-
Units in Buildings w. No Maintenance Defects	53.4%	70.2%	45.5%	40.0%
Units in Buildings w. 1 Maintenance Defect	22.1%	20.6%	22.7%	23.5%
Units in Buildings w. 2 Maintenance Defects	11.3%	6.1%	13.7%	15.2%
Units in Buildings w. 3 Maintenance Defects	6.2%	1.7%	8.3%	9.9%
Units in Buildings w. 4 Maintenance Defects	3.9%	1.0%	5.3%	6.3%
Units in Buildings w. 5+ Maintenance Defects	3.2%	0.4%	4.4%	5.0%
(Not Reported)	-	-	-	-
Condition of Neighboring Buildings				
Excellent	19.4%	29.4%	14.6%	12.9%
Good	55.2%	57.9%	54.0%	54.1%
Fair	21.2%	11.5%	25.7%	26.6%
Poor Quality	4.2%	1.1%	5.7%	6.4%
(Not Reported)	-	-	-	-
Boarded Up Structures in Neighborhood	13.1%	9.6%	14.7%	14.0%
Units Not Close to " "	86.9%	90.4%	85.3%	86.0%
(Not Reported)	-	-	-	-

@ All housing units,including owners and renters.

Totals may not add to 100% due to rounding.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Maintenance Quality (Units experiencing:)
15.2%	11.9%	10.9%	17.4%	24.1%	24.4%	13.2%	Additional Heating Required
84.8%	88.1%	89.1%	82.6%	75.9%	75.6%	86.8%	Additional Heating Not Required
-	-	-	-	-	-	-	(Not Reported)
20.0%	14.1%	16.5%	12.9%	21.2%	22.4%	10.6%	Heating Breakdowns
80.0%	85.9%	83.5%	87.1%	78.8%	77.6%	89.4%	No Breakdowns
-	-	-	-	-	-	-	(Not Reported)
25.6%	17.5%	29.0%	13.4%	30.9%	17.2%	12.2%	Broken Plaster/Peeling Paint
74.4%	82.5%	71.0%	86.6%	69.1%	82.8%	87.8%	No Broken Plaster/Peeling Paint
-	-	-	-	-	-	-	(Not Reported)
22.3%	10.0%	15.9%	12.1%	23.3%	20.9%	9.3%	Cracked Interior Walls or Ceilings
77.7%	90.0%	84.1%	87.9%	76.7%	79.1%	90.7%	No Cracked Interior Walls or Ceilings
-	-	-	-	-	-	-	(Not Reported)
13.3%	3.1%	9.3%	2.9%	7.9%	11.3%	5.1%	Holes in Floor
86.7%	96.9%	90.7%	97.1%	92.1%	88.7%	94.9%	No Holes in Floor
-	-	-	-	-	-	-	(Not Reported)
37.1%	20.1%	22.4%	20.6%	28.2%	41.7%	16.2%	Rodent Infestation
62.9%	79.9%	77.6%	79.4%	71.8%	58.3%	83.8%	No Infestation
-	-	-	-	-	-	-	(Not Reported)
14.2%	8.7%	14.0%	14.7%	20.5%	14.8%	9.1%	Toilet Breakdown
85.8%	91.3%	86.0%	85.3%	79.5%	85.2%	90.9%	No Toilet Breakdown
-	-	-	-	-	-	-	(Not Reported)
28.1%	19.1%	29.0%	18.1%	22.3%	27.1%	13.6%	Water Leakage Inside Unit
71.9%	80.9%	71.0%	81.9%	77.7%	72.9%	86.4%	No Water Leakage
-	-	-	-	-	-	-	(Not Reported)
35.4%	53.4%	41.5%	48.9%	36.1%	35.7%	59.1%	Units in Buildings w. No Maintenance Defects
23.8%	22.5%	24.8%	25.3%	22.3%	24.0%	20.9%	Units in Buildings w. 1 Maintenance Defect
16.3%	12.3%	13.2%	14.0%	16.7%	14.0%	10.1%	Units in Buildings w. 2 Maintenance Defects
11.1%	6.6%	11.8%	5.3%	10.7%	9.4%	4.6%	Units in Buildings w. 3 Maintenance Defects
7.5%	3.0%	4.8%	3.1%	5.9%	8.5%	3.3%	Units in Buildings w. 4 Maintenance Defects
5.9%	2.2%	3.9%	3.4%	8.2%	8.3%	2.0%	Units in Buildings w. 5+ Maintenance Defects
-	-	-	-	-	-	-	(Not Reported)
							Condition of Neighboring Buildings
11.4%	17.2%	14.8%	16.1%	6.0%	5.1%	21.2%	Excellent
52.4%	59.0%	63.0%	53.3%	47.1%	48.8%	55.8%	Good
29.0%	19.7%	18.5%	25.1%	37.1%	36.2%	20.2%	Fair
7.2%	4.0%	3.7%	5.4%	9.8%	9.9%	2.8%	Poor Quality
-	-	-	-	-	-	-	(Not Reported)
16.4%	7.0%	10.1%	13.5%	18.5%	30.1%	13.4%	Boarded Up Structures in Neighborhood
83.6%	93.0%	89.9%	86.5%	81.5%	69.9%	86.6%	Units Not Close to " "
-	-	-	-	-	-	-	(Not Reported)

* Other Regulated Rentals encompass *In Rem* units,as well as those regulated by HUD, Article 4 or 5,and the New York City Loft Board.

** Other Rentals encompass dwellings which have never been regulated,units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

Totals may not add to 100% due to rounding.

Appendix E: Mortgage Survey

E.1 Interest Rates and Terms for New and Refinanced Mortgages, 2000

	New Mortgages					Refinanced Mortgages				
Instn	**Rate (%)**	**Points**	**Term (yrs)**	**Type**	**Volume**	**Rate(%)**	**Points**	**Term (yrs)**	**Type**	**Volume**
1	9.27	1	30	fxd	10	9.27	1	30	fxd	0
5	8.50	1	5-10	fxd	35	8.50	1	5-10	fxd	40
6	8.88	.4	5+5+5	adj	9	8.88	.4	5+5+5	adj	5
10	8.33	0-1	5+7	fxd	NR	8.33	0-1	5+7	fxd	300
12	9.25	1	15	adj	0	§	-	-	-	-
14	8.75	0–2	5+5	adj	400	8.50	0–2	5+5	adj	400
15	8.75	0	10	fxd	65	8.75	0	10	fxd	15
16	8.50	1	5+5/25 bal	adj	NR	8.50	1	5+5/25 bal	adj	172
17	T+200-250	1	5-10	both	30	T+200-250	1	10	both	15
18	7.62	1-2	5,10,15	fxd	NR	7.62	1-2	5,10,15	fxd	24
19	9.26	1.5	10-15	NR	2	9.26	1.5	10-15	NR	0
20	8.25	1	7	fxd	NR	8.25	1	7	fxd	105
23	8.00	1	5+5	NR	60	8.50	1	5+5	NR	12
30	8.88	1	30	fxd	100	8.88	1	30	fxd	30
31	8.75	1–2	10-15	adj	21	8.75	1–2	10-15	adj	10
32	cof+1.5	.8	3-10	both	1	cof+1.5	.8	3-10	both	1
33	8.25	1	15	adj	44	8.25	1	15	adj	22
35	8.50	1	15	fxd	NR	8.50	1	15	fxd	15
37	9.00	1	10	NR	12	9.00	1	10/5 yr payout	NR	0
40	8.125	1.5	15	fxd	18	8.00	1.5	10-25	fxd	1
41	10.54	1	10/15/20	fxd	NR	9.71	1.5	3,5,7 bal (25π)	NR	NR
73	7.75	1	10-25	both	1	7.75	1	10-25	both	0
106	^	^	30	fxd	50	^	^	30	fxd	30
107	8.13	1	5+5	adj	201	8.13	1	5	adj	201
111	9.50	1	25	adj	0	§	-	-	-	-
112	9.75	1	5/25 π	adj	1	9.75	1	5/25 π	adj	1
117	8.50	1	5	fxd	225	8.50	1	5	fxd	150
Avg.	**8.71**	**0.99**	**10–15** *	†	**61**	**8.62**	**1.01**	**10–15** *	†	**65**

Ω Treasury Bill plus spread.
π Amortization.
§ Refinancing not available.
† No average computed.
* Represents typical response.
^ Excluded;subsidized rate

fxd = fixed rate mortgage.
adj = adjustable rate mortgage.
bal = balloon
NR = no response to this question.

Note: The average for interest rates,points and terms is calculated by using the midpoint when a range of values is given by the lending institution.Five year terms with one or more five year options are considered to have 5-year maturities when calculating the mean.

Source: 2000 Rent Guidelines Board *Mortgage Survey*.

E.2 Typical Characteristics of Rent Stabilized Buildings, 2000

Lending Institution	Loan-to-Value of Outstanding Loans	Maximum Loan-to-Value Standard	Debt Service Coverage	Vacancy & Collection Losses	Collection Losses Only	Typical Building Size	Average Monthly O&M Cost/Unit	Average Monthly Rent/Unit
1	70%	80%	1.15	5%	2%	50-99	$350	$700
5	75%	NR	NR	3%	2%	20-49	DK	$775
6	65%	70%	1.25	3%	2%	1-10	$350	$650
10	65%	NR	1.3	<1%	1%	50-99	$300	$550
12	65%	65%	1.2	3%	<1%	1-10	$350	$550
14	65%	70%	1.2	5%	2%	20-49	$325	$700
15	70%	70%	1.25	5%	4%	50-99	$350	$700
16	70%	70%	1.2	5%	2%	20-49	$300	$650
17	70%	68%	1.35-1.40	<1%	<1%	20-49	NR	NR
18	55%	80%	1.15-1.20	5%	5%	20-49	$374	$741
19	70%	75%	1.2	2%	<1%	NR	$235	$500
20	65%	NR	NR	<1%	<1%	50-99	NR	NR
23	65%	65-70%	1.25	3%	1%	20-49	$375	$1050
30	75%	80%	1.25	7%	NR	20-49	^	NR
31	75%	75%	1.2	5%	2%	11-19	$335	$650
32	70%	75%	1.3	3%	1%	NR	$500	$1000
33	65%	65%	1.35	4%	3%	20-49	$300	$600
35	60%	65%	1.25	5%	2%	20-49	$290	$625
37	65%	60–65%	1.2	<1%	<1%	11-19	$400	$850
40	65%	68%	1.3	<1%	<1%	1-10	$260	$462
41	65%	70%	1.2	>7%	4%	1-10	$267	$550
73	55%	80%	1.2	5%	2%	50-99	$477	$791
106	>85%	90%	1.15	6%	3%	20-49	$300	$413
107	65%	NR	NR	3%	2%	50-99	NR	NR
111	70%	70%	1.2	5%	3%	1-10	$350	$650
112	70%	75%	1.15	5%	NR	NR	NR	NR
117	70%	75%	1.3	5%	3%	50-99	$291	$595
Average	**67.8%**	**72.39%**	**1.24**	**3.80%**	**1.96%**	**mode 20-49**	**$337**	**$671**

NR indicates no response to this question.
DK indicates the respondent does not know the answer to this question.
^ Excluded;subsidized rate

Note: Average loan-to-value (LTV) and debt service coverage ratios were calculated using the midpoint when a range was given by the lending institution.

Source: 2000 Rent Guidelines Board *Mortgage Survey*.

E.3 Interest Rates and Terms for New Financing, Longitudinal Study

Lending Institution	Interest Rates		Points		Term		Type	
	2000	1999	2000	1999	2000	1999	2000	1999
1	9.27%	7.78%	1	1	30	30	fxd	fxd
5	8.50%	7%+	1	1	5–10	5+5 (20-30π)	fxd	fxd
6	8.88%	8.00%	.4	.5	5+5+5	5+5+5,7+7,10	adj	both
10	8.33%	6.5-7.0%	0-1	0-1	5+7	7-10	fxd	fxd
12	9.25%	9.00%	1	1	15	15	adj	fxd
14	8.75%	7.00-9.00%	0–2	0–2	5+5	5+5,7+5	adj	adj after 5+7yrs
15	8.75%	6.75%	0	0	10	5	fxd	fxd
17	T+200-250	7.50%	1	1–2	5-10	10-15	both	adj
18	7.62%	6.5-7%	1-2	1-2	5,10,15	5,5+5,10,15	fxd	fxd
23	8.00%	7.5-8.0%	1	1	5+5	5(15-20-30π)	NR	adj
30	8.88%	7.5	1	1	30	30	fxd	fxd
31	8.75%	±8.00%	1-2	1-2	10-15	10 (15π)	adj	adj
32	cof+1.5%	cof+1.25-1.75	.8	.5-1.0	3-10	3-10	both	fxd
33	8.25%	8.25%	1	1	15	15	adj	adj
35	8.50%	7.75%	1	1	15	15	fxd	fxd
37	9.00%	9.50%	1	1	10	10	NR	NR
40	8.125%	8.50%	1.5	2	15	15	fxd	NR
41	10.54%	7.61-10.49%	1	0-3	10/15/20	10 (15π)	fxd	fxd
73	7.75%	7-7.5%	1	1	10-25	5-25	both	fxd
Avg.	**8.72%**	**7.89%**	**0.95**	**0.95**	†	†	†	†

NR indicates no response to this question.
† No average computed.
Note: Averages for interest rates and points are calculated by using the midpoint when a range of values is given by the lending institution.
Source: 2000 and 1999 Rent Guidelines Board *Mortgage Surveys*.

E.4 Interest Rates and Terms for Refinanced Loans, Longitudinal Study

Lending Institution	Interest Rates		Points		Term		Type	
	2000	1999	2000	1999	2000	1999	2000	1999
1	9.27%	§	1	-	30	-	fxd	-
5	8.50%	7%+	1	1	5–10	5+5 (25-30π)	fxd	fxd
6	8.88%	§	.4	-	5+5+5	-	adj	-
10	8.33%	6.5–7.0%	0-1	0-1	5+7	7-10	fxd	fxd
12	§	§	-	-	-	-	-	-
14	8.50%	7.0–9.0%	0–2	0–2	5+5	5+5,5+7	adj	adj after 5+7yrs
15	8.75%	6.75%	0	0	10	5	fxd	fxd
17	T+200-250	7.50%	1	1–2	10	10-15	both	adj
18	7.62	6.5-7.0%	1-2	1-2	5,10,15	5,5+5,10,15	fxd	fxd
23	8.50%	7.5-8.0%	1	1	5 + 5	5(15-20-30π)	NR	adj
30	8.88%	7.5%	1	1	30	30	fxd	fxd
31	8.75%	±8.00%	1-2	1-2	10-15	10 (15π)	adj	adj
32	cof+1.5	cof+1-1.1	.8	.25-.5	3-10	1-10	both	fxd
33	8.25%	8.0	1	1	15	15	adj	adj
35	8.5%	7.75%	1	1	15	15	fxd	fxd
37	9.00%	9.5%	1.5	1	10/25	5 (10π)	NR	fxd
40	8.00%	§	1	-	10/5	-	fxd	-
41	9.71%	7.09-8.53%	1.5	0-3	3,5,7 bal(25π)	3,5,7(25π)	NR	adj
73	7.75%	7-7.5%	1	1	10-25	5-25	both	NR
Avg.	**8.64%**	**7.64%**	**0.95**	**0.86**	†	†	†	†

NR indicates no response to this question.
§ Refinancing not available.
† No average computed.
Note: Averages for interest rates and points are calculated by using the midpoint when a range of values were given by the lending institution.
Source: 2000 and 1999 Rent Guidelines Board *Mortgage Surveys*.

E.5 Lending Standards and Relinquished Rental Income, Longitudinal Study

Lending Institution	Max Loan-to-Value 2000	Max Loan-to-Value 1999	Debt Service Coverage 2000	Debt Service Coverage 1999	Collection Losses 2000	Collection Losses 1999
1	80%	80%	1.15	1.15	2%	4%
5	NR	NR	NR	NR	2%	3%
6	70%	65-75%	1.25	1.20-1.35	2%	2%
10	NR	75%	1.3	1.30	1%	1%
12	65%	65%	1.2	1.20	<1%	<1%
14	70%	75%	1.2	1.15	2%	5%
15	70%	70%	1.25	1.25	4%	4%
17	68%	70%	1.35-1.4	1.25	<1%	2%
18	80%	75%	1.15-1.2	1.175	5%	DK
23	65-70%	65%	1.25	1.25	1%	NR
30	80%	80%	1.25	1.25	NR	DK
31	75%	75% or <	1.2	1.2 or >	2%	2%
32	75%	75%	1.3	1.2	1%	1%
33	65%	65%	1.35	1.3	3%	4%
35	65%	65%	1.25	1.25	2%	2%
37	60-65%	60-65%	1.2	1.20	<1%	<1%
40	68%	70%	1.3	1.3	<1%	NR
41	70%	70%	1.2	1.2	4%	4%
73	80%	80%	1.2	1.3	2%	2%
Average	**71.2%**	**71.5%**	**1.24**	**1.24**	**1.83%**	**2.47%**

NR indicates no response to this question.
DK indicates the respondent does not know the answer to this question.
Note: Average loan-to-value and debt service coverage ratios are calculated using the midpoint when a range is given by the lending institution.
Source: 2000 and 1999 Rent Guidelines Board *Mortgage Surveys*.

E.6 Retrospective of New York City's Housing Market

Year	Interest Rates for New Mortgages	Permits for New Housing Units in NYC and northern suburbs	Permits for New Housing Units in NYC only
1981	16.3%	12,601∞	11,060
1982	13.0%	11,598∞	7,649
1983	13.5%	17,249∞	11,795
1984	12.9%	15,961	11,566
1985	10.5%	25,504	20,332
1986	10.2%	15,298	9,782
1987	10.8%	18,659	13,764
1988	12.0%	13,486	9,897
1989	11.2%	13,896	11,546
1990	10.7%	9,076	6,858
1991	10.1%	6,406	4,699
1992	9.2%	5,694	3,882
1993	8.6%	7,314	5,173
1994	10.1%	6,553	4,010
1995	8.6%	7,296§	5,135
1996	8.8%	11,457	8,652
1997	8.5%	11,619 §	8,987
1998	7.8%	13,532 §	10,387
1999	8.7%	15,326	12,421

∞ Prior to 1984,Bergen Co.,NJ permit figures are included.
§These figures have been revised from prior years to reflect the final adjusted count.

Note: The northern suburbs include Putnam,Rockland,and Westchester counties.

Sources: Rent Guidelines Board, Annual *Mortgage Surveys*; U.S. Bureau of the Census, Manufacturing & Construction Division, Residential Construction Branch.

Appendix F: Income and Affordability Study

F.1 Average Annual Employment Statistics by Area, 1988-99

Unemplo yment Rate	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Bronx	5.4%	7.0%	8.5%	10.4%	13.1%	12.2%	10.1%	9.6%	10.6%	11.6%	10.0%	8.1%
Brooklyn	5.5%	6.7%	7.9%	9.5%	12.0%	11.2%	9.7%	9.2%	10.0%	10.7%	9.4%	7.8%
Manhattan	4.3%	5.0%	5.8%	7.3%	9.0%	8.8%	7.6%	7.0%	7.4%	7.8%	6.8%	5.7%
Queens	4.0%	5.0%	6.0%	8.0%	10.5%	9.5%	8.2%	7.6%	8.1%	8.5%	7.0%	5.9%
Staten Island	4.0%	4.8%	6.4%	8.3%	10.4%	9.2%	7.8%	7.4%	7.8%	8.4%	6.9%	5.8%
NYC	**5.0%**	**6.9%**	**6.9%**	**8.7%**	**11.0%**	**10.4%**	**8.7%**	**8.2%**	**8.8%**	**9.4%**	**8.0%**	**6.7%**
U.S.	**5.5%**	**5.3%**	**5.6%**	**6.8%**	**7.5%**	**6.9%**	**6.1%**	**5.6%**	**5.4%**	**4.9%**	**4.5%**	**4.2%**
Labor Force Participation Rate												
NYC Δ	55.0%	57.6%	57.1%	56.4%	56.4%	56.0%	55.5%	55.2%	56.7%	58.5%	58.9%	58.5%
U.S.	65.9%	66.5%	66.5%	66.2%	66.4%	66.3%	66.6%	66.6%	66.8%	67.1%	67.1%	67.1%
Employment-Population Ratio												
NYC Δ	52.3%	53.6%	53.1%	51.5%	50.2%	50.2%	50.7%	50.7%	51.7%	53.0%	54.2%	54.6%
U.S.	62.3%	63.0%	62.8%	61.7%	61.5%	61.7%	62.5%	62.9%	63.2%	63.8%	64.1%	64.3%
Gross City Product (NYC)												
(thousands,$1996)	$259.3	268.6	272.7	267.5	270.3	276.2	276.8	282.2	292.7	304.8	316.2	333.1
% Change	--	3.6%	1.5%	-1.9%	1.0%	2.2%	0.2%	2.0%	3.7%	4.1%	3.7%	5.3%
Gross Domestic Product (U .S.)												
(thousands,$1996)	$6,368.4	6,591.8	6,707.9	6,676.4	6,880.0	7,062.6	7,347.7	7,543.8	7,813.2	8,144.8	8,495.7	8,848.2
% Change	--	3.5%	1.8%	-0.5%	3.0%	2.7%	4.0%	2.7%	3.6%	4.2%	4.3%	4.2%

Note: The New York City Comptroller's Office revises the Gross City Product periodically. The GCP figures presented here may not be the same as those reported in prior years. Note that GCP and GDP figures are preliminary.
Sources: U.S.Bureau of Labor Statistics;New York State Department of Labor; New York City Comptroller's Office.
Δ Unpublished data from the Bureau of Labor Statistics

F.2 Average Payroll Employment by Industry for NYC, 1989-99 (in thousands)

Industry Employment	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	**1998-1999 % Chang e**
Construction	120.8	114.9	99.8	87.1	85.8	89.3	90.2	91.2	93.8	100.8	113.6	**12.7%**
Manufacturing	359.5	337.5	307.8	292.8	288.8	280.4	273.5	264.5	264.4	261.9	252.1	**-3.7%**
Transportation	218.1	229.1	218.4	204.8	203.4	201.5	202.9	204.6	206.3	206.9	206.7	**-0.1%**
Trade	630.2	608.3	565.3	545.6	537.9	544.1	555.4	561.9	579.4	588.0	610.1	**3.8%**
FIRE	530.6	519.6	493.6	473.5	471.6	480.3	473.4	472.3	471.4	484.0	488.1	**0.8%**
Services	1,147.2	1,149.0	1,096.9	1,093.1	1,115.8	1,148.1	1,183.6	1,229.0	1270.7	1,325.8	1,379.5	**4.1%**
Mining	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	**0.0%**
Total Private Sector	3,006.7	2,958.7	2,782.1	2,697.3	2,703.6	2,744.0	2,779.3	2,823.7	2,886.3	2967.7	3,050.4	**2.8%**
Government	601.5	607.6	592.6	584.1	579.7	566.6	543.6	533.8	525.0	556.3	566.6	**1.9%**
New York City[Ω]	--	--	--	--	223.8	--	206.4	204.1	203.8	–	212.9	--
Total	**3,608.2**	**3,566.3**	**3,374.7**	**3,281.4**	**3,283.3**	**3,310.6**	**3,322.9**	**3,357.5**	**3,411.3**	**3524.0**	**3617.0**	**2.6%**

[Ω] Estimate from Mayor's Office of Management and Budget.
Note: Totals may not add up due to rounding. The Bureau of Labor Statistics revises the statistics periodically. The employment figures reported here may not be the same as those reported in prior years.
Sources: U.S.Bureau of Labor Statistics;City of New York employment figures from the New York City Office of Management and Budget.

F.3 Average Real Wage Rates by Industry for NYC, 1991-98 (1989 dollars)

Industry	1991	1992	1993	1994	1995	1996	1997	1998	1997-1998 % Change
Construction	$34,832	$34,861	$34,305	$34,399	$34,023	$34,166	$33,547	$34,761	3.6%
Manufacturing	$30,492	$32,137	$31,151	$31,837	$32,838	$34,678	$35,502	$39,027	9.9%
Transportation	$34,737	$36,046	$34,945	$35,309	$35,733	$36,626	$36,543	$38,136	4.4%
Trade	$24,382	$24,974	$24,234	$24,304	$24,031	$23,851	$24,359	$25,019	2.7%
FIRE	$51,225	$63,917	$63,290	$59,287	$65,902	$74,258	$81,100	$87,038	7.3%
Services	$28,764	$29,576	$29,210	$29,106	$29,422	$29,340	$29,873	$31,272	4.7%
Private Sector	$32,769	$35,658	$34,981	$34,304	$35,533	$36,839	$38,333	$40,481	5.6%
Government	$29,808	$29,843	$29,936	$30,691	$31,851	$32,144	$32,615	$31,822	-2.4%
Total Industries	**$32,239**	**$34,641**	**$34,107**	**$33,743**	**$34,942**	**$36,193**	**$37,464**	**$39,125**	**4.4%**

Note: The New York State Department of Labor revises these statistics annually. The wage figures reported here may not be the same as those reported in prior years.
Source: New York State Department of Labor, Research and Statistics Division.

F.4 Average Nominal Wage Rates by Industry for NYC, 1991-98

Industry	1991	1992	1993	1994	1995	1996	1997	1998	1997-1998 % Change
Construction	$38,619	$40,040	$40,583	$41,669	$42,255	$43,663	$43,873	$46,207	5.3%
Manufacturing	$33,807	$36,911	$36,851	$38,567	$40,784	$44,317	$46,430	$51,876	11.7%
Transportation	$38,514	$41,401	$41,340	$42,773	$44,379	$46,806	$47,779	$50,693	6.1%
Trade	$27,033	$28,684	$28,669	$29,439	$29,846	$30,480	$31,857	$33,256	4.4%
FIRE	$56,795	$73,412	$74,873	$71,820	$81,848	$94,898	$106,064	$115,695	9.1%
Services	$31,891	$33,970	$34,556	$35,259	$36,541	$37,495	$39,068	$41,569	6.4%
Private Sector	$36,332	$40,955	$41,383	$41,556	$44,130	$47,078	$50,132	$53,810	7.3%
Government	$33,049	$34,267	$35,415	$37,179	$39,558	$41,078	$42,654	$42,300	-0.8%
Total Industries	**$35,744**	**$39,787**	**$40,349**	**$40,876**	**$43,397**	**$46,253**	**$48,996**	**$52,006**	**6.1%**

Note: The New York State Department of Labor revises the statistics annually. The wage figures reported here may not be the same as those reported in prior years.
Source: New York State Department of Labor, Research and Statistics Division.

F.5 New York City Population Statistics, 1900-1999

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	**Citywide**	**Citywide Change from prior decade/y ear**
1900	200,507	1,166,582	1,850,093	152,999	67,021	3,437,202	--
1910	430,980	1,634,351	2,331,542	284,041	85,969	4,766,883	38.7%
1920	732,016	2,018,356	2,284,103	469,042	116,531	5,620,048	17.9%
1930	1,265,258	2,560,401	1,867,312	1,079,129	158,346	6,930,446	23.3%
1940	1,394,711	2,698,285	1,889,924	1,297,634	174,441	7,454,995	7.6%
1950	1,451,277	2,738,175	1,960,101	1,550,849	191,555	7,891,957	5.9%
1960	1,424,815	2,627,319	1,698,281	1,809,578	221,991	7,781,984	-1.4%
1970	1,471,701	2,602,012	1,539,233	1,986,473	295,443	7,894,862	1.5%
1980	1,168,972	2,230,936	1,428,285	1,891,325	352,121	7,071,639	-10.4%
1990	1,203,789	2,300,664	1,487,536	1,951,598	378,977	7,322,564	3.5%
1991	1,198,547	2,288,212	1,483,531	1,948,627	384,455	7,303,372	-0.3%
1992	1,193,849	2,284,338	1,486,611	1,948,621	389,598	7,303,017	0.0%
1993	1,196,637	2,285,637	1,497,152	1,954,873	393,138	7,327,437	0.3%
1994	1,195,500	2,280,922	1,509,998	1,957,958	394,776	7,339,154	0.2%
1995	1,193,425	2,272,263	1,522,762	1,962,767	396,058	7,347,275	0.1%
1996	1,191,187	2,265,674	1,533,305	1,972,633	398,422	7,361,221	0.2%
1997	1,191,668	2,265,731	1,541,994	1,984,152	401,949	7,385,494	0.3%
1998	1,195,599	2,267,942	1,550,649	1,998,853	407,123	7,420,166	0.5%
1999	1,194,099	2,268,297	1,551,844	2,000,642	413,280	7,428,162	0.1%

Note: Figures from 1991 through 1999 are estimates.

Source: U.S.Census Bureau, Population Division

F.6 Consumer Price Index for All Urban Consumers, New York-Northeastern New Jersey, 1989-99

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
March	128.9	136.6	143.4	149.1	154.1	157.9	160.9	166.5	170.7	173.0	175.5
June	123.1	137.1	144.6	149.5	154.2	157.8	162.2	166.5	170.3	173.1	176.8
September	132.2	140.8	145.8	151.4	155.3	159.0	163.2	168.2	171.7	174.4	178.2
December	133.3	141.6	146.6	151.9	155.6	159.9	163.7	168.5	171.9	174.7	178.6
Quarterly Average	131.2	139.0	145.1	150.5	154.8	158.4	162.5	167.4	171.2	173.8	177.3
Yearly Average	**130.6**	**138.5**	**144.8**	**150.0**	**154.5**	**158.2**	**162.2**	**166.9**	**170.8**	**173.6**	**177.0**

12-month percentage change in the CPI

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
March	6.1%	6.0%	5.0%	4.0%	3.4%	2.5%	1.9%	3.5%	2.5%	1.3%	1.4%
June	6.0%	5.1%	5.5%	3.4%	3.1%	2.3%	2.8%	2.7%	2.3%	1.6%	2.1%
September	4.9%	6.5%	3.6%	3.8%	2.6%	2.4%	2.6%	3.1%	2.1%	1.6%	2.2%
December	5.8%	6.2%	3.5%	3.6%	2.4%	2.8%	3.0%	2.9%	2.0%	1.6%	2.2%
Quarterly Average	5.7%	5.9%	4.4%	3.7%	2.9%	2.3%	2.6%	3.0%	2.2%	1.5%	2.0%
Yearly Average	**5.6%**	**6.0%**	**4.5%**	**3.6%**	**3.0%**	**2.4%**	**2.5%**	**2.9%**	**2.3%**	**1.6%**	**2.0%**

Source: U.S.Bureau of Labor Statistics.

F.7 Housing Court Actions, 1983-99

Year	Filings	Intakes	Evictions & Possessions
1983	373,000	93,000	26,665
1984	343,000	85,000	23,058
1985	335,000	82,000	20,283
1986	312,000	81,000	23,318
1987	301,000	77,000	25,761
1988	299,000	92,000	24,230
1989	299,000	99,000	25,188
1990	297,000	101,000	23,578
1991	302,000	114,000	20,432
1992	289,000	122,000	22,098
1993	295,000	124,000	21,937
1994	294,000	123,000	23,970
1995	266,000	112,000	22,806
1996	278,000	113,000	24,370
1997	274,000	111,000	24,995
1998	278,156	127,851	23,454
1999	276,142	123,399	§

§ Number not available at time of report.

Note: "Filings" reflect non-payment proceedings initiated by rental property owners, while "Intakes" reflect those non-payment proceedings noticed for trial.

Sources: New York City Civil Court,Deputy Chief Clerk for Housing;New York City Department of Investigations,Bureau of City Marshals.

F.8 Housing and Vacancy Survey Data, Rent Stabilized Apartments, 1996 and 1999

	1996[1]		1999[2]	
	Number	Percent	Number	Percent
Household Income				
<$5,000/Loss/No Income	89,893	8.9%	87,972	8.6%
$5,000 to $9,999	145,235	14.3%	119,961	11.8%
$10,000 to $14,999	87,960	8.7%	96,096	9.4%
$15,000 to $19,999	81,025	8.0%	83,572	8.2%
$20,000 to $24,999	85,367	8.4%	83,382	8.2%
$25,000 to $29,999	75,694	7.5%	71,311	7.0%
$30,000 to $34,999	71,695	7.1%	62,402	6.1%
$35,000 to $39,999	57,521	5.7%	59,447	5.8%
$40,000 to $49,999	89,571	8.8%	95,306	9.3%
$50,000 to $59,999	66,957	6.6%	70,391	6.9%
$60,000 to $69,999	47,346	4.7%	51,800	5.1%
$70,000 to $79,999	30,646	3.0%	37,205	3.6%
$80,000 to $89,999	18,261	1.8%	25,748	2.5%
$90,000 to $99,999	13,989	1.4%	17,045	1.7%
$100,000 to $124,999	53,590	5.3%	28,932	2.8%
$125,000 or More	Δ		30,017	2.9%
Not Reported	0	--	0	--
Median	$25,300	--	$27,000	--
Mean	$35,725	--	$36,968	--
Contract Rent				
<$100	3,379	0.3%	1,693	0.2%
$100 to $199	21,250	2.1%	17,578	1.7%
$200 to $299	31,519	3.2%	23,600	2.3%
$300 to $399	75,037	7.5%	45,629	4.5%
$400 to $499	155,700	15.6%	117,972	11.7%
$500 to $599	207,237	20.7%	193,016	19.1%
$600 to $699	173,327	17.3%	187,148	18.5%
$700 to $799	104,259	10.4%	129,755	12.8%
$800 to $899	67,628	6.8%	84,499	8.4%
$900 to $999	38,605	3.9%	54,687	5.4%
$1,000 to $1,249	52,071	5.2%	72,136	7.1%
$1,250 to $1,499	22,719	2.3%	31,638	3.1%
$1,500 to $1,749	19,325	1.9%	26,570	2.6%
$1,750 or More	28,427	2.8%	25,025	2.5%
No Cash Rent	14,267	--	9,642	--
Not Reported	0	--	0	--
Median	$600	--	$650	--
Mean	$680	--	$731	--
Contract-Rent-to-Income Ratio				
<10%	78,604	8.1%	73,845	7.6%
10% to 14%	117,880	12.2%	122,515	12.6%
15% to 19%	131,084	13.6%	123,446	12.7%
20% to 24%	105,155	10.9%	117,829	12.1%
25% to 29%	85,350	8.8%	81,645	8.4%
30% to 34%	72,353	7.5%	71,259	7.3%
35% to 39%	49,192	5.1%	49,937	5.1%
40% to 49%	66,939	6.9%	72,447	7.4%
50% to 59%	46,767	4.8%	47,285	4.9%
60% to 69%	36,189	3.7%	38,718	4.0%
70% to 79%	32,787	3.4%	31,010	3.2%
80% or More	145,282	15.0%	142,613	14.7%
Not Computed	47,169	--	48,039	--
Not Reported	0	--	0	--
Median	27.6%	--	27.4%	--
Mean	38.8%	--	37.0%	--

Δ The highest household income category used by the U.S.Census Bureau in the 1996 HVS was $100,000 or more.

1. 1996 HVS reflects 1995 incomes.
2. 1999 HVS reflects 1998 incomes.

Note: 1996 and 1999 data values are imputed.

Source: 1996 and 1999 New York City Housing and Vacancy Survey, U.S.Bureau of the Census.

Appendix G: Housing Supply Report

G.1 Permits Issued For Housing Units in New York City, 1960-2000

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	**Total**
1960	--	--	--	--	--	**46,792**
1961	--	--	--	--	--	**70,606**
1962	--	--	--	--	--	**70,686**
1963	--	--	--	--	--	**49,898**
1964	--	--	--	--	--	**20,594**
1965	--	--	--	--	--	**25,715**
1966	--	--	--	--	--	**23,142**
1967	--	--	--	--	--	**22,174**
1968	--	--	--	--	--	**22,062**
1969	--	--	--	--	--	**17,031**
1970	--	--	--	--	--	**22,365**
1971	--	--	--	--	--	**32,254**
1972	--	--	--	--	--	**36,061**
1973	--	--	--	--	--	**22,417**
1974	--	--	--	--	--	**15,743**
1975	--	--	--	--	--	**3,810**
1976	--	--	--	--	--	**5,435**
1977	--	--	--	--	--	**7,639**
1978	--	--	--	--	--	**11,096**
1979	--	--	--	--	--	**14,524**
1980	--	--	--	--	--	**7,800**
1981	--	--	--	--	--	**11,060**
1982	--	--	--	--	--	**7,649**
1983	--	--	--	--	--	**11,795**
1984	--	--	--	--	--	**11,566**
1985	1,263	1,068	12,079	2,211	3,711	**20,332**
1986	920	1,278	1,622	2,180	3,782	**9,782**
1987	931	1,650	3,811	3,182	4,190	**13,764**
1988	967	1,629	2,460	2,506	2,335	**9,897**
1989	1,643	1,775	2,986	2,339	2,803	**11,546**
1990	1,182	1,634	2,398	704	940	**6,858**
1991	1,093	1,024	756	602	1,224	**4,699**
1992	1,257	646	373	351	1,255	**3,882**
1993	1,293	1,015	1,150	530	1,185	**5,173**
1994	846	911	428	560	1,265	**4,010**
1995	853	943	1,129	738	1,472	**5,135**
1996	885	942	3,369	1,301	2,155	**8,652**
1997	1,161	1,063	3,762	1,144	1,857	**8,987**
1998	1,309	1,787	3,823	1,446	2,022	**10,387**
1999	1,153	2,894	3,791	2,169	2,414	**12,421**
2000 Ω	303 (150)	472 (930)	1,266 (842)	500 (294)	625 (626)	**3,166 (2,843)**

Ω First three months of 2000. The number of permits issued in the first three months of 1999 is in parenthesis.
Source: U.S.Bureau of the Census,Manufacturing and Construction Division,Building Permits Branch.

G.2 New Dwelling Units Completed in New York City, 1960-98

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	**Total**
1960	4,970	9,860	5,018	14,108	1,292	**35,248**
1961	4,424	8,380	10,539	10,632	1,152	**35,127**
1962	6,458	10,595	12,094	15,480	2,677	**47,304**
1963	8,780	12,264	19,398	17,166	2,423	**60,031**
1964	9,503	13,555	15,833	10,846	2,182	**51,919**
1965	6,247	10,084	14,699	16,103	2,319	**49,452**
1966	7,174	6,926	8,854	6,935	2,242	**32,131**
1967	4,038	3,195	7,108	5,626	3,069	**23,036**
1968	3,138	4,158	2,707	4,209	3,030	**17,242**
1969	1,313	2,371	6,570	3,447	3,768	**17,469**
1970	1,652	1,695	3,155	4,230	3,602	**14,334**
1971	7,169	2,102	4,708	2,576	2,909	**19,464**
1972	11,923	2,593	1,931	3,021	3,199	**22,667**
1973	6,294	4,340	2,918	3,415	3,969	**20,936**
1974	3,380	4,379	6,418	3,406	2,756	**20,339**
1975	4,469	3,084	9,171	2,146	2,524	**21,394**
1976	1,373	10,782	6,760	3,364	1,638	**23,917**
1977	721	3,621	2,547	1,350	1,984	**10,223**
1978	464	345	3,845	697	1,717	**7,068**
1979	405	1,566	4,060	1,042	2,642	**9,715**
1980	1,709	708	3,306	783	2,380	**8,886**
1981	396	454	4,416	1,152	2,316	**8,734**
1982	997	332	1,812	2,451	1,657	**7,249**
1983	757	1,526	2,558	2,926	1,254	**9,021**
1984	242	1,975	3,500	2,291	2,277	**10,285**
1985	557	1,301	1,739	1,871	1,939	**7,407**
1986	968	2,398	4,266	1,776	2,715	**12,123**
1987	1,177	1,735	4,197	2,347	3,301	**12,757**
1988	1,248	1,631	5,548	2,100	2,693	**13,220**
1989	847	2,098	5,979	3,560	2,201	**14,685**
1990	872	929	6,376	2,340	1,384	**11,901**
1991	656	764	2,595	1,996	1,628	**7,638**
1992	802	1,337	2,720	1,905	1,136	**7,900**
1993	886	619	1,222	1,329	1,456	**5,512**
1994	891	1,035	2,202	1,994	1,579	**7,438**
1995	1,166	1,647	2,798	1,183	1,268	**8,205**
1996	1,075	1,577	1,582	1,530	1,699	**7,540**
1997	1,391	1,369	816	2,032	1,791	**7,607**
1998	575	1,333	5,175	2,598	1,751	**11,432**
1999	1,228	1,025	2,341	2,971	2,262	**9,827**

Note: Dwelling unit count is based on the number of Final Certificates of Occupancy issued by NYC Department of Buildings,or equivalent action by the Empire State Development Corporation or NYS Dormitory Authority. In addition,housing completions in Manhattan are also compiled from the Yale Robins,Inc. Residential Construction in Manhattan newsletter. The NYC Dept.of City Planning revised the Manhattan figures for the years 1994 through 1997,as well as 1994 and 1996 Queens and 1994 Staten Island figures,which are reflected above.

Source: New York City Department of City Planning,Certificates of Occupancy issued in Newly Constructed Buildings.

G.3 Number of Residential Cooperative and Condominium Plans Accepted for Filing By the Attorney General's Office, 1997-99

	1997	1998	1999
Private Plans	Plans (Units)	Plans (Units)	Plans (Units)
New Construction	33	69 (3,225)	50 (1,123)
Rehabilitation	0	45 (812)	30 (1,029)
Conversion (Non-Eviction)	4 ∞	19 (210)	12 (359)
Conversion (Eviction)	0	0	1 (48)
Private Total	**37 (900-1,300) ß**	**133 (4,247)**	**93 (2,559)**
HPD Sponsored Plans	Plans (Units)	Plans (Units)	Plans (Units)
New Construction	NA	0	0
Rehabilitation	NA	3 (14)	0
Conversion (Non-Eviction)	NA	21 (176)	0
Conversion (Eviction)	NA	0	26 (295)
HPD Total	**NA**	**24 (190)**	**26 (295)**
Grand Total	**37 (900-1,300) ß**	**157 (4,437)**	**119 (2,854)**

Note: Figures exclude "Homeowner" and "Commercial" plans/units.
NA: Attorney General's Office does not have this data available due to a change in reporting systems.
ß Number of units is estimated from the average building size of coop/condo plans submitted in prior years.
∞ The Attorney General's Office did not differentiate between non-eviction and eviction conversions.

Source: New York State Attorney General's Office, Real Estate Financing.

G.4 Number of Units in Cooperative and Condominium Plans Accepted for Filing By the New York State Attorney General's Office, 1981-1999

Year	New Construction	Conversion Eviction	Conversion Non-Eviction	**Total New Construction & Con version**	Units in HPD Sponsored Plans
1981	6,926	13,134	4,360	**24,420**	925
1982	6,096	26,469	16,439	**49,004**	1,948
1983	4,865	18,009	19,678	**42,552**	906
1984	4,663	7,432	25,873	**37,968**	519
1985	9,391	2,276	30,277	**41,944**	935
1986	11,684	687	39,874	**52,245**	195
1987	8,460	1,064	35,574	**45,098**	1,175
1988	9,899	1,006	32,283	**43,188**	1,159
1989	6,153	137	25,459	**31,749**	945
1990	4,203	364	14,640	**19,207**	1,175
1991	1,111	173	1,757	**3,041**	2,459
1992	793	0	566	**1,359**	1,674
1993	775	41	134	**950**	455
1994	393	283	176	**852**	901
1995	614	321	201	**1,136**	935
1996	NA	NA	NA	**750-1,000 ß**	NA
1997	NA	NA	NA	**900-1,300 ß**	NA
1998	3,225	0	386	**3,611**	190
1999	1,123	48	359	**1,530**	295

Note: HPDPlans are a subset of all plans and include rehabilitation plans; the total column does not contain rehabilitation plans explaining why HPD plans are higher than the total in some years.
NA: The Attorney General's Office does not have this data available at present due to a change in reporting systems.
ß Number of units is estimated from the average building size of coop/condo plans submitted in prior years.

Source: New York State Attorney General's Office, Real Estate Financing.

G.5 Tax Incentive Programs

Buildings Receiving Certificates for 421-a Exemptions, 1997-99

	1997		1998		1999	
	Preliminary Certificates	Units	Final Certificates	Units	Final Certificates	Units
Bronx	7	60	8	138	14	322
Brooklyn	38	317	31	397	37	457
Manhattan	9	1,407	9	1,389	21	4,591
Queens	21	302	21	222	37	637
Staten Island	0	13	2	72	2	116
Total	**75**	**2,099**	**71**	**2,118**	**111**	**6,123**

Buildings Receiving J-51 Tax Abatements and Exemptions, 1997-99

	1997			1998			1999		
	Buildings	Units	Certified Cost ($1,000s)	Buildings	Units	Certified Cost ($1,000s)	Buildings	Units	Certified Cost ($1,000s)
Bronx	350	17,290	$33,256	196	10,239	$17,911	285	9,344	$22,444
Brooklyn	759	36,165	$57,298	565	22,060	$26,094	2,968	19,819	$25,787
Manhattan	2,181	55,232	$80,675	1,005	46,007	$53,666	879	23,763	$45,173
Queens	742	36,231	$25,294	477	24,324	$15,336	639	27,129	$18,729
Staten Island	12	398	$82,000	15	897	$760,600	24	2,066	$7,351
Total	**4,044**	**145,316**	**$196,806**	**2,258**	**103,527**	**$113,768**	**4,795**	**82,121**	**$119,484**

Note: 1998 and 1999 421-a exemption figures represent the actual number of certificates issued in each year, not preliminary.
Source: New York City Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.

G.6 Tax Incentive Programs - Units Receiving Initial Benefits, 1981-1999

Year	421-a	J-51
1981	3,505	--
1982	3,620	--
1983	2,088	--
1984	5,820	--
1985	5,478	--
1986	8,569	--
1987	8,286	--
1988	10,079	109,367
1989	5,342	64,392
1990	980	113,009
1991	3,323	115,031
1992	2,650	143,593
1993	914	122,000
1994	627	60,874
1995	2,284	77,072
1996	1,085	70,431
1997	2,099	145,316
1998	2,118	103,527
1999	6,123	82,121

Source: New York City Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.

G.7 City-Owned Properties, 1985-2000

	Central Management				Alternative Management		Vestings		Buildings Sold
Year	Occupied Units	Occupied Buildings	Vacant Units	Vacant Buildings	Units	Buildings	Units	Buildings	Buildings
1985	38,561	4,102	56,474	5,732	12,825	542	--	--	531
1986	39,632	4,033	55,782	5,662	13,375	583	--	--	275
1987	38,201	4,042	48,987	4,638	13,723	587	--	--	621
1988	37,355	3,628	37,734	3,972	14,494	624	--	--	58 +
1989	32,377	3,359	45,724	3,542	17,621	780	--	--	72
1990	33,851	3,303	37,951	3,110	14,800	705	3,323	292	112
1991	32,783	3,234	30,534	2,796	12,695	615	2,288	273	140
1992	32,801	3,206	22,854	2,368	--	--	1,462	197	--
1993	32,078	3,098	17,265	2,085	9,237	470	2,455	211	162
1994	30,358	2,992	13,675	1,763	8,606	436	715	69	81
1995	27,922	2,885	11,190	1,521	7,903	433	240	17	170
1996	24,503	2,684	9,971	1,349	6,915	393	49	2	386
1997	22,298	2,484	8,177	1,139	5,380	289	0	0	253
1998	19,084	2,232	7,511	1,021	6,086	305	0	0	206
1999	15,333	1,905	6,664	869	6,640	401	0	0	251
2000	13,613	1,730	6,295	805	6,282	382	0	0	136

Note: HPD could not confirm vestings data prior to FY 1990

Source: NYC Office of Operations,Fiscal 2000 Mayor's Management Report;NYC Department of Housing Preservation and Development

G.8 Residential Building Demolitions in New York City, 1985-1999

	Bronx		Brooklyn		Manhattan		Queens		Staten Island		Total	
Year	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total	**5+ Units**	**Total**
1985	81	157	3	101	59	73	3	133	1	31	**147**	**495**
1986	48	96	14	197	19	38	3	273	4	67	**88**	**671**
1987	14	55	2	130	22	33	1	273	6	83	**45**	**574**
1988	3	34	2	169	25	44	2	269	0	160	**32**	**676**
1989	6	48	8	160	20	38	3	219	0	109	**37**	**574**
1990	4	29	3	133	20	28	5	119	0	71	**32**	**380**
1991	10	33	15	95	9	14	1	68	0	32	**35**	**242**
1992	12	51	6	63	2	5	1	41	0	33	**21**	**193**
1993	0	17	4	94	0	1	3	51	0	5	**7**	**168**
1994	3	14	4	83	5	5	2	42	0	8	**14**	**152**
1995	2	18	0	81	0	0	2	37	0	17	**4**	**153**
1996	--	30	--	123	--	25	--	118	--	84	**--**	**380**
1997	--	29	--	127	--	51	--	168	--	119	**--**	**494**
1998	--	71	--	226	--	103	--	275	--	164	**--**	**839**
1999	--	67	--	211	--	53	--	227	--	159	**--**	**717**

Note: The Census Bureau discontinued collecting demolition statistics in December, 1995;the New York City Department of Buildings supplied the total number of buildings demolished from 1996 forward.

Source: U.S.Bureau of the Census,Manufacturing and Construction Division,Building Permits Branch;New York City Department of Buildings.

Glossary

1/40th Increase . See "Individual Apartment Improvements."

421-a Tax Incentive Program. Created in 1970, offers tax exemptions to qualifying new multifamily properties containing three or more rental units. Apartments built with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Thus, 421-a tenants share the same tenancy protections as stabilized tenants and initial rents approved by HPD are then confined to increases established by the Rent Guidelines Board.

Adjustable Rate Mortgage (ARM). Similar to a variable rate mortgage except that interest rate adjustments are capped in order to protect lenders and borrowers from sudden upturns or downturns in a market index.

Affordable Housing. As defined by the United States Department of Housing and Urban Development, any housing accommodation for which a tenant household pays 30% or less of its yearly income for shelter.

Aid to Families with Dependent Children (AFDC). A defunct income assistance program designed to help parents with dependent children. In 1997, there were over 700,000 recipients in New York City [see Temporary Assistance to Needy Families].

Balloon Loan. A type of loan that is partially amortized,which means that principal is partially paid throughout the term of the loan. At maturity, the borrower still has a substantial sum (balloon) that must be repaid or refinanced.

Core Manhattan. The area of Manhattan south of 96th Street on the East Side and 110th Street on the West Side.

Cross-sectional. The type of analysis that provides a "snapshot" view of data as it appears in a singular moment or period of time.

Debt Service . Repayment of loan principal and interest; the projected debt service is the determining factor in setting the amount of the loan itself.

Debt Service Ratio . The net operating income divided by the debt service;it measures a borrower's ability to cover mortgage payments using a building's net operating income.

Department of Housing Preservation and Development (HPD). The New York City agency with primary responsibility for promulgating and enforcing housing policy and laws in the City.

DHCR. See "Division of Housing & Community Renewal."

Discount Rate . The interest rate Federal Reserve Banks charge for loans to depository institutions.

Distressed Buildings. Buildings that have operating and maintenance expenses greater than gross income are considered distressed.

Division of Housing and Community Renewal (DHCR). The New York State agency with primary responsibility for formulating New York State housing policy, and monitoring and enforcing the provisions of the state's residential rent regulation laws.

Federal Deposit Insurance Corporation (FDIC). Established by the federal government in 1950 to insure the deposits of member banks and savings associations.

Federal Reserve Board. The central bank of the United States. It was founded by Congress in 1913 to provide the nation with a safer, more flexible, and more stable monetary and financial system.

Federal Funds Rate. Set by the Federal Reserve, this is the rate banks charge each other for overnight loans.

Fixed Rate Mortgage (FRM). The interest rate is constant for the term of a mortgage.

Gross City Product (GCP). The dollar measurement of the total citywide production of goods and services in a given year.

Housing & Vacancy Survey Study (HVS). A triennial survey of approximately 17,000 households conducted by the United States Census Bureau data. The survey is used, *inter alia*, to determine the vacancy rate for residential units in New York City, and gather other information necessary for HPD, the RGB,the DHCR and other housing officials to formulate policy.

HPD. See "Department of Housing Preservation and Development."

HUD. The United States Department of Housing and Urban Development, which is the federal agency primarily responsible for promulgating and enforcing federal housing policy and laws.

HVS. See "Housing Vacancy Survey."

I&E. Refers to the annual *Income and Expense Study* performed by the Rent Guidelines Board drawn from summarized data on RPIE forms,the income and expense statements filed annually by owners of stabilized buildings with the New York City Department of Finance.

Individual Apartment Improvements (IAI or "1/40th"). A NYS policy whereby owners of rent-regulated units can add 1/40th or 2.5% of the cost of qualifying improvements to the legal rent of those units. E.g.,(1) if an apartment's legal rent were $500, and (2) the landlord made $4,000 of qualifying improvements, then (3) the landlord thereafter could add 1/40th of the cost of those improvements – in this example, $100 – to the apartment's existing legal monthly rent for a resulting new legal rent of $600.

J-51 Tax Abatement and Exemption Program. The J-51 program is designed to encourage the periodic renovation of New York City's aging stock of rental housing, half of which was built prior to the mid-1940's. Provides abatements and exemptions to owners wishing to undertake building improvements and rehabilitation.

Legal Rent. The maximum rent level which a landlord is entitled to charge a tenant for a rent-regulated unit. The landlord of such a unit must annually register that legal rent with the New York State Division of Housing and Community Renewal.

Legislature. The New York State Legislature.

Loan-to-Value Ratio (LTV). An expression of the safety of a mortgage principal based on the value of the collateral (e.g., an LTV of 50% means that a lender is willing to provide a mortgage up to half the value of a building). A decline in LTV may indicate a tightening of lending criteria and vice versa.

Longitudinal. The type of analysis that provides a comparison of identical elements over time, such as comparing data from 1998 to the same data in 1999.

Luxury Decontrol. The change in an apartment's status from being rent regulated to being deregulated because the apartment's household has (1) a yearly income of $175,000,(2) in two or more consecutive years,and (3) the apartment's monthly rent is $2,000 or greater.

Major Capitol Improvement (MCI). An improvement or installation to a regulated building which permits the owner to increase the rent based on the MCI cost. MCI rent increases must be approved by DHCR.

Mean and Median Averages. The "mean" is an arithmetic average of numbers which statisticians often view warily because of the potentially distorting effect of numbers at the extremes of the range. The "median" is considered by many as a more constant measure of that same set of numbers because it moderates the distorting effect of any extremes or other aberrations, and effectively produces a result which would fall in the 50th percentile of the numbers under analysis.

New York City Housing Authority (NYCHA). The New York City agency that administers public housing.

NOI or Net Operating Income. The amount of income remaining after operating and maintenance expenses are paid is typically referred to as Net

Operating Income (NOI). NOI can be used for mortgage payments,improvements, federal, state and local taxes and after all expenses are paid, profit.

O&M. Refers to the operating and maintenance expenses in buildings.

Operating Cost Ratio . The "cost-to-income" ratio, or the percentage of income spent on O&Mexpenses, is traditionally used by the RGB to evaluate estimated profitability of stabilized housing,presuming that buildings are better off by spending a lower percentage of revenue on expenses.

Outer Boroughs. Queens, Brooklyn, the Bronx and Staten Island, or the boroughs of New York City not including Manhattan. These boroughs are often grouped together for purposes of analysis because their economic and demographic attributes are more similar to each other than those found in Manhattan.

PIOC . Price Index of Operating Costs.

Points. Up front service fees charged by lenders.

Post-46 or Post-war . A common classification of residential buildings used by City agencies to describe buildings built after World War II. Buildings with six or more residential units constructed between 1947 and 1973, or after 1974 if the units received a tax abatement such as 421-a or J-51, are considered stabilized.

Pre-47 or Pre-war . A common classification of residential buildings used by City agencies to describe buildings built before the World War II. Specifically, pre-47 buildings are those with six or more units constructed before February 1, 1947,and are considered stabilized when the current tenant moved in on or after July 1,1971.

Preferential Rent. A rent charged by a landlord which is below the level of the "Legal Rent."

Rent Guidelines Board (RGB). The New York City agency responsible for setting the yearly rent-rate adjustments for the City's rent stabilized apartments, and also the agency which produced this publication.

Rent Regulation Reform Act of 1997 (RRRA-97). The law passed by the New York State Legislature in June, 1997 which promulgated several new provisions for rent regulated units. See Luxury Decontrol, Special Low Rent Increase, Vacancy Allowance, Vacancy Bonus and Vacancy Decontrol. Also known as the 'Rent Act.'

RGB . See "Rent Guidelines Board."

RGB Rent Index. An index that measures the overall effect of the Board's annual rent increases on contract rents.

RPIE Forms. Owners of stabilized buildings are required by Local Law 63 to file Real Property Income and Expense (RPIE) forms annually with the New York City Department of Finance. RPIE forms contain detailed financial information regarding the revenues earned and the costs accrued in the operation and maintenance of stabilized buildings. Buildings with fewer than 11 units, an assessed value of $80,000 or less, or exclusively residential cooperatives or condominiums are exempt from filing. RPIE forms are also known as I&E forms.

Safety Net Assistance (SNA). An income assistance program set up under the New York State Welfare Reform Act of 1997 to replace Home Relief (HR).

Section 8 Vouchers. A federally-funded housing assistance program that pays participating owners on behalf of eligible tenants to provide decent,safe, and sanitary housing for very low income families at rents they can afford. Housing assistance payments are generally the difference between the local payment standard and 30 percent of the family's adjusted income. The family has to pay at least 10 percent of gross monthly income for rent. In NYC, the program is administered by NYCHA.

Section 8 Certificates. A federally-funded housing assistance program that provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent,safe and sanitary housing for low income families in private market rental units at rents they can afford. This is primarily a tenant-based rental assistance program through which participants are assisted in rental units of their choice;however, a public housing agency may also attach up to 15 percent

of its certificate funding to rehabilitated or newly constructed units under a project-based component of the program. All assisted units must meet program guidelines. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the family's required contribution towards rent. Assisted families must pay the highest of 30 percent of the monthly adjusted family income, 10 percent of gross monthly family income, or the portion of welfare assistance designated for the monthly housing cost of the family.

Special Low Rent Increase . This provision of the 1997 Rent Regulation Reform Act permits the landlords of units which rent for less than $300 to charge those vacancy allowances otherwise permitted (including the "vacancy bonus") plus $100. Moreover, if an apartment rented for between $300 and $500, this same provision of the Rent Act provides that "in no event shall the total increase pursuant to this [vacancy allowance provision of the Rent Act] be less than one hundred dollars per month."

Special Vacancy Allowance . See "Vacancy Bonus."

Statutory Vacancy Allowance . See "Vacancy Allowance."

Temporary Assistance to Needy Families (TANF). An income assistance program set up under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to replace Aid to Families with Dependent Children (AFDC). Under TANF block grant system,each state has the authority to determine who is eligible, the level of assistance, and how long it will last.

Term. The length of time in which a mortgage is expected to be paid back to the lender; the shorter the term, the faster the principal must be repaid and consequently the higher the debt service and vice versa.

Upper Manhattan. The area of Manhattan north of 96th Street on the East Side and 110th Street on the West Side.

Vacancy Allowance . A provision in the Rent Regulation Reform Act of 1997 allowing owners of rent stabilized units to raise by a certain percentage the legal rent of a vacant unit. For an incoming tenant who opts for a two-year lease, the vacancy allowance is 20%. For an incoming tent who opts for a one-year lease, the vacancy allowance is 20% minus the percentage difference between the RGB's then-current guidelines for a two-year and a one-year lease. Other factors affect these percentages as well (see also the "Vacancy Bonus" and the "Special Low Rent Increase.") Because the 2000/01 RGB guidelines for a two-year lease is 6% and for a one-year lease is 4%, the difference is 2%. Thus, if an incoming tenant opts for a one-year lease, during 2000/01, a landlord would be entitled to raise the legal rent for that incoming tenant's unit by a minimum of 18%.

Vacancy Bonus. An additional rental increase allowed for units which become vacant after a long-term tenant has moved out. If the prior tenant had been in occupancy at least for eight years—and thus the unit had not "received" a vacancy allowance during that time—the Rent Regulation Reform Act of 1997 permits the landlord to charge an additional .6% for each year since the unit received its last vacancy allowance. For example, if (1) the incoming tenant opts for a two-year lease, after (2) the prior tenant had been in occupancy for ten years, then the landlord can charge the incoming tenant a 20% vacancy allowance (for a two-year lease) plus another 6% (ten years times .6%) for a total increase of 26% over the legal rent which had been paid by the departing tenant.

Vacancy Decontrol. A process by which a rent regulated unit becomes deregulated if (1) at the time it next becomes vacant, (2) the legal rent is $2,000 or greater. If the in-place tenant is rent regulated,vacancy decontrol cannot occur even if that in-place tenant's monthly rent eventually exceeds $2,000. Such decontrol can occur only following the next vacancy unless the unit is "luxury decontrolled" (See Luxury Decontrol). Further, the $2,000 level may be reached in a variety of ways, including (1) by already being at or over $2,000 when the next vacancy occurs, (2) reaching the $2,000 level as a result of the next "vacancy allowance," or (3) reaching the $2,000 level as a result of the next "vacancy allowance" coupled with any "1/40th/individual apartment improvement" increase or MCI.

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