New York City Rent Guidelines Board

Housing NYC: Rents, Markets & Trends 2008

Table of Contents

List of Appendices

(continued, next page)

List of Appendices

Chairman's Acknowledgements

I am pleased to present the 2008 edition of *Housing NYC: Rents, Markets and Trends*, the NYC Rent Guidelines Board's annual compendium of RGB staff research. This research forms the core of the decision-making process the Board makes when it makes its annual rent guidelines determinations for rent stabilized apartments, hotels and lofts. Moreover, the research is useful for members of the press, public and other government agencies seeking data and information on the housing market in New York City, housing income and affordability, the City's economic condition and much more.

As chairman, I am tremendously proud of the research conducted by our talented staff year after year. The staff of the Board worked hard to prepare the studies presented in this book and I am privileged to have the honor of working with such a first-rate research team and support staff.

Lastly, I would be remiss if I did not extend my great appreciation for the effort made by each and every board member. They all deserve thanks for their hard work this season. I am proud to serve as chairman of such a committed group of people.

Marvin Markus
Chairman

Executive Director's Acknowledgements

Every year the Rent Guidelines Board (RGB) publishes a compendium of its annual research reports. The data contained in *Housing NYC: Rents, Markets and Trends 2008* is used by members of the Board to help them promulgate renewal lease adjustments for rent stabilized apartments, lofts, and hotels in NYC. Although members of the RGB research staff author these reports, they would not be possible without the contributions of many housing professionals and government agencies.

The research staff of the RGB produces six reports each year, all of which are contained in this compendium. Our senior research associate, Brian Hoberman, implemented his strong research skills to author the *2008 Income and Expense Study*, *2008 Mortgage Survey* and *Changes to the Rent Stabilized Housing Stock in New York City in 2007*. His myriad of computer skills has contributed to maintaining and upgrading software and hardware used by the staff. Danielle Burger, an exceptional member of our staff, authored the *2008 Income and Affordability Study* and the *2008 Housing Supply Report* and contributed her research skills to this year's *Price Index of Operating Costs*. Both Brian and Danielle maintain and contribute content to the Board's website, housingnyc.com. The RGB is lucky to have such dedicated and experienced professionals as a part of the research team.

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. Each member of the staff contributes to this time-intensive report collecting and analyzing data throughout the year. In addition to the permanent RGB staff, the Board hires a temporary staff to help collect prices for insurance, non-union labor, contractors, building supplies, and replacement items. This data collection is spearheaded by Shirley Alexander, our PIOC Temp Manager. This is the fifteenth year in which Shirley has participated in this effort and her intimate knowledge of the vendor and owner surveys makes her a very valuable member of our team. We look forward to her return each year and her dedication to this project is much appreciated. The last PIOC participant is long-time PIOC consultant James Hudson who has over 20 years experience working on this project. His statistical expertise and his intimate knowledge with the spreadsheets used to determine the Price Index ensures accurate reporting of the data. We extend our gratitude for all his hard work.

In addition to the research staff, we are fortunate to have a dedicated administrative staff. Leon Klein, our office manager, has been with the RGB for twenty-four years. His hard work and meticulous bookkeeping ensures that our bills, staff and board members are paid on a timely basis. His institutional knowledge of the Board's finances, budgets and staff benefits helps to maintain a smooth and efficient office. Charmaine Superville, our public information officer, is the voice of the RGB. Her vast knowledge of rent stabilization and housing issues in NYC helps her to answer thousands of phone calls each year, which she does with patience and compassion. She is also an integral part of the PIOC helping to collect data from owners, managing agents and fuel companies and she helps to organize the Board's public meetings.

As executive director I work closely with the members of the Board. I witness first hand their dedication to public service. I enjoyed working with each and every member and I thank them for their hard work. I would especially like to extend my gratitude to Chairman Marvin Markus. His support of the staff is unwavering and his vast knowledge of the issues that face the Board each year makes my job that much easier.

Although RGB reports are produced entirely "in-house," our research efforts would not be possible without assistance from many others. For both the information and expertise they provided, our gratitude goes out to: Bill Sears at the Department of City Planning, for data on new housing completions; Farid Heydarpour at the NYC

Comptroller's Office, who provides labor force data; Angela Orridge at the Department of Buildings, for city-wide demolition data; Floralba Paulino at the Bureau of City Marshals, for information on evictions and possessions; Amy C. Karp at the NYS Attorney General's Office and Norma Gomez at the NYC Department of Housing Preservation and Development (HPD), for information regarding cooperative and condominium developments; Ernesto Belzaguy at the NYC Civil Court, for data on housing court proceedings; George Sweeting of the Independent Budget Office (IBO), for lending his expertise on real estate taxes. From DHCR we would like to thank Deputy Commissioner Leslie Torres, as well as Michael Berrios and Tracey Stock, for their assistance and expertise regarding owner registration data. In addition, our thanks goes out to the following staff members of HPD: Neill Coleman, Office of Communications, for providing updated data on City-sponsored housing construction; Charles Winkler of the Tax Incentives Program, who provided data on tax benefit programs; Christopher Simi, of the Inclusionary Housing/421-a Affordable Program; and Julie Walpert, Assistant Commissioner, Office of Housing Operations, who provides information regarding Mitchell-Lama units. From the Department of Homeless Services, Eileen Lynch graciously helped provide additional data for this year's *Income and Affordability Study*. We would like to thank the staff of NYC Department of Finance, in particular Leonard Linder, Director of Operations Research, Property Division and the following members of his staff: Ramon Castillo, Andreen McDonald, and Wendy Chong. We would also like to recognize the efforts of Stephen Narloch and Anthony Longo from the Mayor's Office of Operations for additional Mayor's Management Report statistics.

Our appreciation is extended to the numerous agencies that provided useful data throughout the year. At the national level: the U.S. Census Bureau, Residential Construction branch; the Bureau of Labor Statistics; the Federal Deposit Insurance Corporation; 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 Department of City Planning; the Mayor's Office of Operations; the Comptroller's Office; the Office of Management and Budget; Corporation Counsel; the Bureau of City Marshals; and the Department of Housing Preservation and Development, Office of Development.

The RGB prides itself on its strong working relationship with HPD. We would like to thank Commissioner Shaun Donovan, Joseph Rosenberg, Moon Wha Lee, and Sheree West for their efforts on behalf of the RGB. Their dedication and responsiveness to RGB matters is a reflection of their hard work and professionalism. Their invaluable assistance does not go unnoticed. We would like to thank Robert Goldrich, the Board's first-year liaison to the Office of the Deputy Mayor for Economic Development and Rebuilding, for conveying our research and RGB issues to City Hall. His dedication to the Board is much appreciated.

Finally, we give special thanks to those who testified at RGB meetings this year: from HPD, Joseph Rosenberg, Deputy Commissioner for Intergovernmental Affairs; from the NYC Department of Finance, Commissioner Martha Stark; and from DHCR's Office of Rent Administration, Deputy Commissioner Leslie Torres, Michael Rosenblatt, Deputy General Counsel, Gerald Garfinkle, Bureau Chief and Greg Fewer, Director of Policy.

Andrew McLaughlin
Executive Director

Income & Expense

2008 Price Index Of Operating Costs

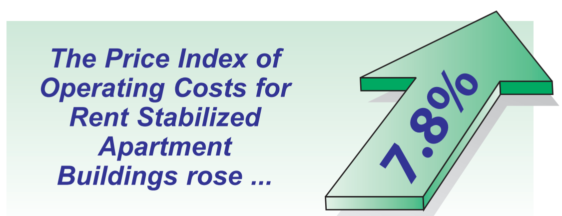
What's New

- ✔ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings (PIOC) increased 7.8% this year.
- ✔ Costs in pre-war buildings increased 9.1% and costs in post-war buildings rose 6.2%.
- ✔ The "core" PIOC, which excludes the erratic changes in fuel oil prices, natural gas, and electricity costs, is useful for analyzing inflationary trends. The core rose by 3.4% this year.
- ✔ Fuel oil costs increased 37.4%.
- ✔ Real estate taxes rose 0.3% due to a rise in assessments for Class Two properties.
- ✔ Labor Costs rose 4.0%.
- ✔ The Utilities component increased by 8.9% due primarily to an increase in water and sewer costs.
- ✔ Insurance Costs grew by 2.3%.
- ✔ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings is projected to increase 7.3% next year.

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 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, through information 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 (O&M) 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 the various 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 *2008 Price Index* are based upon the 1983 Expenditure Study and are revised on the basis of annually measured price changes from 1982-2007.

The importance of each index component is shown by its "expenditure weight" (see Appendix B.2). The measured 2007-08 price changes in each index component are also presented in this appendix. The expenditure weights and the 2007-08 price changes are then combined to provide the overall change in the PIOC over the period from 2007-08.

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 (post-1946). 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 expenditure patterns for buildings are combined in the construction of the overall PIOC. It is nevertheless possible to develop separate price indices for the pre-1947 and post-1946 buildings. In addition, there are separate price indices for gas-heated, oil-heated and master-metered buildings. Although the expenditure weights for all rent stabilized buildings and for each of the five subcategories of buildings differ, the price changes are the same for each of the six indices. (See Appendices B.2 and 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 increased by 7.8%, 2.7 percentage points above the PIOC percentage change from the year before (5.1% in 2007). The PIOC was driven upward by increases in fuel (37.4%) and utility (8.9%) costs. These increases were offset by a slight rise in real estate taxes of 0.3%. More moderate increases were seen in administrative costs (5.3%), labor and replacement costs (both 4.0%), and contractor services (4.6%). Insurance costs and parts and supplies witnessed lower increases, both rising by 2.3%. See the adjacent table and Appendix B.2 for changes in costs and prices for all rent stabilized apartment buildings from 2007-08.

The "core" PIOC, which excludes erratic changes in fuel oil, natural gas and electricity costs, is useful for analyzing long-term inflationary trends. The core PIOC rose by 3.4% this year, which was more than the growth in the Consumer Price Index (CPI) of 2.9%.[1]

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 and 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.

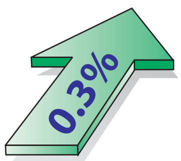
Apartments

Change In Costs for Rent Stabilized Apartment Buildings, April 2007 to April 2008

Taxes	0.3%
Labor Costs	4.0%
Fuel	37.4%
Utilities	8.9%
Contractor Services	4.6%
Administrative Costs	5.3%
Insurance Costs	2.3%
Parts and Supplies	2.3%
Replacement Costs	4.0%
All Costs	**7.8%**

Price Index Components

Taxes



The Tax component of the PIOC is based entirely on real estate taxes. The change in tax cost is estimated by comparing aggregate taxes levied on rent stabilized apartment houses in Fiscal Year (FY) 2007 and FY 2008. The tax data was obtained from the New York City Dept. of Finance.

Real estate taxes rose this year by 0.3%, a significantly smaller rise than the 5.8% increase seen last year and the lowest increase in taxes since 1983 when tax costs actually decreased 0.7%. The change in taxes was due to a rise in assessments that was offset by a decrease in the tax rate and an increase in the average value of exemptions. Abatements had little impact on taxes this year.

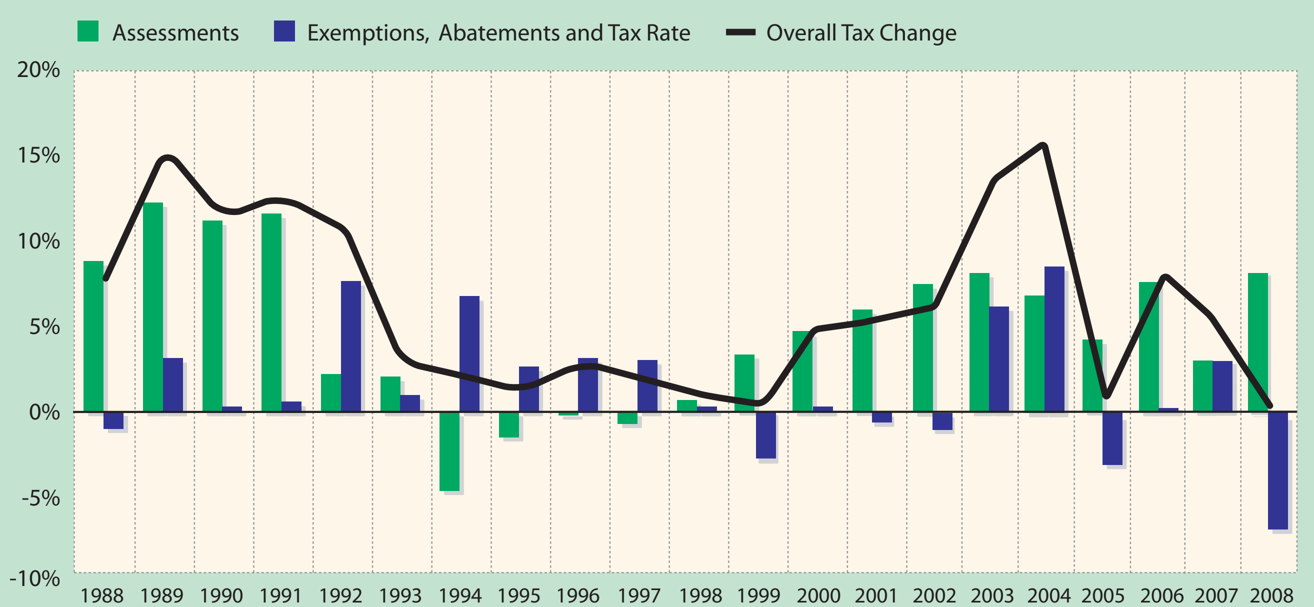
Tax Levy — The total tax levy for all properties in the City (commercial and residential) increased by 0.5% from FY 2007 to FY 2008. The Class Two property levy rose slightly more than that of the City as a whole, at a rate of 1.0%. The distribution of the levy among property classes tends to shift from year to year. From FY 2007 to FY 2008, the levy share for Class Two properties increased, by 0.2 percentage points, from 36.5% to 36.7% of the total tax burden.

Tax Rate — The FY 2007 Class Two tax rate of 12.737 decreased by 6.4%, resulting in a new annualized rate of 11.928 for FY 2008. This decrease follows increases in the tax rate of 2.8% and 1.5% in FY 2007 and FY 2006. The last decrease in the Class 2 tax rate was seen in FY 2005 when the rate declined 3.2%. Significant increases in the tax rate for Class Two properties were seen in FY 2004 and FY 2003 of 9.3% and 7.3% respectively.

Assessments — Assessed valuations of rent stabilized properties rose by 7.8% citywide in FY 2008. This rise in assessments was more than last year's increase (2.9%) and is similar to the increase in assessments seen in FY 2006 of 7.5%. All five boroughs showed increases in assessments. The highest percentage increase in assessments was in the Bronx (12.0%) followed by Brooklyn (10.0%), Manhattan

Percent Change in Taxes due to Assessments and Exemptions/Abatements/Tax Rate 1988-2008

The Rise in Assessments were Offset by a Decrease in the Tax Rate in 2008



Source: New York City Department of Finance

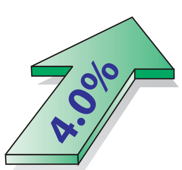
(7.4%), Staten Island (6.3%) and Queens (5.3%).

The change in assessed valuations of rent stabilized buildings in New York City has fluctuated following the cycles in the real estate market. Assessments rose dramatically from the late 1980s through 1991, increasing 8% or more each year (see graph on the previous page). In FY 1992 and FY 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. From FY 1998 to 2003, assessments increased each year at a higher rate than the previous year. Increases in assessed valuations were not as high as the year before in both FY 2004 and FY 2005.

Abatements and Exemptions — This year, the number of rent stabilized buildings with abatements decreased by 3.0%. However, the average benefit value of the typical tax abatement increased, by 2.1%, from FY 2007 to FY 2008. The net impact of the decrease in the number of abatements and in the rise in the average abatement value was a negligible increase in the tax liability for rent stabilized buildings of 0.03%.

In FY 2008, both the number of buildings receiving exemptions and the value of average tax exemptions increased. Overall, 0.3% more rent stabilized buildings benefited from tax exemptions than the year before while the average value of exemptions increased by 4.4%. For all stabilized properties, the rise in the number of exemptions combined with the increase in the value of tax exemptions reduced owners' tax bills by 0.5%. (See Appendices B.5 and B.6)

Labor Costs

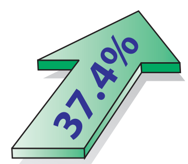


The Price Index measure of labor costs includes union and non-union salaries and benefits, in addition to Social Security and unemployment insurance. The cost of unionized labor makes up nearly two-thirds of the Labor Costs component. The entire Labor Costs component comprises 14% of the overall Price Index.

Labor Costs rose 4.0%, a lower increase than in last year's PIOC (8.1%). The rise in Labor Costs was due to increases in union and non-union wages as well as rises in healthcare and pension contributions. These increases were somewhat offset by an 11.2% decrease in unemployment insurance costs.

Wages comprise three-quarters of the Labor Costs component. For the past fifteen years the growth in non-union labor pay has outpaced union labor wages. Non-union pay increased by 5.6%, which was over two percentage points higher than increases seen in the 2007 price index (3.2%). Unionized wages as a group increased by 2.8%, 1.3 percentage points higher than last year's increase of 1.5%.

Fuel



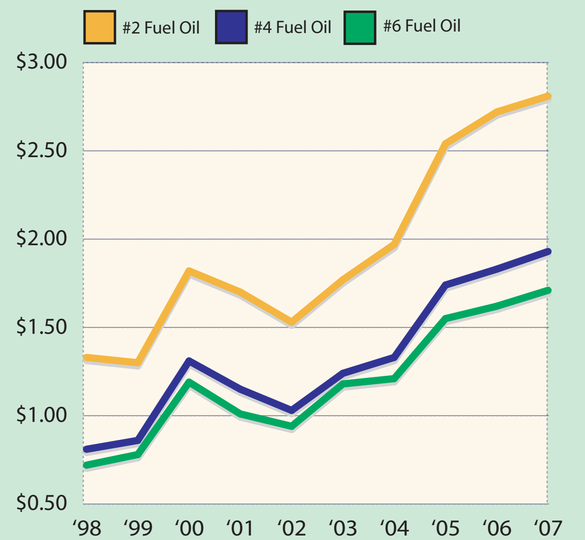
The Fuel component comprises roughly 12% of this year's Price Index. The change in cost measured in this component considers both the change in weather and the change in prices for the three types of heating oil used to heat multi-family buildings in New York City. First, the PIOC measures fuel prices from May to April and then compares them to the same months from the previous year. Over the past 12 months, fuel oil prices increased by 38.4%. The price for #2 oil, which comprises more than half of this component, rose 31.2%. Prices for #4 and #6 fuel oil rose more than #2 oil, rising 47.0% and 51.3%, respectively.

Second, along with measuring price, the PIOC also takes into account the effect of weather on the demand for fuel oil, especially during the heating season when the large majority of the fuel is burned. Since this year was slightly warmer than last year, weather decreased the demand for fuel. The combination of the rise in heating oil prices, and a relatively small decline in demand, increased the cost for heating buildings with oil by 37.4%, nearly the same increase as price alone.[2]

Over the past seven years, changes in the Fuel component have been the most variable of any component in the Price Index. In three of the last four years, the cost of fuel oil rose more than 20% with only a slight increase of 0.5% in 2007. In 2002 and 2004 fuel costs actually declined by 36.1% and 2.8% respectively, yet in 2003 costs rose 66.9%.

Average Inflation Adjusted Fuel Oil Prices per Gallon, 1998-2007

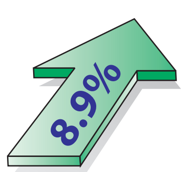
Average Fuel Oil Prices Have Risen Over the Past Ten Years



Note: Prices are in constant 2007 dollars
Source: Price Indices of Operating Costs, 1999-2008

In addition, the average prices per gallon for all fuel grades, which are pure prices that do not factor in weather, have risen substantially over the past ten years. This is an annual rate of increase in the price of fuel of more than 6% above the general rate of inflation. The average price for #2 fuel oil, which is the most commonly used grade, was $2.81 per gallon in 2007. Adjusted for inflation, the average price in 1998 was $1.33. (See graph on this page)

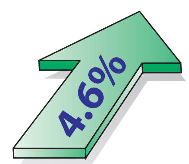
Utilities



The Utilities component consists primarily of electricity, natural gas, and water and sewer charges. In fact, water and sewer costs account for nearly half of the Utilities component. Telephone and steam costs are a small part of this 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 the rate established by the New York City Water Board.

This year Utilities increased 8.9%, which is higher than last year's increase of 6.3%. The highest increases were seen in electricity (12%), steam (13.5%) and water and sewer costs (11.5%).[3] Gas costs, which account for roughly a third of the Utilities component, increased 4%, offsetting the larger increases in electricity and water and sewer costs.

Contractor Services

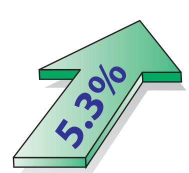


The Contractor Services component rose 4.6%, one percentage point lower than last year's growth of 5.6%. This is the sixth consecutive year that the growth in this component has increased more than four percent. In contrast, Contractor Services costs rose above four percent only once from 1992 through 2002.

The most important items in this component by weight are repainting and plumbing rates, which comprise two-thirds of the Contractor Services component. Painters' rates rose by 4.5%, down from last year's increase of 5.1%. Rates charged by plumbers increased by 4.8%, a lower increase than last year's growth of 5.5%. Painters and plumbers reported that increases in the cost of labor and materials were the primary factors that led to an increase in their rates. In addition, the rise in gas prices were also cited as contributing to increases n rates.

The other items in the Contractor Services component all experienced some rise in prices or rates for services. Due to a continued rise in the cost of oil-based materials, the rates charged by roofers increased more than seven percent for the third consecutive year, rising 7.6%, the highest increase of any item in this component. All other items in this component had price relatives ranging from 2.1%-6.0%. (See Appendix B.2)

Administrative Costs

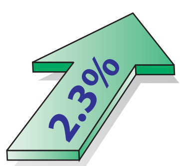


Administrative Costs rose 5.3%, a smaller rise in costs than the past two years when this component grew more than six percent. From 2001-2005, this component's cost rose each year between 4.0% and 5.4%. Increases in Administrative Costs did not exceed four percent from 1991 through 2000. Fees paid to management companies, accountants, and attorneys make up nearly this entire component.

A large portion of the growth in the Administrative Costs component can be attributed to a rise in management company fees (5.5%) that comprise over 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 lower than last year's (8.2%), indicating that management companies raised their fees and/or rents increased at a lower rate than last year and there were more vacancies in the buildings they manage.

Accounting fees increased in this year's PIOC by 7.1%, 2.2 percentage point higher than last year's rise of 4.9%. Accountants reported that the rise in their costs, such as office rent, led to higher rates. Attorney fees rose 2.1%, slightly lower than the prior year's increase of 2.2%.

Insurance Costs

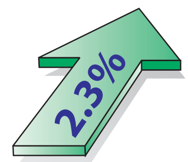


Insurance Costs increased this year by 2.3%, 0.4 percentage points higher than last year's increase in costs of 1.9%. The increases seen in this component in the last three years are more moderate compared to the period between 2002-2005, when escalating insurance costs rose a cumulative 104%. Changes in this component in the fourteen-year period prior to 2002 fluctuated from a decrease of 1.5% to an increase of 5.2%.

Nearly 30% of all insurance quotes gathered this year saw a change in coverage. Those owners who changed the amount of coverage on their buildings, such as increasing the insured value, saw a 7.6% rise in costs.

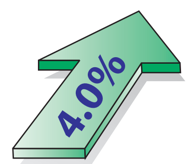
Roughly 9% of building owners responding in this year's survey reported a change in insurance carriers for the surveyed building in the past year. This percentage is up from 7% in 2007. Owners who changed carriers experienced a decrease in costs of 8.6%. In contrast, owners who remained with the same carrier had an increase in insurance costs of 3.4%, higher than the overall increase for insurance of 2.3%.

Parts and Supplies



The Parts and Supplies component accounts for less than two percent of the entire Price Index. The overall increase in the Parts and Supplies component was 2.3%, 0.7 percentage points lower than last year's increase of 3.0%. Paint saw the highest increase in price for this component, rising 4.3%.

Replacement Costs



The Replacement Costs component has the lowest weight of any component, with its weight being less than 1/100th of the PIOC. This year Replacement Costs rose 4.0%, the third highest increase in this component since 1982 and the third year out of the last four in which prices rose more than three percent.

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) "traditional" hotels — a multiple dwelling which has amenities such as front desk, 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 (SROs) — 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 increased 7.4% this year, 2.1 percentage points higher than the 5.3% increase found the year before. The Price Index for Hotels was just 0.4 percentage points lower overall than the increase in costs measured in the Apartment Price Index. Significant disparities between the Hotel Index and the Apartment Index were seen in the

Utilities, Labor Costs, and Contractor Services components. The increase in Utilities for all types of Hotels was 6.6% versus 8.9% in apartment buildings. This difference was due to water and sewer, which witnessed double-digit increases, having more weight in the Apartment Index. Labor Costs rose 5.3%, about 1.3 percentage points higher than in the Apartment Index (4.0%). Contractor Services saw a higher increase in the Apartment Index (4.6%) than for Hotels (3.4%) due to more weight being placed on repainting, plumbing and roof repair for apartments, items that witnessed the highest increases. These disparities resulted in a Hotel Index that was lower than that for apartments.

Prices in all other components in the Hotel Index had similar changes in rates to the same components in the Apartment Index. Taxes decreased in Hotels by 0.7%, while increasing 0.3% for apartments. Insurance costs increased at the same rate in both indices and Fuel costs were roughly a percentage point higher for apartments. See the table on this page for changes in costs and prices for all rent stabilized hotels from 2007-08.

Among the different categories of Hotels, the index for "traditional" hotels increased 5.9%, which was lower than increases for both Rooming Houses (8.9%) and SROs (9.6%). The differences between these indices are primarily due to the increased weight placed on the Tax component for "traditional" hotels and the disparity among the three hotel types in the Fuel Costs component, with Rooming Houses showing the lowest increase in the cost for fuel. (Appendices B.4 and B.7)

Hotels

Change In Costs for Rent Stabilized Hotel Buildings, April 2007 to April 2008

Taxes	-0.7%
Labor Costs	5.3%
Fuel	36.1%
Utilities	6.6%
Contractor Services	3.4%
Administrative Costs	5.0%
Insurance Costs	2.3%
Parts and Supplies	1.4%
Replacement Costs	1.8%
All Costs	**7.4%**

Rent Stabilized Lofts

The increase in the Loft Index this year was 6.3%, 1.5 percentage points lower than the increase for apartments. This difference is explained by the fact that Attorney fees and Insurance Costs, which rose 2.1% and 2.3% respectively, carry much more weight for lofts than for apartments. More weight put on these components placed more downward pressure on the Loft Index. See the table on this page and Appendix B.8 for changes in costs and prices for all rent stabilized lofts from 2007-08.

Lofts

Change In Costs for Rent Stabilized Loft Buildings, April 2007 to April 2008

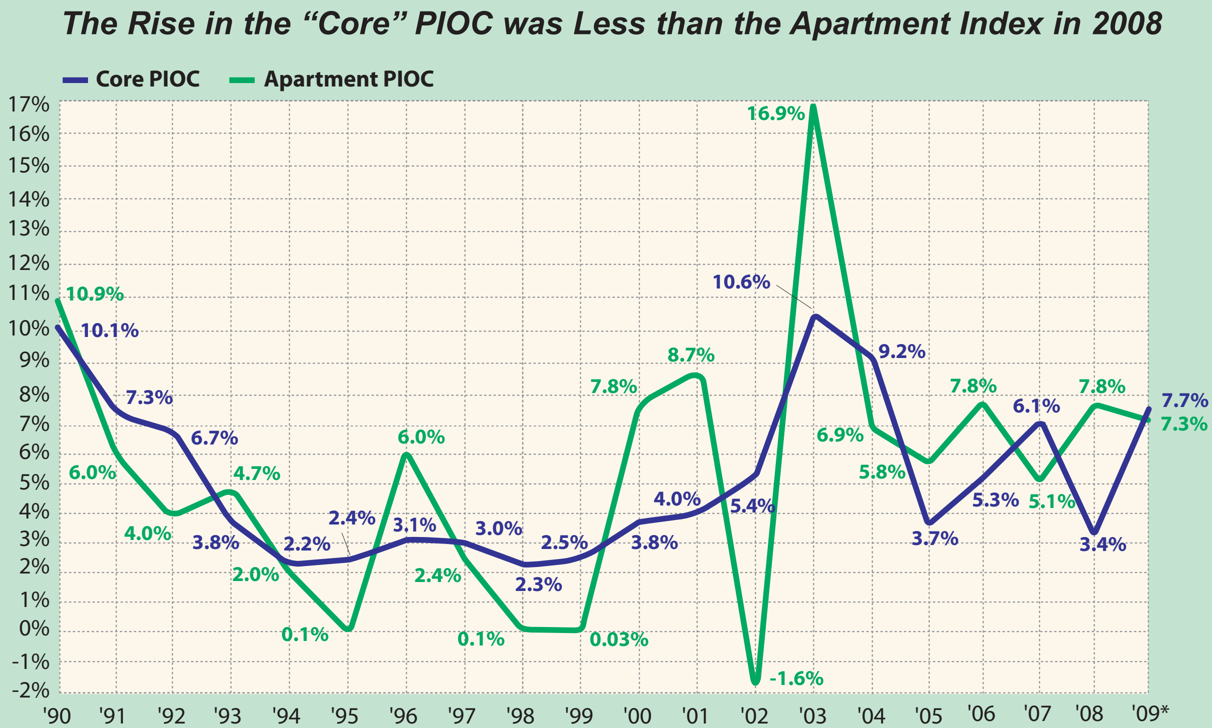
Taxes	0.3%
Labor Costs	4.5%
Fuel	41.1%
Utilities	9.4%
Contractor Services	4.6%
Admin Costs, Legal	2.1%
Admin Costs, Other	5.6%
Insurance Costs	2.3%
Parts and Supplies	2.3%
Replacement Costs	4.0%
All Costs	**6.3%**

The Core PIOC

The Core PIOC (see graph on the following page), which measures long-term local trends by factoring out shifts in fuel costs, gas, and electricity rates, rose 3.4% in 2008. The rise in the 2008 Core was 4.4 percentage points lower than the Apartment Index (7.8%). The large rise in the cost for fuel oil, which is not included in the Core PIOC calculation, resulted in the largest disparity between these two indices since 2003.

The Core rose at a slower rate than projected due primarily to a reduction in the tax rate for Class 2 properties that was not reflected in last year's Core projection. Taxes were projected to rise 13.6% but instead rose 0.3%. Furthermore, both Utilities and Insurance Costs rose less than

Percent Change in the Price Index of Operating Costs and the Core PIOC, 1990-2009



*Note: The percent change for 2009 is estimated.
Source: Price Indices of Operating Costs, 1990-2008, PIOC projection for 2009

projected. Utilities rose 11.2% versus the 14.3% projection, while Insurance Costs rose 2.3% versus the predicted rise of 7.1%. Replacement Costs, which have very little weight in the Core Index, rose 4.0% versus the projectection of 1.3%. All of the remaining changes in the core components in the 2008 projected core and the 2008 actual Core show agreement within 0.7 percentage points.

PIOC Projections for 2009

Section 26-510 of the Rent Stabilization Law requires the Board to consider the prevailing and projected operating and maintenance costs. 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. The PIOC Projection is used in correlation with the old 'traditional' commensurate rent adjustment formula only. Before the new commensurate formulas were devised, the projection was used to assist the Board in setting guidelines for tenants choosing two- or three-year leases.

It is important to note that changes in costs and prices after April 2008, the last month covered by this study, will be measured in next year's Price Index. The PIOC Projection is not used in the calculation of the 'Net Revenue' and 'CPI-Adjusted NOI' commensurate formulas (see the "Commensurate Rent Adjustment" section on the next page), which calculate one- and two-year guidelines that will compensate owners for the most recent change in costs measured by the Price Index. The PIOC Projection should not be considered in combination with these newer formulas in establishing guidelines.

Projecting changes in the PIOC has become more challenging in recent years. Energy prices — which affect about one-fifth 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. The tax component, which accounts for one-quarter of the entire Price Index, has also become harder to project due to changes in tax policy, such as tax rate reductions, after the period covered in this Price Index.

This year, operating costs in rent stabilized apartment buildings increased by 7.8% versus last year's projected PIOC increase of 8.5%. The components that showed the most variance between actual changes in costs versus projected changes were Taxes and Fuel. Taxes were projected to rise 13.7%, but actually increased 0.3% due to a seven percent reduction in the tax rate and final assessments that were lower than projected. In contrast, Fuel, a historically volatile component, increased by 37.4% in 2008 versus the expected increase of 8.0%, a difference of nearly 30 percentage points. The larger than expected rise in fuel costs coupled with a lower than projected rise in taxes offset each other resulting in a overall apartment index that was only 0.7 percentage points lower than projected.

Insurance Costs rose 2.3%, compared to the projected increase of 7.1%. Replacement Costs were projected to rise 1.3% but actually rose 4.0%. The remaining five 2008 projected components of the PIOC were within 1.1 percentage points of the actual measured changes.

Overall, the PIOC is expected to grow by 7.3% from 2008 to 2009, with projected increases in every PIOC component. Three of the more volatile components, Fuel, Insurance Costs, and Utilities, are projected to rise 4.7%, 6.8%, and 11.0% respectively. Taxes are projected to increase 10.3% due to an increase in billable assessments and the tax rate for Class Two properties.[4] Contractor Services are expected to rise 5.4%, Administrative Costs 6.2%, and Labor Costs are projected to increase by 3.6%. The table on this page shows predicted changes in PIOC components for 2009. The core PIOC is projected to rise 7.7%, a higher rate than the overall PIOC.

2009 Projections

Projected Change In Costs for Rent Stabilized Apartment Buildings, April 2008 to April 2009

Taxes	10.3%
Labor Costs	3.6%
Fuel	4.7%
Utilities	11.0%
Contractor Services	5.4%
Administrative Costs	6.2%
Insurance Costs	6.8%
Parts and Supplies	1.7%
Replacement Costs	1.5%
All Projected Costs	**7.3%**

Commensurate Rent Adjustment

Throughout its history, the Rent Guidelines Board has used a formula, known as the commensurate rent adjustment, to help determine annual rent guidelines 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 change for net operating income (NOI) in stabilized buildings to remain constant. The different types of "commensurate" adjustments described below are primarily meant to provide a foundation for discussion concerning prospective guidelines.

In its simplest form, the commensurate rent adjustment is the amount of rent change needed to maintain landlords' current dollar NOI at a constant level. In other words, the formula provides a set of one- and two-year renewal rent increases or guidelines that will compensate owners for the change in prices measured by the PIOC and keep net operating income "whole."

The first commensurate method is called the "Net Revenue" approach. While this formula takes into consideration the types of leases actually signed by tenants, it does not adjust landlords' NOI for inflation. The "Net Revenue" formula is presented in two ways, first adjusting for the mix of lease terms and second, adding an assumption for stabilized apartment turnover

Commensurates

"Net Revenue" Commensurate Adjustment

1-Year Lease	2-Year Lease
6.25%	11.5%

"Net Revenue" Commensurate Adjustment with Vacancy Increase

1-Year Lease	2-Year Lease
4.75%	9.5%

"CPI-Adjusted NOI" Commensurate Adjustment

1-Year Lease	2-Year Lease
7.5%	13.25%

"CPI-Adjusted NOI" Commensurate Adjustment with Vacancy Increase

1-Year Lease	2-Year Lease
6.0%	11.25%

"Traditional" Commensurate Adjustment

1-Year Lease	2-Year Lease
5.4%	8.1 %

and the impact of revenue from vacancy increases. Under the "Net Revenue" formula, a guideline that would preserve NOI in the face of this year's 7.8% increase in the PIOC is 6.25% for a one-year lease and 11.5% for a two-year lease. Guidelines using this formula and adding assumptions for the impact of vacancy increases on revenues when apartments experience turnover are 4.75% for one-year leases and 9.5% for two-year leases.

The second commensurate method considers the mix of lease terms while adjusting NOI upward to reflect general inflation, keeping both operating and maintenance (O&M) and NOI constant. This is commonly called the "CPI-Adjusted NOI" formula. A guideline that would preserve NOI in the face of the 2.9% increase in the Consumer Price Index (see Endnote 1) and the 7.8% increase in the PIOC is 7.5% for a one-year lease and 13.25% for a two-year lease. Guidelines using this formula and adding the estimated impact of vacancy increases are 6.0% for one-year leases and 11.25% for two-year leases.[5]

The original formula that has been in use since the inception of the Rent Guidelines Board is called the "traditional" commensurate adjustment. The "traditional" commensurate yields 5.4% for a one-year lease and 8.1% for a two-year lease, given the increase in operating costs of 7.8% found in the 2008 PIOC and the projection of a 7.3% increase next year.[6]

As a means of compensating for cost changes, this "traditional" commensurate rent adjustment has two major flaws. First, although the formula is supposed to keep landlords' current dollar income constant, the formula does not consider the mix of one- and two-year lease renewals. Since only about three-fifths of leases are renewed in any given year, with a preponderance of leases having a two-year duration, the formula does not necessarily accurately estimate the amount of income needed to compensate landlords for O&M cost changes.

A second flaw of the "traditional" commensurate formula is that it does not consider the erosion of landlords' income by inflation. By maintaining current dollar NOI at a constant level, adherence to the formula may cause profitability to decline over time. However, such degradation is not an inevitable consequence of using the "traditional" commensurate formula.[7]

All of these methods have their limitations. The "traditional" commensurate formula is artificial and does not consider the impact of lease terms or inflation on landlords' income. The "Net Revenue" formula does not attempt to adjust NOI based on changes in interest rates or deflation of landlord profits. The "CPI-Adjusted NOI" formula inflates the debt service portion of NOI, even though interest rates have been generally falling, rather than rising, over recent years. Including a consideration of the amount of income owners receive on vacancy assumes both that vacancy increases are charged and collected, and that turnover rates are constant across the City.

Finally, it is important to note that only the "traditional" commensurate formula uses the PIOC projection and that this projection is not used in conjunction with or as part of the "Net Revenue" and "CPI-Adjusted NOI" formulas. As stated previously, all three formulas attempt to compensate owners for the adjustment in their operating and maintenance costs measured each year in the PIOC. The "Net Revenue" and the "CPI-Adjusted NOI" formulas attempt to compensate owners for the adjustment in O&M costs by using only the known PIOC change in costs (7.8%). The traditional method differs from the other formulas in that it uses both the PIOC's actual change in costs as well as the projected change in costs (7.3%). If the change in projected costs, which may not be an accurate estimate of owner's costs, is added to the "Net Revenue" and "CPI-Adjusted NOI" formulas, the resulting guidelines will likely over- or under-compensate for the change in costs.

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

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 agent was then confirmed by calling the relevant insurance and management companies and non-union employees.

The sample frame for the Owner Survey included nearly 42,000 stabilized buildings registered with the New York State Division of Housing and Community Renewal (DHCR). 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 ninth 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 15% of the questionnaires mailed out were returned to the RGB. A total of 697 returned surveys contained usable information, from which quotes of owners' annual insurance costs (567), non-union labor quotes (120) and management fees (64) were validated. The number of verified prices in 2007 and 2008 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 are similar to last year and are 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 2) is a measure of heating requirements.

Real Estate Tax Computations

The sample of buildings used to compute the 2008 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 nearly 35,000 buildings in FY 2007 and FY 2008.

The Department of Finance data was used to compute a tax bill for each stabilized building in FY 2007 and FY 2008. The change computed for the PIOC is simply the percentage increase in aggregate tax bills for these buildings from FY 2007 to FY 2008.

Vendor Survey

The Vendor Survey is used to gather price quotes for Contractor Services (e.g. painting), Administrative Costs (e.g. accountant and attorney fees), Parts and Supplies (e.g. mops), and Replacement Costs (e.g. refrigerators). As in prior years, the vendor database was updated by adding new vendors and by deleting those who no longer carry the products or perform the services outlined in the Vendor Survey item specifications. All vendor quotes were obtained over the telephone. The telephone interview procedures used for gathering price quotes were unchanged from prior years. A total of 615 recorded price quotes were gathered. For a description of the items priced and the number of price quotations obtained for each item, refer to Appendix B.1.

Other Items

In addition to the items previously discussed, a number of other pieces of information are needed to complete the PIOC, including labor union contract and benefit information, Social Security rates, unemployment insurance rates, Heating Degree Days, and telephone 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 prices. Finally, to measure the change in water and sewer costs for rent stabilized buildings, staff used the Water Board FY 2008 increase of 11.5%.[8]

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 or long-term averages.

Taxes were projected by using data from the Department of Finance's tentative assessment roll for FY 2009 and the amended and restated City Council tax-fixing resolution 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 properties. Labor costs are projected by analyzing labor contract terms supplied by apartment workers union Local 32-BJ and a ten-year geometric average of all other Labor items. Fuel costs are projected by using data and information from the U.S. Energy Information Administration's (EIA) 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 City Water Board 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.[9]

The other components — Administrative Costs, Contractor Services, Insurance Costs, Parts and Supplies, and Replacement Costs — are projected by using three-year or fifteen-year geometric averages of the component price relatives.

Acknowledgments

The Rent Guidelines Board would like to acknowledge the following individuals for their assistance in preparing the Price Index of Operating Costs this year: Dr. James F. Hudson for technical assistance and methodology and report review; Shirley Alexander for supervising the data collectors for the owner and vendor surveys and Charmaine Superville for collecting owner and vendor information. ❒

Endnotes

1. The average CPI-U for All Urban Consumers, New York-Northeastern New Jersey for the year from March 2006 to February 2007 (221.8) compared to the average for the year from March 2007 to February 2008 (228.3) rose by 2.93%. This is the latest available CPI data and is roughly analogous to the 'PIOC year', which for the majority of components compare the most recent point-to-point figures from April to April, monthly cost-weighted figures from May to April, or the two most recent fiscal year bills.

2. The May 2007 to April 2008 year was 6.2% warmer than the most recent 5-year average "normal" year and 1.4% warmer than the year before. "Normal" weather refers to the typical number of Heating Degree Days measured at Central Park, New York City, 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 "PIOC" years, May 2003 to April 2008, measured in Central Park by the National Weather Service.

3. Note that the electricity items are calculated on a point-to-point basis. In this case, the electricity increase represents a comparison of the price for electricity in April 2007 to the price in April 2008. If we were to calculate electricity on a monthly basis, with cost weights for heating use, the change for the twelve-month period from May 2007 to April 2008 would be a 9.9% increase.

4. Please note that the PIOC real estate tax projection assumes the extension of the 7% across-the-board reduction in the tax rate enacted in the FY 2008 budget. The *January 2008 Financial Plan*, released by the Office of Management and Budget states the following: "However, adopting it will depend on a variety of factors unknown today – from the health of the City's economy to the continued help the City receives from its partners in government to the outlook for future years." January 24, 2008, page 1.

5. The following assumptions were used in the computation of the commensurates: (1) the required change in landlord revenue is 68.9% of the 2008 PIOC increase of 7.8%, or 5.4%. The 68.9% figure is the most recent ratio of average operating costs to average income in stabilized buildings; (2) for the "CPI-Adjusted NOI" commensurate, the increase in revenue due to the impact of inflation on NOI is 31.1% times the latest 12-month increase in the CPI ending February 2008 (2.93%) or 0.9%; (3) these lease terms are only illustrative—other combinations of one- and two-year guidelines could produce the adjustment in revenue; (4) assumptions regarding lease renewals and turnover were derived from the 2005 Housing and Vacancy Survey; and (5) for the commensurate formulae, including a vacancy assumption, the 10.69% median increase in vacancy leases found in the rent stabilized apartments that reported a vacancy lease in the 2006 apartment registration file from the Division of Housing and Community Renewal was used.

6. The collectability of legally authorized adjustments is assumed. Calculating the "traditional" commensurate rent adjustment requires an assumption about next year's PIOC. In this case, the 7.3% PIOC projection for 2009 is used.

7. Whether profits will actually decline depends on the level of inflation, the composition of NOI (i.e. how much is debt service and how much is profit), and changes in tax law and interest rates.

8. "Public Information Regarding Water and Wastewater Rates," New York City Water Board, April 2007.

9. Source: "Short-Term Energy Outlook," April 2008. U.S. Energy Information Administration, Department of Energy.

2008 Income and Expense Study

What's New

From 2005 to 2006, increases in rental and total income outpaced a smaller increase in operating costs. Because operating cost grew less than the increase in income, net operating income (revenue remaining after operating expenses are paid) increased.

In stabilized buildings, from 2005-2006:

✔ Rental income increased by **5.6%**.

✔ Total income rose by **5.5%**.

✔ Operating costs increased by **4.1%**.

✔ Net operating income (NOI) grew by **8.8%**.

Introduction

As required by the Rent Stabilization Law, the Rent Guidelines Board (RGB) has analyzed the cost of operating and maintaining rental housing in New York City since 1969, as part of the process of establishing rent adjustments for stabilized apartments. Historically, the Board's primary instrument for measuring changes in prices and costs has been the Price Index of Operating Costs (PIOC), a survey of prices and costs for various goods and services required to operate and maintain rent stabilized apartment buildings.

In 1990, the RGB acquired a new data source that enabled researchers to compare PIOC-measured prices and costs with those reported by owners: Real Property Income and Expense (RPIE) statements from rent stabilized buildings collected by the NYC Department of Finance. These Income and Expense (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 has greatly expanded the information base used in the rent setting process. I&E statements not only describe conditions in rent stabilized housing in a given year, but also depict changes in conditions over a two-year period. Most 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 stock.

These findings examine the conditions that existed in New York's rent stabilized housing market in 2006, the year for which the most recent data is available, and also the extent by which these conditions changed from 2005.

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 and other properties to file RPIE statements with the Department of Finance annually. While certain types of properties are exempt from filing RPIE forms (cooperatives, condominiums, buildings with fewer than 11 units or with an assessed value under $40,000), the 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 to the RGB.

Since 1990, the RGB has received data on samples of rent stabilized properties that file RPIE forms. Samples in the first two studies (data for 1988 and 1989) were limited to 500 buildings, because RPIE files were not automated. Upon computerization of I&E filings in 1992 (for cross-sectional data from 1990 and longitudinal data from 1989-90), the size of the samples used in RGB I&E studies has grown to more than 12,600 properties containing over 571,000 units.

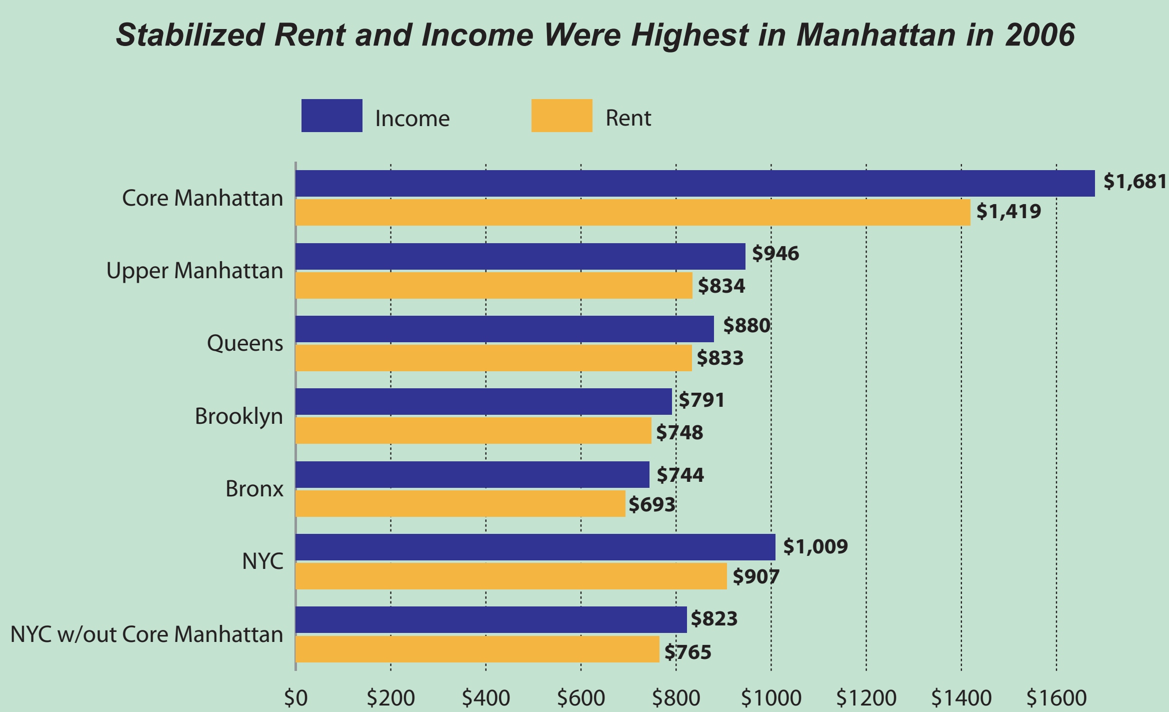
Cross-Sectional Study

Rents and Income[1]

In 2006, rent stabilized property owners collected monthly rent averaging $907 per unit. As in prior years, units in pre-war buildings rented for less on average ($857 per month) than those in post-war buildings ($1,020 per month).[2] At the borough level, monthly rents in stabilized buildings were $1,202 in Manhattan, $833 in Queens, $748 in Brooklyn and $693 in the Bronx (as noted in the Methodology, figures for Staten Island were not included throughout the analysis due to the small number of buildings in the data sets). Examining median figures, the median rent citywide was $782. At the borough level, median monthly rent was $1,024 in Manhattan, $817 in Queens, $709 in Brooklyn and $673 in the Bronx.

Many owners of stabilized buildings augment income from 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 $1,009 per rent stabilized unit in 2006, with pre-war buildings earning $958 per unit and those in post-war properties earning $1,125 per unit. Gross income was highest in Core Manhattan at $1,681 per unit per month, and lowest in the Bronx at $744. Monthly income per unit in the City, excluding Core Manhattan, was $823. These gross income figures encompass rent from stabilized apartments as well as the sale of services (e.g. laundry, vending, parking) and commercial income. Such proceeds accounted for a 10.1% share of the total income earned by building owners in 2006, lower than last year's 10.6% share. By borough, income earned from the sale of services was 14.7% in Manhattan (15.6% in Core Manhattan and 11.8% in Upper Manhattan); 5.4% in both Queens and Brooklyn; and 6.9% in the Bronx. The graph on this page shows the average rent and income collected in

Average Monthly Collected Rent/Income per Dwelling Unit by Borough*



* See Endnote 1
Note: Core Manhattan represents the area south of W 110th and E 96th Streets.
Upper Manhattan is the remainder of the borough.
Source: NYC Department of Finance, 2006 RPIE Filings

2006 by borough, and for the City as a whole. Median citywide income in 2006 was $832. At the borough level, Manhattan had the highest median income, at $1,189, followed by Queens at $838, Brooklyn at $740 and the Bronx at $711. (For rent and income averages and medians by borough and building age and size, see Appendices C.3 and C.4.)

Comparing Rent Measurements

Another data source, the NYS Division of Housing and Community Renewal (DHCR) annual registration data, provides important comparative rent data to the collected rents stated in RPIE filings. A comparison of the collected RPIE rents to the DHCR rents is a good indicator of the overall rental market and reflects both how well owners are able to collect the rent roll and the prevalence of vacancies.

Rents included in RPIE filings are different than DHCR figures primarily because of differences in how average rents are computed. RPIE data reflects actual rent collections that account for vacancies or non-payment of rent. By contrast, DHCR data consists of legal rents registered annually with the agency. Since DHCR rent data does not include vacancy and collection losses, in most years these rents are generally higher than RPIE rent collections data. Furthermore, RPIE information includes unregulated apartments in buildings containing rent stabilized units. Also, the RPIE information reflects rents collected over a 12-month period while DHCR data reflects rents registered on April 1, 2006. In sum, despite the anomalies between the two rent indicators, the difference between RPIE rents and DHCR rents is a good estimate of vacancy and collection losses incurred by building owners, and the relative change in the gap is one way of estimating the change in such losses from year to year.

In comparing annual RPIE and DHCR average rents from 1991 to 2001, the gap between the two contracted steadily during that time period. In fact, from 1991-2001, the difference between RPIE and DHCR rents decreased by almost two-thirds, from a difference of 15% between the two in 1991 to a difference of 5.6% in 2001. However, since that time, the gap has grown almost every year, to a current difference of 13.9%, as

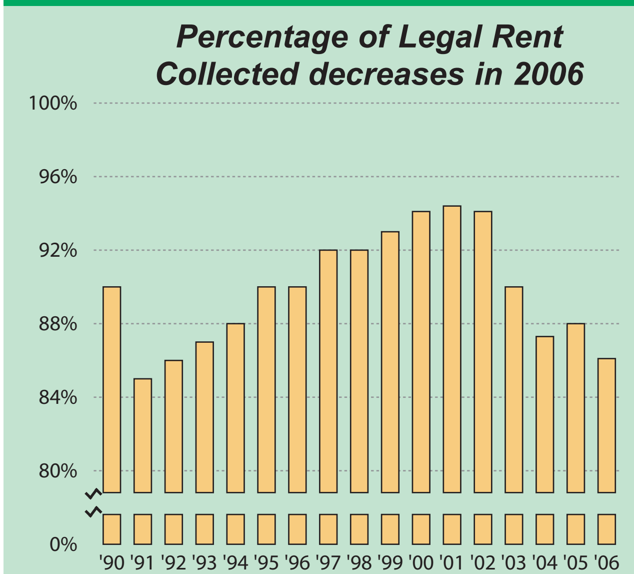
Rent Comparisons, 2005-06

RPIE Rent Growth Grew Faster than RGB Rent Index but not DHCR Rent

	RPIE Rent Growth	DHCR Rent Growth (Adjusted)§	RGB Rent Index (Adjusted)Ø
90-91	3.4%	4.1%	4.1%
91-92	3.5%	3.0%	3.7%
92-93	3.8%	3.0%	3.1%
93-94	4.5%	2.4%	2.9%
94-95	4.3%	3.1%	3.1%
95-96	4.1%	4.1%	4.5%
96-97	5.4%	4.6%	5.2%
97-98	5.5%	3.3%	3.7%
98-99	5.5%	3.7%	3.8%
99-00	6.2%	4.4%	4.2%
00-01	4.9%	5.3%	5.0%
01-02	4.0%	4.4%	4.5%
02-03	3.6%	6.9%	4.1%
03-04‡	-	1.6%	5.5%
04-05	4.6%	5.8%	4.6%
05-06	5.6%	5.9%	4.3%
1990 to 2006*	96.1%	89.9%	91.1%

* Not adjusted for inflation
§ See endnote 3   Ø See endnote 5
‡ See endnote 6
Source: DHCR Annual Rent Registrations; NYC Department of Finance, 1990-2006 RPIE Filings

Average Monthly Citywide Collected Rents as a Share of Average Monthly DHCR Legal Registered Rents, 1990-2006



Source: DHCR Annual Rent Registrations; NYC Department of Finance, 1990-2006 RPIE Filings indicated by the average I&E rent of $907 and DHCR's mean stabilized rent of $1,053.[3] This gap between collected and legal rent indicates that building owners are not collecting the full amount of their legal rent rolls. (see graph on previous page)

At the borough level, the gap between collected and legal rent varies widely. In 2006, Manhattan property owners collected an average rent ($1,202) that was 9.8% below DHCR's average legal rent for the borough ($1,332) while owners in the other boroughs collected average rents that were 16.7% lower than legal rents in Queens, 17.7% lower in Brooklyn and 19.9% lower in the Bronx. At least part of this differential in the boroughs is due to preferential rents, usually offered when the legal stabilized rent exceeds the market rate for the area.[4]

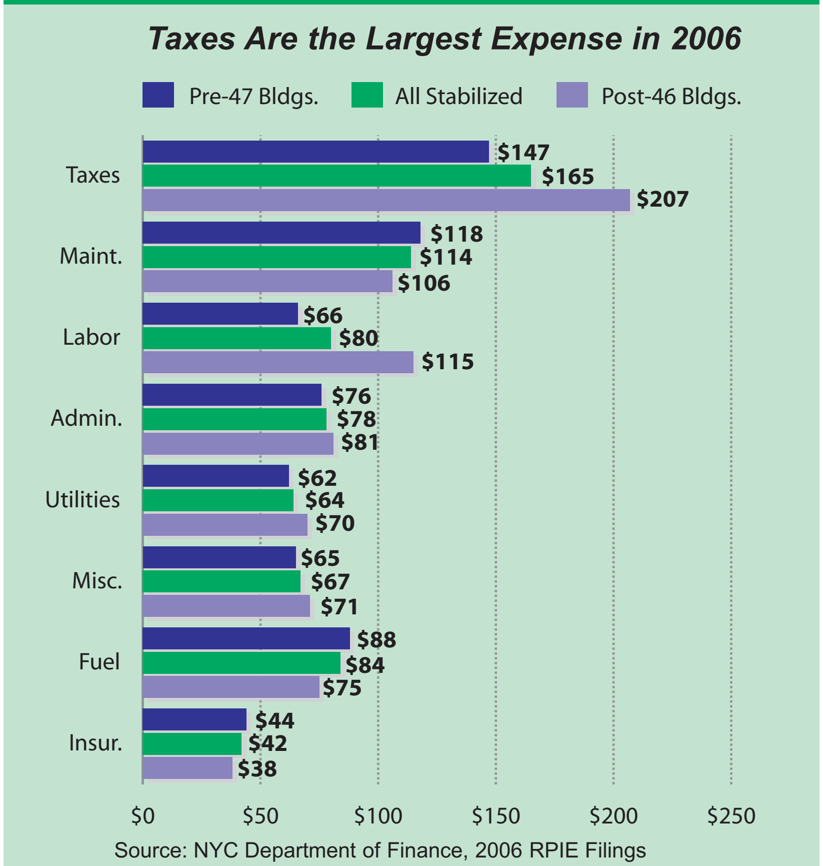
Another benchmark that can help place RPIE rent data in context is the RGB Rent Index, which measures the overall effect of the board's annual rent increases on contract rents each year. As the table on the previous page shows, during most of the 1990's, average rent collection increases were higher than the renewal lease increases allowed by the RGB's guidelines. However, until this year's study, most years in the 2000's saw rent collection increases that were lower than that allowed by the RGB's guidelines. But from 2005 to 2006, RPIE rent collections, up by 5.6%, again outpaced the RGB index, which increased by 4.3% (adjusted to a calendar year).[5] There are a number of ways in which rents may be raised beyond the RGB's guidelines, including the deregulation of apartment units as well as through individual apartment and building-wide improvements. A longer view of the three indices shows that overall, collected rents have grown more quickly than either DHCR legal rents or RGB rent guidelines from 1990 to 2006. During that period, RPIE collected rents increased 96.1%, the adjusted RGB Rent Index increased 91.1%, and DHCR adjusted legal rents increased 89.9% (these figures are not adjusted for inflation).[6]

Operating Costs

Rent stabilized apartment buildings incur several types of expenses in order to operate efficiently. RPIE filings include data on eight categories of operating and maintenance (O&M) costs: taxes; labor; utilities; fuel; insurance; maintenance; administrative; and miscellaneous costs. However, in contrast to revenues, this data does not distinguish between expenses for commercial space and those for apartments, making the calculation of "pure" residential operating and maintenance costs impossible, except in a smaller sample of residential buildings. 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 $695 in 2006. Costs were lower in units in

Average Monthly Expense per Dwelling Unit per Month



pre-war buildings ($666), and considerably higher among post-war structures ($763). Geographically, average costs were lowest in the Bronx ($567), Brooklyn ($575) and Queens ($619) and highest in Manhattan ($906). Looking more closely at Manhattan buildings, costs for units located in Core Manhattan averaged $1,027 a month while the costs in Upper Manhattan were $702. The average monthly operating costs for stabilized building owners in New York City, excluding Core Manhattan, reduces the City average to $603. Median citywide expenses in 2006 were $605. By borough, Manhattan had the highest median costs, at $749; followed by Queens at $588; the Bronx at $540; and Brooklyn at $531. The graph on the previous page details average monthly expenses by cost category and building age for 2006. As the graph shows, taxes make up the largest share of expenses. (See Appendices C.1, C.2 and C.3 for a breakdown of average costs by borough and building age. Appendix C.4 details median costs.)

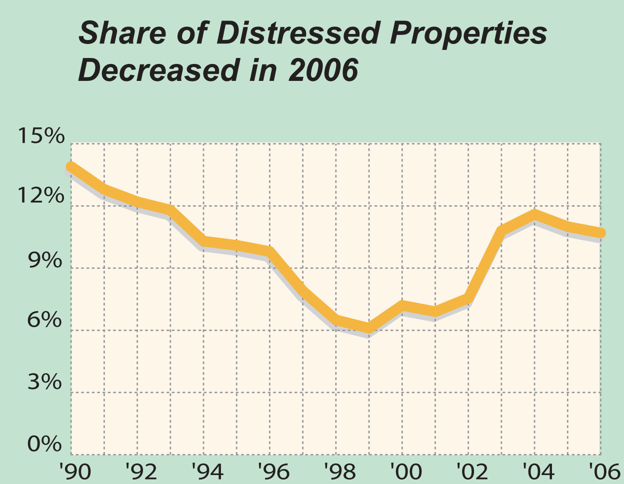
In 1992, Department of Finance and RGB staff tested RPIE expense data for accuracy. Initial examinations found that most "miscellaneous" costs were actually administrative or maintenance costs, while 15% were not valid business expenses. Further audits on the revenues and expenses of 46 rent stabilized 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 the 2006 RPIE O&M cost ($695) by the results of the 1992 audits results in an average monthly O&M cost of $639 citywide.

Just as buildings without commercial space typically generate less revenue than stabilized properties with commercial space, operating expenses in these buildings tend to be lower on average than in buildings with a mixture of uses. This year, unaudited average O&M costs for "residential-only" buildings were $646 per month, while average audited O&M costs for units in "residential-only" buildings were $593 per month.

"Distressed" Buildings

Buildings that have operating and maintenance costs greater than gross income are considered distressed. Among the properties that filed 2006 RPIE forms, 1,351 buildings, or 10.7% of the cross-sectional sample, had O&M costs in excess of gross income, down from 11.0% found the prior year. In 2006, only 94 (7.0%) of these distressed buildings were built after 1946. After 1990, when 13.9% of the sample of stabilized properties were considered distressed, the proportion of distressed buildings declined each year until 1999, reaching a low of 6.1%. Since then, the proportion has increased about as often as it has decreased, and has gone down for the last two years (see graph on this page). Most distressed stabilized properties are mid-sized (20 to 99 units), pre-war and are located in Manhattan, Brooklyn and the Bronx.

Percent of Distressed Properties in Cross-Sectional Samples 1990-2006



Source: NYC Department of Finance, 1990-2006 RPIE Filings

Net Operating Income

In most stabilized buildings, revenues exceed operating costs, yielding funds that can be used for mortgage payments, improvements and/or pre-tax profit. The amount of income remaining after all operating and maintenance (O&M) expenses are paid is typically referred to as "Net Operating Income" (NOI). While financing costs, income taxes and appreciation determine the ultimate profitability of a property, NOI is a good indicator of its basic financial condition. Moreover, changes in NOI are easier to track on an aggregated basis than changes in profitability, which require an individualized examination of return on capital placed at risk.

On average, apartments in rent stabilized buildings generated $314 of net income per month in 2006, with units in post-war buildings earning more ($362 per month) than those in pre-war buildings ($292 per month). Average monthly NOI in "residential-only" properties citywide was $282 per unit in 2006, 10.2% lower than the norm for all stabilized buildings. Average monthly NOI tended to be considerably greater for stabilized properties in Manhattan ($502) than for those in the other boroughs: $177 in the Bronx, $216 in Brooklyn and $261 in Queens. There was a large difference when looking at NOI on a sub-borough level in Manhattan. Core Manhattan properties earned on average $654 a month in NOI, while properties in Upper Manhattan had an NOI of $244. The monthly NOI average calculated citywide, excluding Core Manhattan, was $219. Looking at the NOI using audited expense figures, the citywide NOI in 2006 was $370.

NOI reflects the revenue available after payment of operating costs, that is, the money owners have for financing their buildings, making improvements, and for pre-income tax profits. While NOI should not be the only criteria to determine the ultimate profitability of a particular property, it is a useful exercise to calculate the annual NOI for a hypothetical "average stabilized building" with 11 units or more. Multiplying the average unaudited monthly NOI of $314 per stabilized unit by the typical size of buildings in this year's cross-sectional sample (45 units) yields an estimated mean annual NOI of about $170,000 in 2006.

Operating Cost Ratios

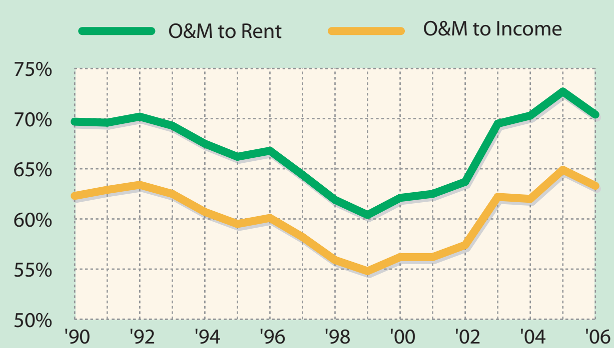
Another way to evaluate the profitability of New York City's rent stabilized housing is by measuring the ratio of expenses to revenues. Traditionally, the RGB has used O&M Cost-to-Income and O&M Cost-to-Rent ratios to assess the overall health of the stabilized housing stock, presuming that buildings are better off by spending a lower percentage of revenue on expenses. The graph on this page shows how over the period from 1990-2006, the proportion of total income and rent collections spent on audited operating costs has fluctuated. The Cost-to-Income ratio in 2006 is 63.3%, a decrease of 1.6 percentage points from the prior year's 64.9%. This means that on average, owners of rent stabilized properties spent about 63 cents out of every dollar of revenue on operating and maintenance costs in 2006. Looking at unaudited expenses, the cost-to-income ratio in 2006 was 68.9%.

Looking at the ratio of costs to rent collections, audited operating costs in 2006 were 70.4% of revenues from rent, a decrease of 2.3 percentage points from the prior year. Using unaudited expenses, the cost-to-rent ratio in 2006 was 76.7%.

Rents, income and costs per unit were on average highest in Core Manhattan in 2006 (see map and graphs on the following page). When looking at the city with core Manhattan excluded, the average revenue and costs figures are generally lower, resulting in expense to revenue ratios that are different. The Cost-to-Income Ratio for the rest of the City was 67.4%, considerably higher than the Cost-to-Income Ratio for stabilized buildings in Manhattan's Core

Ratios of Citywide Average Monthly Audited O&M Costs to Average Monthly Gross Income and Rent 1990-2006

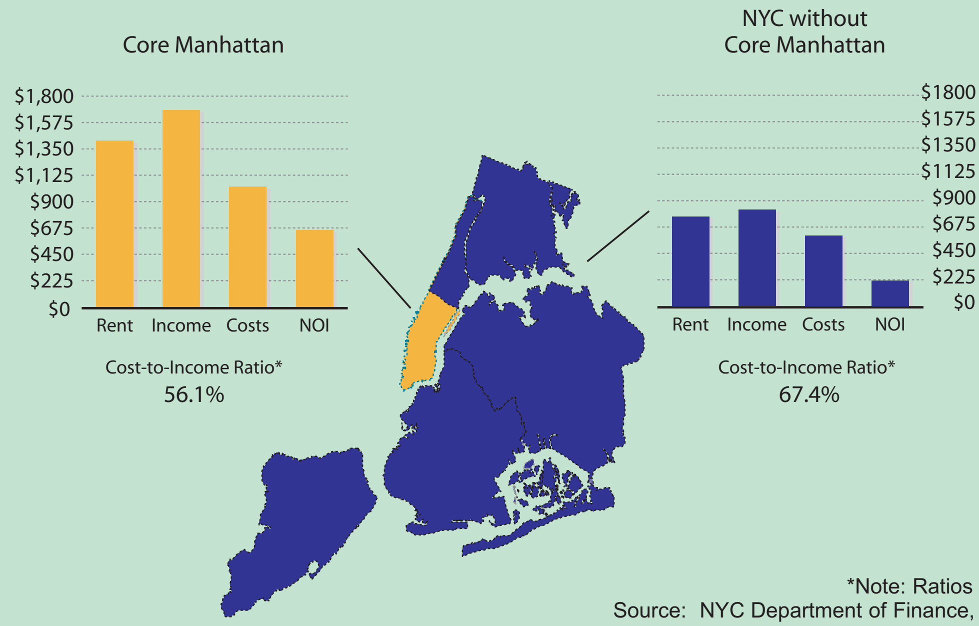
Cost-to-Income and Cost-to-Rent Ratios in 2006 Decline from Prior Year



Source: NYC Dept. of Finance, 1990-2006 RPIE Filings

Average Monthly Rent, Income, Operating Costs and Net Operating Income per Dwelling Unit and Cost-to-Income Ratios, Core Manhattan and the Rest of the City, 2006

Cost-to-Income Ratio Lower in Core Manhattan in 2006



*Note: Ratios use audited costs.
Source: NYC Department of Finance, 2006 RPIE Filings

(56.1%). These figures indicate that on average, owners of stabilized properties outside of Core Manhattan spend about eleven cents more of every dollar of revenue on expenses compared to their counterparts in Core Manhattan.

Net Operating Income After Inflation

The amount of net operating income is a function of the level of expense and the level of revenue in a given year (revenues minus operating expenses equals net operating income). Adjusting NOI as well as rent, income and costs figures for inflation (in constant 2006 dollars) and comparing different base years to the latest data available is a useful way to assess the health of the stabilized housing stock and how well revenues have been meeting or exceeding expenses without erosion by inflation.

Converting income and expense figures into constant 2006 dollars helps to analyze how much NOI has grown in real terms since the RGB began collecting RPIE data from a significant number of buildings. Point-to-point comparisons of average monthly figures show that from 1990 to 2006, after adjusting for inflation, NOI (the surrogate measure for profit) has increased 8.1% (see graph on next page). This indicates that revenues have outpaced expenses to the extent that average monthly NOI was worth 8.1% more in 2006 than it was in 1990, after adjusting for inflation.[7]

Another way to look at how rent, income, costs and NOI have changed absent the effect of inflation is to graph inflation-adjusted monthly figures for each of the four components measured in the I&E studies. During the 1990 to 2006 period, inflation-adjusted rent increased a cumulative 12.9%, income by 12.3%, costs by 14.2% and NOI by 8.1%.

Since 1990, the ratio of NOI to income varied. From 1990-96 the ratio of NOI/income averaged 33%; while from 1997-2002, NOI's share of income averaged 39%. In the last four years, the average ratio of NOI/income was about 31%.

While the citywide graph of inflation-adjusted revenue, expense and NOI figures is useful for demonstrating the overall stabilized rental housing market, disaggregating the same figures by borough shows how the market can differ from area to area (see graphs on next page). Looking at each of the boroughs individually, from 1990 to 2006, Manhattan, Brooklyn and Queens all saw double-digit increases in their net income, with Brooklyn seeing the largest increase, 17%, followed by Queens, up 12%, and Manhattan, up 10%, while the Bronx saw a more modest 3% increase in NOI over the same period.

In previous I&E reports the analysis of inflation adjusted numbers used 1989 as the base year. This section now uses 1990 as the base year for comparison because that is when data from a significant number of buildings became available due to the computerization of income and expense data filings. In 1989, there were 500 buildings in the cross-sectional sample, of which 250 were pre-war and 250 post-war. This small sample size did not accurately represent the universe of predominantly pre-war rent stabilized buildings. But beginning in 1990, there were over fourteen thousand buildings. For comparison, see the sidebar on this page for the change in rent, income, expenses and NOI since 1989 compared to the base year of 1990.

Change in Rent, Income, Expenses & NOI After Inflation, 1989-2006 vs. 1990-2006

Change in Rent

	'89-'06	'90-'06
Citywide	5%	13%
Manhattan	5%	14%
Brooklyn	12%	16%
Queens	18%	15%
Bronx	-6%	12%

Change in Income

	'89-'06	'90-'06
Citywide	5%	12%
Manhattan	6%	12%
Brooklyn	13%	18%
Queens	17%	15%
Bronx	-3%	15%

Change in Expenses

	'89-'06	'90-'06
Citywide	11%	14%
Manhattan	12%	13%
Brooklyn	15%	18%
Queens	16%	16%
Bronx	11%	19%

Change in NOI

	'89-'06	'90-'06
Citywide	-6%	8%
Manhattan	-3%	10%
Brooklyn	8%	17%
Queens	20%	12%
Bronx	-31%	3%

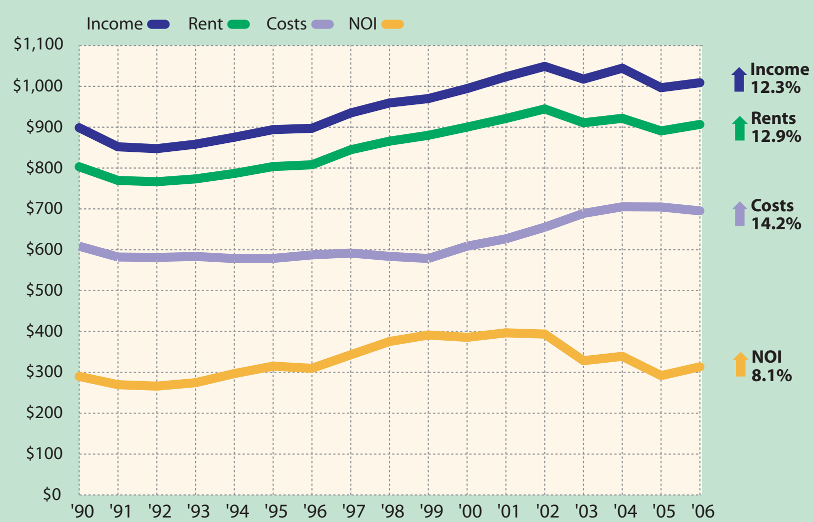
Source: RGB *Income and Expense Studies*, 1991-2008

Note: See endnote 7.

Citywide Income, Rents, Costs and NOI After Inflation, 1990-2006

After Inflation, NOI Up Since 1990

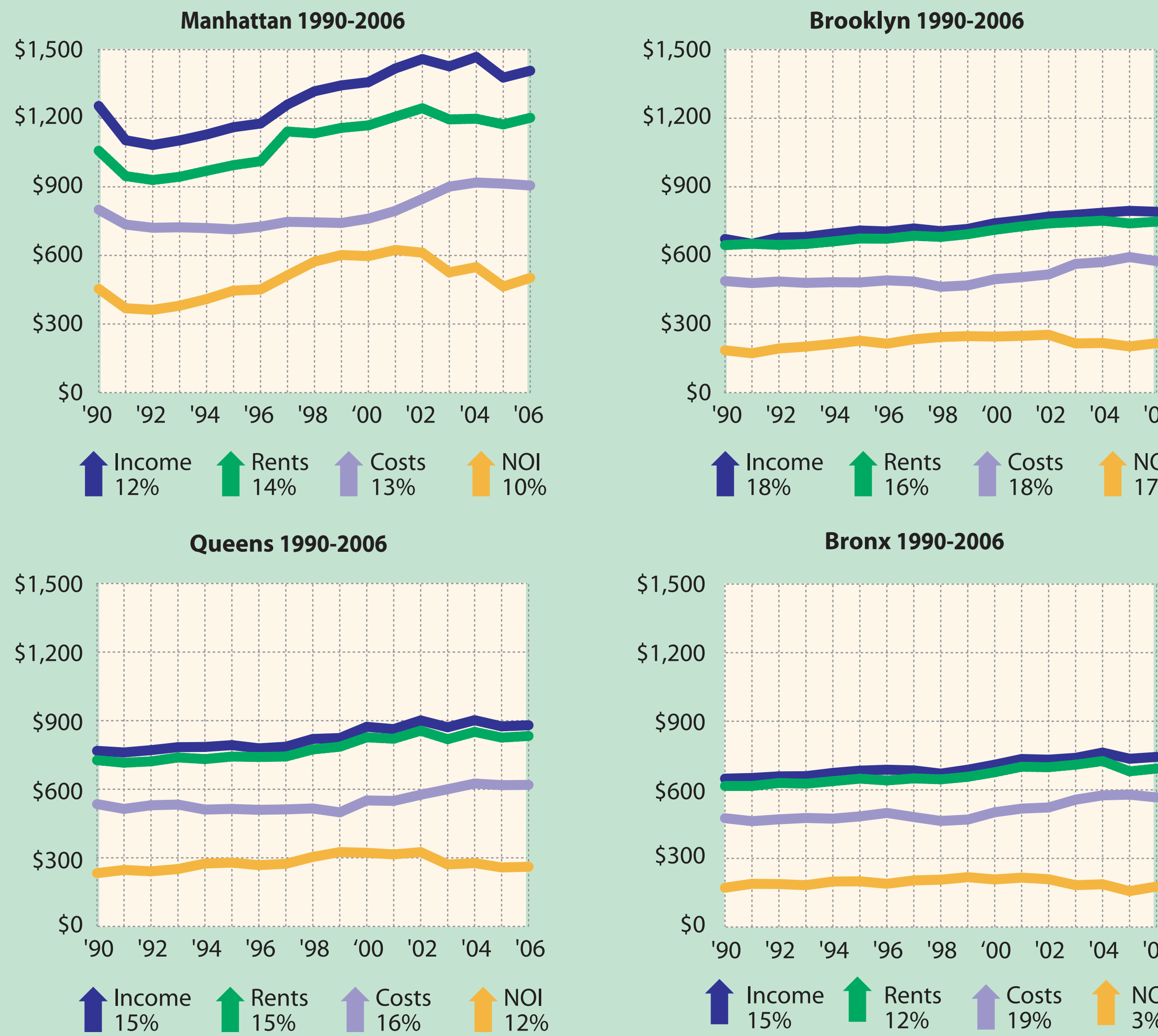
(Average Monthly Income, Rent, Operating Costs and Net Operating Income per Dwelling Unit in Constant 2006 Dollars)



Note: Percent changes are point-to-point measurements and should not be considered cumulatively.
Source: RGB Income and Expense Studies, 1992-2008. NYC Department of Finance, 1990-2006 RPIE Filings

Income, Rents, Costs and NOI After Inflation per Borough, 1990-2006

Since 1990, Inflation-Adjusted NOI Rises in All Boroughs
(Average Monthly Income, Rent, Operating Costs and Net Operating Income per Dwelling Unit in Constant 2006 Dollars)



Note: Percent changes are point-to-point measurements and should not be considered cumulatively.
Source: RGB Income and Expense Studies, 1992-2008. NYC Department of Finance, 1990-2006 RPIE Filings

Longitudinal Study

The longitudinal section of this study measures changes in rent, income, costs, net operating income, operating cost ratios and net operating income that occurred from 2005 to 2006.

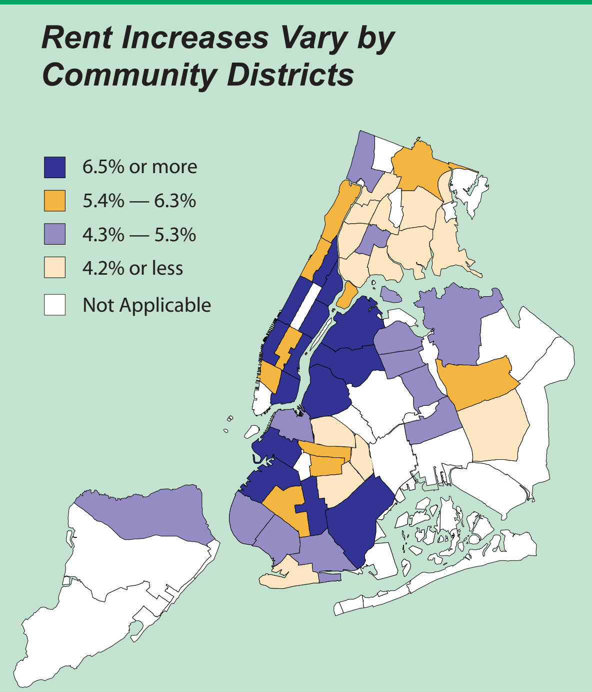
Rents and Income

Increases in rent collections occur for many reasons, including increases allowed under RGB renewal guidelines, vacancy allowances of 17-20% allowed under the Rent Regulation Reform Act of 1997 and investments in individual apartment and building-wide improvements.

Average rent collections in stabilized buildings rose by 5.6% in 2006. Rent collections in post-war buildings grew at a lesser rate, up 5.1%, than pre-war buildings, which increased by 5.9%. Rent collections for all stabilized units increased by 6.4%, 5.2% and 6.2% for small (11-19 unit), medium (20-99 unit) and large (100+ unit) buildings respectively. Examining rent collections by borough, Manhattan saw the largest increase, up 6.5%, with Upper Manhattan seeing rent growth of 7.0% and Core Manhattan seeing a 6.3% increase. The other boroughs also saw increased rent collections, up 5.5%, 4.9% and 4.3% in Brooklyn, Queens and the Bronx, respectively. The median growth in rent citywide was 5.6%.

Looking at rent collections throughout New York City, all community districts (CDs) saw increases from 2005-06.[8] Seven out of eleven neighborhoods in Manhattan saw average rent growth that was 6.5% or higher: Lower East Side/Chinatown, Central Harlem, Chelsea/Clinton, Upper West Side, East Harlem, Stuyvesant Town/Turtle Bay, and the Upper East Side. By contrast, only five CDs outside of Manhattan had rent growth exceeding 6.5%: Sunset Park, Park Slope/Carroll Gardens and Flatbush (in Brooklyn), and Astoria and Sunnyside/Woodside (in Queens). Some of the lowest growths in rent (less than 3%) were found in Bedford-Stuyvesant (in Brooklyn), Jamaica (in Queens) and Kingsbridge Heights/ Mosholu/Norwood as well as Soundview/Parkchester (both in the Bronx). See the map on this page for a breakdown of rent increases by community districts throughout New York City.

Changes in Rents by Community Districts, 2005-2006



Source: NYC Department of Finance, 2005-06 RPIE Filings

The total income collected in rent stabilized buildings, comprising apartment rents, commercial rents and sales of services, increased by 5.5% from 2005 to 2006. Revenues rose in pre-war buildings by 5.7% and in post-war buildings by 5.2%. Income in Manhattan rose 6.5%. In Brooklyn, the Bronx and Queens, property owners' total income grew less than in Manhattan but about the same in each borough, by 4.4%, 4.6% and 4.9%, respectively. The gross income of Core Manhattan properties grew by 6.5%, while Upper Manhattan income grew by even more, 6.8%, and both more than the City average (5.5%). The median growth in income citywide was 5.0%.

Operating Costs

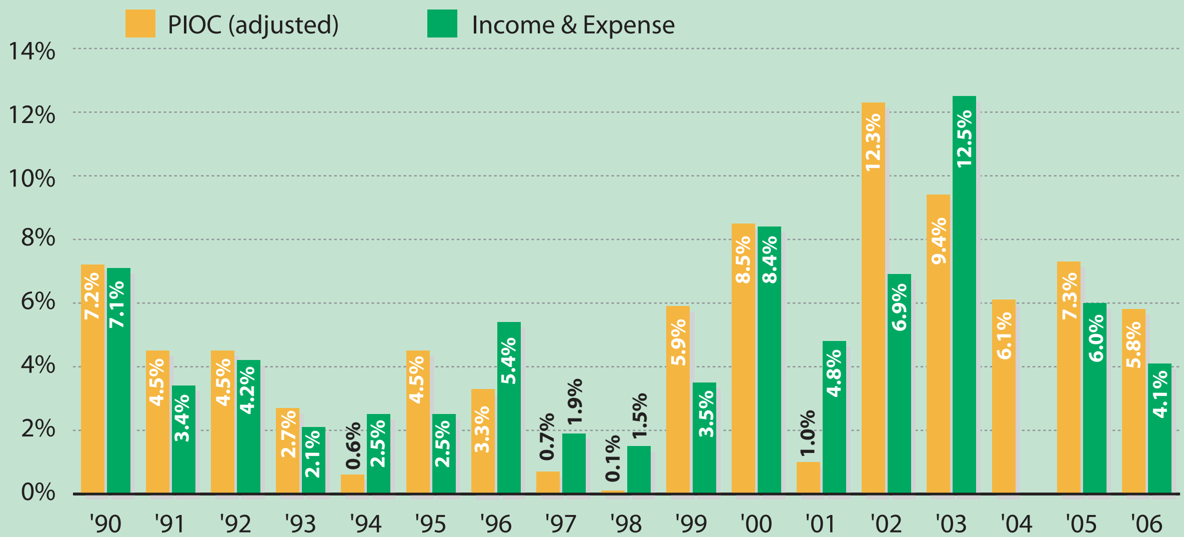
Expenses in stabilized buildings grew 4.1%, a lower rate of increase than in both rents and total income from 2005-06. Costs went up more in older, pre-war buildings, up 4.3%, in contrast to the increase in costs realized by post-war buildings (3.6%). While I&E studies have found that rent and income revenues tend to rise at rates similar to one another, operating cost increases are much more variable, often the result of volatile changes in the cost of fuel, maintenance, insurance or utilities. This year costs rose most rapidly in Manhattan (4.9%) and Queens (4.5%), and the least in Brooklyn (3.0%) and the Bronx (2.9%). The median citywide increase in expenses was 3.7%. For a detailed breakdown of the changes in rent, income and costs by building size age and location, see Appendices C.9 and C.10.

RPIE Expenses and the PIOC

Data from the RPIE and the RGB's long-running survey, the Price Index of Operating Costs (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 time periods. For example, there is a difference between when expenses are incurred and actually paid by owners as reported in the RPIE, versus the price quotes obtained

Change in Operating & Maintenance Costs, I&E and the PIOC, 1990 to 2006

In 2006, the PIOC Increased at a Greater Rate than Owner-Reported RPIE Costs



*Longitudinal income and expense data for 2003-04 is unavailable (see endnote 6).
Note: The PIOC increase is adjusted from the April-to-April to the January-to-December calendar year. This is a revision from prior *Income and Expense Studies*.
Source: NYC Department of Finance, 1990-2006 RPIE Filings; PIOC 1990-2006

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. (See endnote 3.) To compare the two, weighted averages of each must be calculated, which may cause a loss in accuracy. Finally, the PIOC measures a hybrid of costs, cost-weighted prices and pure prices, whereas the RPIE provides unaudited owner-reported costs. The PIOC rose 5.8% from 2005 to 2006, the same period as the 4.1% increase in I&E costs, a 1.7 percentage point difference. (See graph on this page.)

Operating Cost Ratios

Between 2005 and 2006, the proportion of gross income spent on audited expenses (the O&M Cost-to-Income ratio) decreased by 0.9 percentage points. The proportion of rental income used for audited expenses (the O&M Cost-to-Rent ratio) also decreased, down by 1.0 percentage points. This is the first decrease in O&M Cost-to-Income and O&M Cost-to-Rent ratios in five years.

Net Operating Income

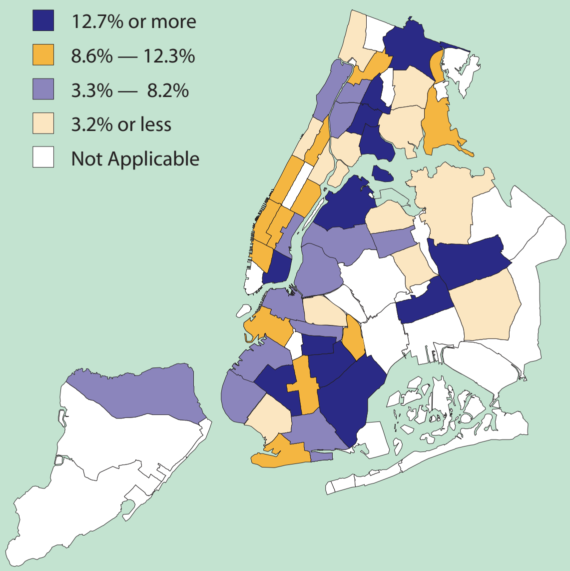
Since revenues grew faster than average operating costs during 2006, citywide net operating income in rent stabilized buildings increased by 8.8%. As mentioned earlier, NOI refers to the earnings that remain after operating and maintenance (O&M) expenses are taken care of, but before payments of income tax and debt service.

The change in NOI from 2005-06 differed among the boroughs. The Bronx saw the largest increase in NOI, rising 10.5%, while Manhattan increased 9.5%, Brooklyn by 8.2% and Queens by 5.7%. Looking specifically at Manhattan, Core Manhattan saw the larger increase, up 9.7% while Upper Manhattan increased by 8.8%.

The map on the next page shows that NOI growth was mixed across New York City. Among each of the

Change in NOI by Community District, 2005-06

Net Operating Income Changes Vary by Community District



Source: NYC Department of Finance, 2005-06 RPIE Filings

boroughs, the Bronx showed the greatest contrast in NOI growth. Four out of the five neighborhoods with the greatest growth in NOI citywide were in the Bronx: Morrisania/Melrose/Claremont, Hunts Point/Longwood, East Tremont/Belmont, and Williamsbridge/Baychester. Even though the Bronx saw significant growth in NOI, Bronx neighborhoods also had some of the lowest NOIs in NYC, with an average of $177 per unit. In contrast, three CDs in the Bronx saw a decrease in NOI: Soundview/Parkchester, Pelham Parkway, and Mott Haven/Port Morris. Decreases in NOI were also witnessed in Jackson Heights and Jamaica (in Queens), Bedford-Stuyvesant (in Brooklyn) and Morningside Heights/Hamilton Heights (in Manhattan). The greatest increases in NOI were seen outside of Manhattan. Other than the Bronx, neighborhoods that had significant increases in NOI were Hillcrest/Fresh Meadows (in Queens), and Williamsburg/Greenpoint and South Crown Heights (both in Brooklyn). The Lower East Side/Chinatown was the only CD in Manhattan to see a rise in NOI greater than 12.5%. (See endnote 8.)

Conclusion

The RPIE filings from over 12,600 rent stabilized buildings containing more than 571,000 units in the cross-sectional sample illustrate growing Net Operating Income. Increased income outpaced smaller increases in expenses in 2006. Citywide, revenue collections increased 5.5%, while costs increased by 4.1%. Because of the greater increase in revenues from 2005-06, NOI citywide increased by 8.8%. In addition, all the boroughs saw an increase in NOI, and the number of distressed properties also fell from 2005-06, down 0.3 percentage points.

Methodology

The information in this report was generated by analyzing data derived from RPIE forms filed with the NYC Department of Finance in 2007 by owners of apartment buildings with primarily eleven or more dwelling units. The data in these forms, which reflects financial conditions in stabilized buildings for the year 2006, was made available to RGB research staff in March, 2008 for analysis. As was done for the first time last year, unit averages contained in this analysis were computed by the Department of Finance. The averages were then weighted by the RGB using data from the 2005 NYC Housing and Vacancy Survey to calculate means that are representative of the population of residential buildings in New York City. In addition, medians were calculated and included in this report. The medians derived from the sample were produced by the Department of Finance and are unweighted.

As in past studies, two types of summarized data, cross-sectional and longitudinal, were obtained for stabilized buildings. Cross-sectional data, which provides a "snapshot" or "moment-in-time" view, comes from properties that filed 2006 RPIE or alternatively, TCIE (Tax Commission Income & Expense) forms. Data from the forms was used to compute average and median rents, operating costs, etc., that were typical of the year 2006. Longitudinal data, which provides a direct comparison of identical elements over time, encompasses properties that filed RPIE/TCIE forms for the years 2005 and 2006. The longitudinal data describes changing conditions in average rents, operating costs, etc., by comparing

Changes in Average Monthly Rents, Income, Operating Costs and Net Operating Income per Dwelling Unit, 1990-2006

Growth in Revenues Outpaces Cost Increases from 2005-2006

	Avg. Rent Growth	Avg. Income Growth	Avg. Cost Growth	Avg. NOI Growth
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%	8.0%
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%
98-99	5.5%	5.5%	3.5%	8.7%
99-00	6.2%	6.5%	8.4%	3.5%
00-01	4.9%	5.2%	4.8%	5.9%
01-02	4.0%	4.1%	6.9%	-0.1%
02-03	3.6%	4.5%	12.5%	-8.7%
03-04	-	-	-	-
04-05	4.6%	4.7%	6.0%	1.6%
05-06	**5.6%**	**5.5%**	**4.1%**	**8.8%**

Source: NYC Department of Finance, 1990-2006 RPIE Filings
Note: Longitudinal data from 2003-04 is unavailable. See endnote 6.

forms from the same buildings over two years. Thus, cross-sectional data in this report measures conditions in effect throughout 2006, while longitudinal data measures changes in conditions that occurred from 2005 to 2006.

This year, 12,644 rent stabilized apartment buildings were analyzed in the cross-sectional study and 9,026 stabilized properties were examined in the longitudinal study. The sample of buildings was created by matching a list of properties registered with the DHCR against building data found in 2006 RPIE or TCIE statements (or 2005 and 2006 statements for the longitudinal sample). A building is considered rent stabilized if it contains at least one rent stabilized unit.

Once the two samples were drawn, properties that met the following criteria were removed:

- Buildings containing 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 2006 RPIE or TCIE form for the cross-sectional study, or a 2005 and a 2006 RPIE or TCIE form for the longitudinal study;
- No unit count could be found in RPIE/TCIE records; and
- No apartment rent or income figures were recorded on the RPIE or TCIE forms. In these cases, forms were improperly completed or the building was vacant.

Three additional methods were used to screen the samples so properties with inaccurate building information could be removed to protect the integrity of the samples:

- In early I&E studies, the Department of Finance used the total number of units from their Real Property Assessment Data (RPAD) files to classify buildings by size and location. RGB researchers found that sometimes the unit counts on RPIE forms were different than those on the RPAD file, and consequently deemed the residential counts from the RPIE form more reliable;

- Average monthly rents for each building were compared to rent intervals for each borough to improve data quality. Properties with average rents outside of the borough rent ranges were removed from all samples. Such screening for outliers is critical since such deviations may reflect data entry errors and thus could skew the analysis; and
- Buildings in which operating costs exceeded income by more than 300% as well as buildings above the 99th percentile or below the 1st percentile were excluded from both samples.

As in prior studies, after compiling both samples, the Department of Finance categorized sample data reflecting particular types of buildings throughout the five boroughs (e.g. structures with 20-99 units). ❒

Endnotes

1. RPIE rent figures include 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.

2. Pre-war buildings refer to those built before 1947; post-war buildings refer to those built after 1946.

3. According to the NYC Department of Finance, over 90% of owners filing RPIE's report income and expense data by calendar year. In previous reports, adjusted DHCR data was calculated on a July-to-June fiscal year. The adjustment of DHCR data is now calculated on the January-to-December calendar year.

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

5. In previous reports, the adjusted RGB Rent Index was calculated on a July-to-June fiscal year. The adjustment of the RGB Rent Index is now calculated on the January-to-December calendar year. Also see Endnote 3.

6. Longitudinal data from 2003-04 is excluded from this study because no longitudinal sample was available for 2003-04. Therefore, the growth in RPIE collected rents is understated.

7. In 1989, there were 500 buildings in the cross-sectional sample. In 1990, there were over fourteen thousand buildings. When looking at the change in NOI from 1989 through 2006, NOI decreased 5.8%, after adjusting for inflation.

8. Eleven Community Districts were excluded from this analysis because they contained too few buildings for the data to be reliable. Unlike Citywide and borough level rent and expense data, average CD rents and expenses are unweighted and do not necessarily represent the population of buildings in these Community Districts. All averages were computed by the Department of Finance.

2008 Mortgage Survey

What's New

- ✔ Median purchase prices of rent stabilized buildings increased citywide from 2003 to 2007, ranging from 78% in Queens to 127% in Manhattan.
- ✔ Average interest rates for new multifamily mortgages declined 0.41 percentage points, or 6.6%, to 5.85%.
- ✔ Refinancing interest rates decreased this year by 0.42 percentage points to 5.79%.
- ✔ Average points for new loans fell 0.14 points, to 0.47 points.
- ✔ New loan volume declined 16%, but refinanced loan volume grew 69%.
- ✔ Vacancy and collection losses increased to 3.76%, up from 3.39% the prior year.

Introduction

Section 26-510 (b)(iii) of the 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 winter the RGB research staff surveys lending institutions that underwrite mortgages for multifamily rent stabilized properties in New York City. (See Appendix E.7 for a reproduction of the survey.) The survey provides details about New York City's multifamily lending market during the 2007 calendar year.

The survey is organized into three sections: financing availability and terms for rent stabilized buildings; underwriting criteria; and additional mortgage questions, including vacancy and collection losses, operating and maintenance expenses, and portfolio performance information. In addition to the survey analysis, a new section has been added that looks at changes in sales prices of rent stabilized buildings over the past several years.

Summary

The *2008 Mortgage Survey* found a lending market in transition. While interest rates remain low, lenders are cautiously viewing the marketplace as the economy undergoes an indeterminate shift. Both the average interest rate in 2007 and the current (as of February 2008) interest rate showed declines over the prior year. However, while new loan volume declined in 2007, refinancing volume increased. The lending market was partly impacted by three decreases in the Federal Reserve Board's federal funds rate and four decreases in the discount rate during 2007.[1] Average up-front fees, called points, increased after falling last year to their lowest level in the history of the survey. Lenders again reported few non-performing loans or foreclosures. Further, an analysis of rent stabilized building sales data reveals significant increases in median purchase prices from 2003 through 2007 among all boroughs and building sizes.

This report will more fully detail these issues by beginning with a discussion of the characteristics of the survey respondents, followed by both a cross-sectional and longitudinal analysis of financing availability and terms, underwriting criteria, portfolio performance and an overview of lenders' expectations and the characteristics of typical buildings in their portfolios.

Survey Respondents

Eighteen financial institutions responded to this year's survey, three fewer than last year.[2] The number of eligible lenders continues to decline primarily due to the merger of some previous survey respondents. The survey sample is regularly updated to include only those institutions offering loans to multiple dwelling, rent stabilized properties in New York City. Surveyed institutions are both added and subtracted each year, primarily through research in a selection of sources, including trade journals, directories, Internet search engines, and lists compiled by the Federal Deposit Insurance Corporation (FDIC). This year's respondents include a variety of traditional lending institutions, such as savings and commercial banks, as well as non-traditional lenders, including a government-sponsored institution and a city agency. Among the respondents, all but one also responded to last year's survey.

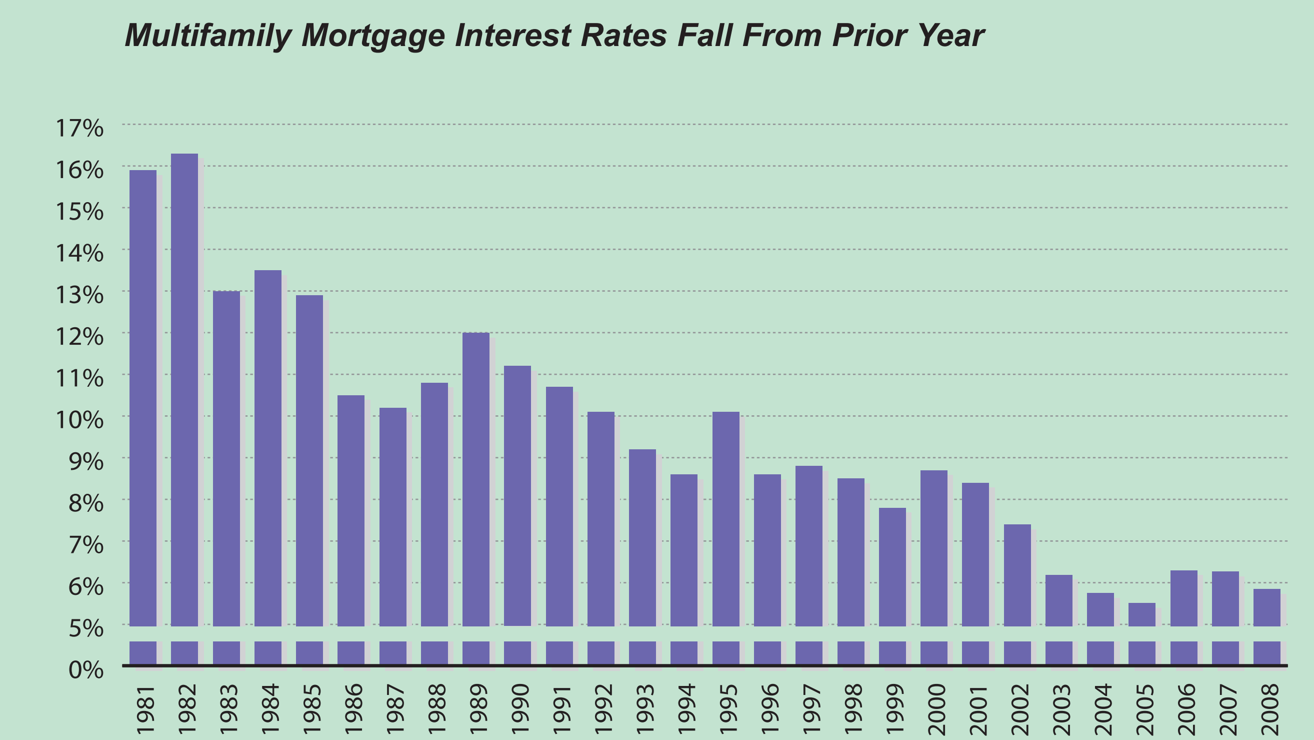
Institutions holding deposits insured by the FDIC supply details about their holdings on a quarterly basis, including their multifamily real estate holdings, which vary considerably among this year's respondents. Thirteen survey respondents report their multifamily real estate holdings to the FDIC, with values ranging between \$30.1 million and \$10.6 billion.[3] Five of this year's institutions reported multifamily holdings of over one billion dollars, while two institutions had holdings of less than \$100 million. Compared with last year, the average multifamily real estate portfolio of our survey respondents increased by 24.7%, to \$1.85 billion.

Cross-Sectional Analysis

Financing Availability and Terms

As of February 2008, this year's average interest rate of 5.85% for new multifamily mortgages decreased 0.41 percentage points, or 6.6%, from the previous February (see graph below and Appendix E.1). Reflecting the fact that interest rates decreased as the year progressed, the average rate reported for all of 2007 was 6.05%, higher than current reported rates, but a 0.26 percentage point (or 4.1%) decrease from the prior year. Similar to prior years, a small number of

Average Interest Rates for New Loans to Rent Stabilized Buildings, 1981-2008



Source: Rent Guidelines Board, annual Mortgage Surveys.

large lenders provided most of the total volume of new and refinanced mortgages. Of all respondents, four provided 81% of the total volume of new mortgages. Adjusting for the varying share of loan volume among the responding institutions, the weighted interest rate was 5.93% for new originations, slightly higher than the overall average interest rate of 5.85%. The weighted interest rate takes loan volume into account, so the interest rates of larger lenders count more than those lenders with fewer loans.

Average interest rates decreased during the year among the institutions surveyed due in part to decreases in the federal funds and discount rates by the Federal Reserve Board during the latter half of 2007. The Fed lowered the Discount Rate — the interest rate at which depository institutions borrow from the Federal Reserve Bank of New York — four times to 4.75%, and the Federal Funds Rate — the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions — three times to 4.25% by the end of 2007. The Fed continued to lower rates in 2008, reacting to a significant slowdown in the U.S. economy.[4] However, the continuing rate cuts may not be having much of an impact on rates charged by institutions as the overall economy worsens.[5] The numerous rate decreases, which began in the summer of 2007, follows a period of several rate increases in the prior year.

Surveying institutions regarding their refinanced mortgages found that all of them offered identical or similar terms to those for new loans. The average current rate charged for refinanced mortgages as of February 2008, 5.79%, was just 0.06 percentage points lower than the average current rate charged on new originations and 0.42 percentage points lower than last February. (See Appendix E.1) At 6.09%, average 2007 refinancing rates were 0.15 percentage points lower than the prior year's refinancing rates.

Points (up-front service fees) that were charged for new and refinanced loans ranged from zero to one percent, with six surveyed lenders charging no points on new loans and seven charging no points on refinanced loans. The average service fee charged on new loans by lenders was 0.47 points, a 0.14 percentage point decline from last year's average of 0.61. Average fees reported in the survey have remained around or below one point for more than a decade (see graph on next page). Average points for refinanced mortgages were virtually the same (0.44) as that charged on new originations.

Lenders, as in recent years, remained flexible in the loan terms they offered their borrowers. Since survey respondents typically provide a wide range of terms rather than a single number, it is difficult to give a precise average for the range of terms offered by institutions, but they remained similar to those offered in recent years. Mortgage terms reported by respondents fell within a wide 5- to 30-year range. This continued mortgage term flexibility over recent years is in great contrast

Terms and Definitions

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

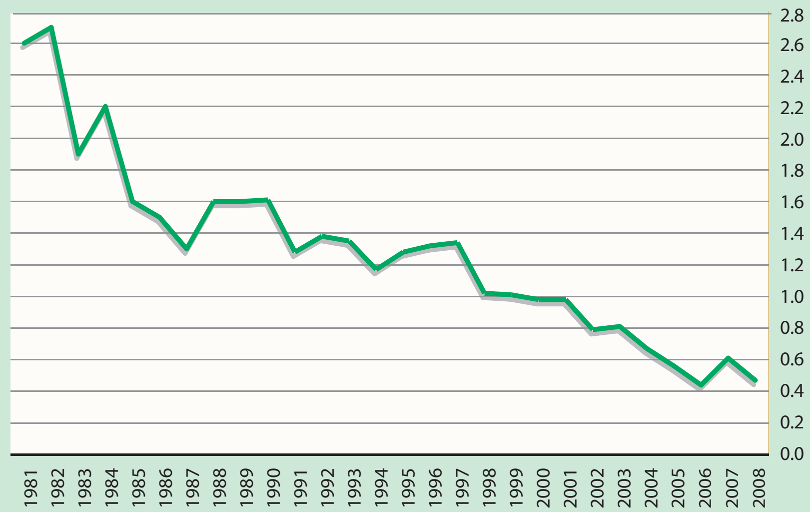
Loan-to-Value Ratio (LTV) - the dollar amount institutions are willing to lend based on a building's value; the lower the LTV, the lower the risk to the lender

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

Points - up-front 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

Service Fees for New Loans to Rent Stabilized Buildings, 1981-2008



Source: Rent Guidelines Board, annual Mortgage Surveys.

to terms found in the surveys of the early- to mid-1990s, when close to half of respondents offered maximum loan maturities of just five years.

Despite the fact that average interest rates fell, new loan volume decreased in 2007, following a larger drop in volume the prior year. An average of 60 new loans per institution were financed this past year, down 16% from last year's 71. While average loan volume dropped, not all lenders saw declines. While almost half reported no change, about one in six reported declines, and more than a third reported an increase in loan volume. For those institutions that saw loan volume increase, most attribute it to an increase in loan applications, and a few to an increased rate of approvals.

While loan volume is still greater than in the late nineties, when, for instance, the *1998 Mortgage Survey* showed an average of 37 new mortgages per lender, volume is down significantly from just a few years ago. For example, the *2004 Mortgage Survey* measured an average new loan volume of 160. However, the average number of refinanced loans increased, up 69% from last year, to 69 in this year's survey. However, this year's refinancing volume is still well below that of a few years ago, when in the *2004 Survey*, the average surveyed institution refinanced 173 loans.

Lenders were also asked this year about the "credit crunch." Several small-to-medium sized lenders stated that it has not yet significantly impacted lending to rent stabilized buildings, though they are becoming more conservative in who is offered loans. However, one large bank did mention that they have raised interest rates and put more stringent underwriting criteria into effect because of it.

Underwriting Criteria

For more than a decade, there has been a prolonged period of low delinquencies and defaults, suggesting that institutions are willing to provide ample loan availability and provide less stringent underwriting policies. This year's survey revealed little change in the lending practices of institutions. For three-quarters of the lenders, underwriting standards remained the same from the prior year. While virtually all kept the same criteria for maximum loan-to-value ratios (LTV), debt service coverage, and building characteristics (such as age and condition), two reported that they expanded lending to rent stabilized buildings in 2007. For all institutions, the typical maximum LTV ratio — the maximum dollar amount respondents were willing to lend based on a building's value — ranged from 65% to 80%. The average was 76.7%, slightly lower than last year's 77.4% (see graph on next page).

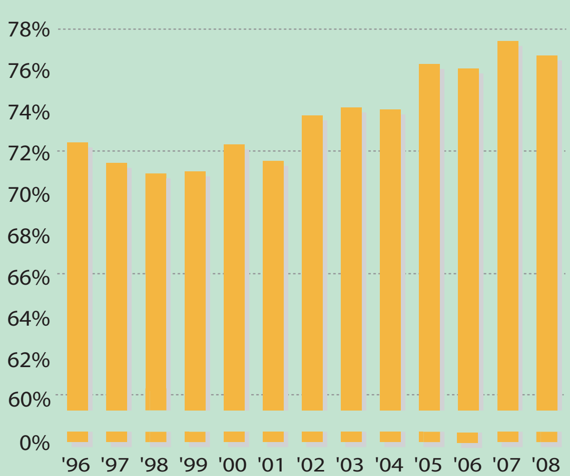
Another important lending criterion is the debt service ratio — an investment's ability to cover mortgage payments using its net operating income (NOI). The higher the debt service coverage requirements, the less money a lender is willing to loan given constant net income. The debt service ratio (or NOI divided by the debt service) decreased slightly this year, with an average debt service requirement of 1.20, down from 1.22 last year. Because the average debt service ratio changed little, 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 cited standards that are similar to recent years when evaluating loan applications. The most commonly cited standard is good building maintenance, with a majority of lenders indicating its importance. Second most important is the number of units in the building, with four in ten indicating that buildings should contain a certain number of units. Less important criteria include the age of the building, whether there was potential for the building to be converted to a co-op or condo and the building rent level.

Our survey asked lenders whether their lending standards differ for rent stabilized buildings as opposed to non-stabilized multifamily properties. Respondents were asked whether their new financing rates, refinancing rates, loan-to-value ratios, and debt service coverage requirements for rent stabilized properties were higher, lower, or the same as for other properties. Sixty percent of respondents reported that standards were no different for stabilized buildings, while the remaining lenders are evenly split as to whether lending standards are higher or lower for stabilized building owners.

1996-2008 Cross-Sectional Average Loan-to-Value Standards

Maximum Loan-to-Value Ratios Decline



Source: Rent Guidelines Board, annual Mortgage Surveys.

Non-Performing Loans & Foreclosures

A higher percentage of lenders reported that they had non-performing loans, though fewer had foreclosure proceedings this year. Twenty-nine percent of lenders reported having non-performing loans over the past year (up from 21% last year), and 13% of the institutions reported that they had foreclosures, down from 17% last year. Of the lenders with non-performing loans and/or foreclosures, none reported default rates greater than 2% (and the lender reporting that amount solely finances affordable housing).

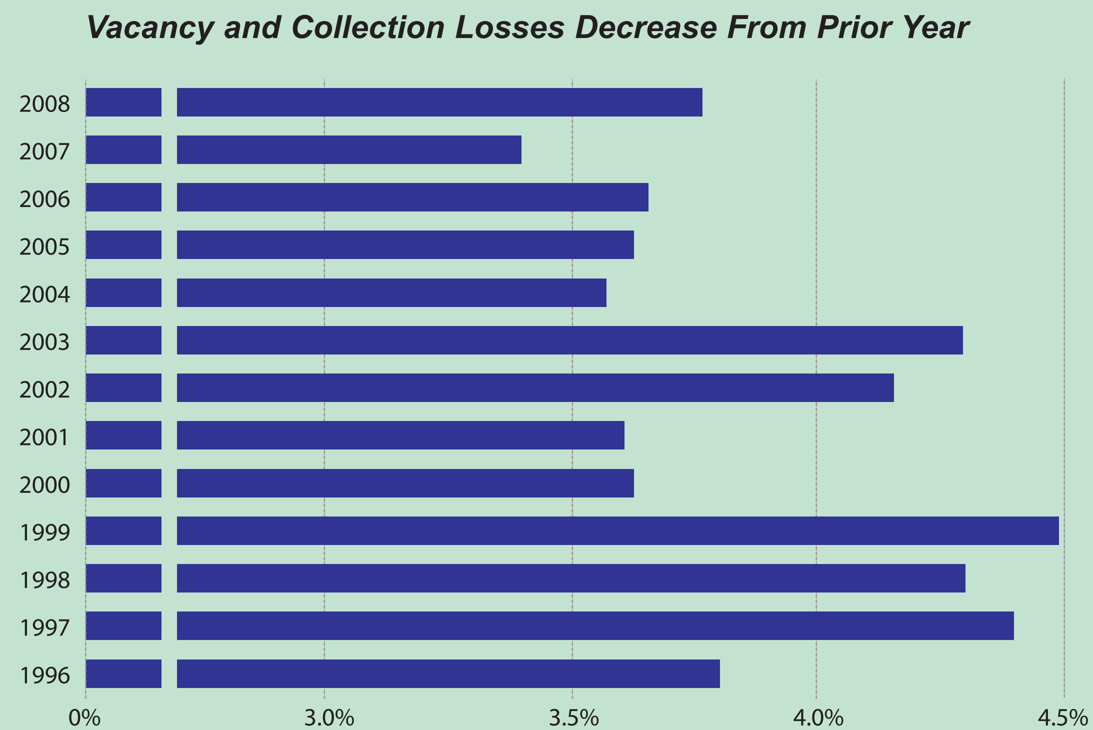
Characteristics of Rent Stabilized Buildings

Lenders surveyed about the average size of rent stabilized buildings in their portfolios reported that the most common building size is 20-49 units, with a third of lenders reporting this as typical. The remainder of lenders were almost evenly split between smaller and larger building sizes, with a few lenders each reporting that their average building was fewer than 10 units, 11-19 units, 50-99 units or at least 100 units. This year's findings were somewhat similar to last year, with one exception: For the first time in five years, two lenders had rent stabilized buildings that averaged 100 units or more.

Vacancy and collection (V&C) losses averaged 3.76%, up from 3.39% in the prior year. (See graph on next page.) Almost two-thirds of lenders reported V&C losses of 4% or more, up from just under half last year. Meanwhile, about one in three reported V&C losses of 3% or less, down from about one in two last year.

Average operating and maintenance (O&M) expenses increased 11%, to $537 per unit per month, a greater increase than the 3% increase seen the previous year. However, for the third time in four years, average rents, as reported by this year's lenders, decreased, falling by 1%, to $933. (See Appendix E.2) Because expenses rose while average rents fell, the

Average Vacancy and Collection Losses, 1996-2008



Source: Rent Guidelines Board, annual Mortgage Surveys.

average O&M cost-to-rent ratio increased to 57.5%, up from 51.1% in the prior year.[6] The RGB first started tracking the average O&M cost-to-rent ratio a decade ago, since which time the rate has gone as low as 40.7% in 2003 and as high as this year's results. The previous high ratio was reached in the 1999 survey, when the cost-to-rent ratio was 52.1%.

The Rent Guidelines Board, in our annual *Income and Expense (I&E) Study*, also examines the average O&M cost-to-rent ratio. However, its findings cannot be precisely compared to the cost-to-rent ratio reported in this Mortgage Survey because both the sources and sample sizes are very different and the data studied in each report are from different time periods. In the *2007 I&E Study*, which reported on data from the year 2005, the average O&M cost-to-rent ratio was 79.1%.[7]

The survey also asks lenders whether they retain their mortgages or sell them to secondary markets. Among the lenders, the majority of respondents (71%) retain all their mortgages, 18% sell all their mortgages, and 12% sell some of their mortgages to secondary markets. These results are similar to that found last year. Of those institutions that sell their mortgages, Freddie Mac and Fannie Mae are the most commonly cited purchasers.

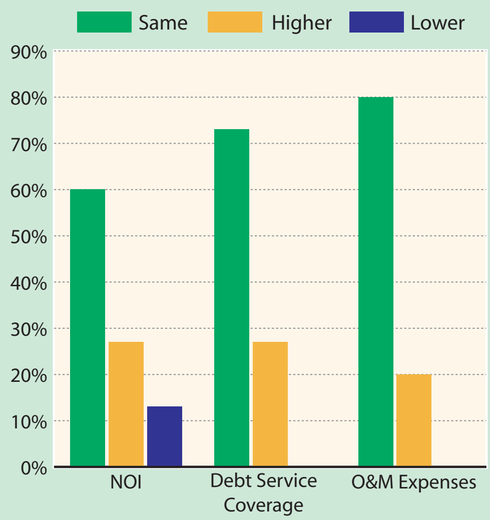
Lenders are asked whether the rent stabilized buildings which are offered mortgage financing contain commercial space. This is helpful so as to understand the extent of income for owners from sources other than residential tenants. All the lenders in this year's survey report that buildings in their portfolio contain commercial space, though the average amount varies depending on the lender. Among the lenders, buildings containing commercial space represent, on average, 21% of their lending portfolio, lower than last year's 27%.

Loan Expectations

The survey also questions lenders about how their portfolio of rent stabilized buildings are performing, compared with expectations at the time of initial loan origination, with regard to net operating income (NOI), debt service coverage, and O&M expenses. This year,

2008 Performance of Rent Stabilized Loans as Compared to Expectations

Lenders Report that Loans Meet or Exceed Most Expectations



Source: Rent Guidelines Board, annual Mortgage Surveys.

just over half of lenders felt that expectations in all three areas had been met for their rent stabilized portfolio, while a third felt that some expectations were exceeded and 13% reported at least one expectation was not met in 2007 (see graph above).

Specifically, 60% of lenders who responded to the NOI question felt that the income of their rent stabilized portfolio performed to expectations at the time of initial loan origination, while 27% felt it outperformed expectations, and 13% felt it fell short. Responses for debt service coverage and O&M expenses were better than the findings of NOI, with all responding lenders reporting performances conforming to or exceeding expectations in the majority of cases.

Longitudinal Analysis

Information regarding rent stabilized buildings can be analyzed longitudinally to more accurately measure changes in the lending market, since a number of respondents reply to the Mortgage Survey in at least two consecutive years. This longitudinal comparison helps to ascertain whether changes highlighted in the cross-sectional analysis reflect genuine fluctuations in the lending market or simply the presence of a different group of lenders from year to year. In this section, responses from the 17 lenders who replied to surveys both last and this year (the longitudinal group) were compared to underscore changes between 2007 and 2008. (See footnote 2)

Financing Availability and Terms

This year's longitudinal analysis reveals data that is very similar to this year's cross-sectional sample.[8] This year's average interest rate among the longitudinal group for new financing, as of February 2008, was 5.82%, down from last year's longitudinal group, which had an average interest rate of 6.12%. The average refinancing rate was likewise very close to that found among the cross-sectional group, at 5.76% as of February 2008, down from 6.04% a year earlier. (See Appendices E.3 and E.4) Adjusting for the varying share of loan volume among the lenders in the longitudinal sample, the weighted interest rate was 5.93% for new originations, a little higher than the overall average interest rate of 5.82%.

Among the longitudinal group, average points offered by lenders rose for both new and refinanced loans. This sample reports an average of 0.50 points for new loans, up from last year's 0.40. Refinanced loans also rose, up from last year's 0.40 to this year's 0.47.

Like the cross-sectional group of lenders, the longitudinal group saw loan volume decrease, though to a lesser degree, falling 16% over last year for new mortgages. However, there was a 30% increase in refinanced loan volume. A majority of lenders among this year's longitudinal group reported that their total loan volume had changed, with more than a third reporting an increase in volume and about one in six reporting a decline in volume.

Underwriting Criteria and Loan Performance

The average maximum loan-to-value (LTV) ratio was 76.8%, slightly lower than the 77.8% reported by this group of institutions last year. Rates for debt service coverage remained virtually unchanged, at 1.20 this

Selected 2007 Cross-Sectional Data Compared to 2007 Longitudinal Data

Changes in Average Interest Rates, Loan Volume, Points, Loan-to-Value Ratios, Debt Service Coverage, and Vacancy & Collection Losses

(Averages)	NF Interest Rate	RF Interest Rate	NF Loan Volume	RF Loan Volume	NF Points	RF Points	Max LTV Ratio	Debt Service	V&C Losses
2007 Cross-Sectional Data	6.27%	6.21%	71	41	.61	.61	77.4%	1.22	3.39%
2007 Longitudinal Data	6.42%	6.42%	68	52	.53	.53	75.5%	1.22	3.56%

NF= New Financing   RF= Refinancing   LTV=Loan-to-Value   V&C=Vacancy and Collection

Source: Rent Guidelines Board, Annual Mortgage Surveys

year versus 1.21 last year. (See Appendix E.5) Similar to the cross-sectional group, vacancy and collection (V&C) losses in the longitudinal group rose this year, going from 3.50% last year to 3.94% this year. In addition, this year half of the longitudinal group reported V&C losses of 5% or more, while last year a quarter had losses to that degree.

Examining non-performing or delinquent loans among the longitudinal group over the last two years, little difference was found among responding institutions. Delinquencies continue to be insignificant, with four lenders in the longitudinal group reporting non-performing loans or foreclosures during this past year.

Sales Data Analysis

In 2007, the NYC Department of Finance made available to the public easily accessible property sales information for the five boroughs going back several years. In order to measure the change in value of residential buildings in New York City, we have conducted an analysis of the data.[9]

In 2007, 1,474 buildings containing rent stabilized units were sold in New York City. The median, citywide sales price was $2,255,000 with the highest median sales price in Manhattan at $4,508,653 followed by the Bronx ($2,400,000), Queens ($1,070,000), and Brooklyn ($882,500).

Looking at the change in average sales of residential stabilized buildings from 2003 to 2007 shows a significant increase in sales prices since 2003, the first year for which data was available. Over the five-year period analyzed, median sale prices increased by 211% citywide. While sales prices increased in each borough, the level of increase varied: Sales prices from 2003 to 2007 increased 127% in Manhattan, 92% in the Bronx, 81% in Brooklyn and 78% in Queens.[10] From year-to-year, change in median sales prices varied greatly between boroughs. For instance, in Manhattan, annual growth in sales prices occurred each year, with increases of between 13% and 33% annually. By contrast, the other boroughs saw wider variation on median sales price changes from year to year. In the Bronx, the annual change in sales prices varied widely, seeing a 44% increase from 2003 to 2004 but no change from 2006 to 2007. Brooklyn meanwhile saw the largest increase from 2005 to 2006, 45%, but a 12% decline in sales prices from 2006 to 2007. Queens saw increases each year, of as much as 42% from 2005 to 2006 to as little as 1% from 2004 to 2005 and 3% from 2006 to 2007. The chart on the next page shows the median sales prices citywide and by borough as well as the change from the prior year and the number of buildings sold in each borough.

Examining sales by building size as well as borough also reveals increases in prices across the

Rent Stabilized Building Sales Prices Citywide and by Borough, 2003-2007

Median Sales Prices for Rent Stabilized Buildings Increase Throughout the City from 2003 to 2007

	2003	2004	2005	2006	2007	Change from 2003 - 2007
Citywide						
Median	$725,000	$926,000	$1,473,466	$2,056,000	$2,255,000	
Change		28%	59%	40%	10%	211%
# of sales	1,481	1,728	1,816	1,433	1,474	
Manhattan						
Median	$1,987,500	$2,650,000	$3,263,415	$3,975,000	$4,508,653	
Change		33%	23%	22%	13%	127%
# of sales	418	480	598	403	470	
Brooklyn						
Median	$487,500	$550,000	$689,899	$1,000,000	$882,500	
Change		13%	25%	45%	-12%	81%
# of sales	678	730	750	593	520	
Bronx						
Median	$1,250,000	$1,800,000	$1,847,500	$2,399,033	$2,400,000	
Change		44%	3%	30%	0%	92%
# of sales	203	269	264	224	319	
Queens						
Median	$602,500	$725,000	$734,738	$1,040,000	$1,070,000	
Change		20%	1%	42%	3%	78%
# of sales	182	249	204	213	165	

Source: NYC Department of Finance

Notes: The 211% increase in the median sales prices citywide from 2003 to 2007 exceeded the individual increase in each of the boroughs in large part because the median size of the buildings sold each year grew from 10 units in 2003 to 16 units in 2007. In addition, when comparing the median sales price change in the Bronx from 2003 to 2007, the median building size grew from 24 units in 2003 to 31 units in 2007. Unlike the Bronx, the other boroughs saw similar median building sizes in 2003 and 2007. Staten Island is excluded from the analysis due to the small number of buildings sold.

board. While from year-to-year there were a few price declines, overall prices increased in all building size categories from 2003 to 2007. Among the smallest building size, 6-10 units, sales price increases from 2003 to 2007 ranged from 74% in Queens to 109% in Manhattan. Among 11-19 unit buildings, price increases ranged from 40% in the Bronx to 122% in Manhattan from 2003 to 2007. Among larger 20-99 unit buildings, from 2003 to 2007, price increases ranged from 69% in the Bronx to 143% in Manhattan. Because of the small number of 100+ unit buildings sold each year, we did not analyze the sales data for these buildings. Please see Appendix E.8 for the median sales prices in each borough as well as the change from the prior year among different sized buildings.

Conclusion

Though borrowers continue to see favorable lending terms, an ongoing shift in the economy and the availability of funds suggests a lending market in transition. While new loan volume decreased and refinancing volume increased, both lenders and borrowers may be facing tougher times as the marketplace reevaluates the cost of doing business. However, smaller lenders may benefit from the shift in an ability to lend, as the large players get hit by subprime defaults and limited availability of mortgage-backed security funding.[11] To what degree the worsening national economy and real estate industry impacts the local housing and lending markets remains to be seen.

Endnotes

1. Federal Reserve websites: http://www.federalreserve.gov/fomc/fundsrate.htm and http://www.frbdiscountwindow.org

2. One institution that responded to the survey reported zero loans to rent stabilized buildings in 2007, and their responses were not used in this report.

3. Most recent data derived from the FDIC website. World Wide Web Page <http://www.fdic.gov> (accessed March 10, 2008).

4. "Fed's Action Stems Sell-Off in World Markets," by Edmund L. Andrews, *New York Times*. January 23, 2008.

5. "Downturn Tests the Fed's Ability to Avert a Crisis," by Vikas Bajaj, *New York Times*. March 9, 2008.

6. 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 Rent Guidelines Board's Income and Expense Study are derived from a much larger sample of stabilized buildings and can be viewed as more authoritative.

7. The O&M cost-to-rent ratio from the 2008 Mortgage Survey reflects estimates by lenders of expenses and rents for rent stabilized buildings as of approximately February 2008. The average ratio is calculated from just 18 responses. The latest available O&M cost-to-rent ratio from the *Income and Expense Study (I&E)*, in which average rent was $859 and average unaudited cost was $679, reflects rents and expenses reported by owners for calendar year 2005. Average monthly costs per unit in the Mortgage Survey this year are lower than those reported in the *I&E*. This may be due to differences in the two data sources: Lenders' estimated average of buildings in an institution's portfolio vs. a weighted average of a large sample of owner-reported data; the large variance between the two sample sizes; and the difference between the buildings studied in each analysis. (Buildings required to file Real Property Income and Expense (RPIE) forms must have an assessed value greater than $40,000 and eleven or more units, while the Mortgage Survey does not exclude these buildings).

8 The cross-sectional and longitudinal groups are very similar because all but one lender responded both years.

9. The data reflects sales prices for buildings that are registered with DHCR as containing rent stabilized units. It excludes those buildings where the sales price was listed as less than $1000. It also excludes those buildings listed as co-ops. Further, Staten Island is excluded from the analysis due to the small number of buildings sold.

10. The 211% increase in the median sales prices citywide from 2003 to 2007 exceeded the individual increase in each of the boroughs in large part because the median size of the buildings sold each year grew from 10 units in 2003 to 16 units in 2007.

11. "Small Banks Pick Up Property Lending Slack," by Frank Byrt, *Financial Week*. January 14, 2008.

Income and Affordability

2008 Income and Affordability Study

What's New

- ✔ New York City's economy grew by 3.0% in 2007, compared to a 3.6% increase during 2006.
- ✔ The City gained 78,800 jobs in 2007, a 2.1% increase from 2006 in total employment levels.
- ✔ The unemployment rate remained at 5.0% last year, the same rate as 2006.
- ✔ Inflation averaged 2.8% in the metro area in 2007, down from 3.8% in the prior year.
- ✔ Inflation-adjusted wages increased 4.1% in 2006, compared to a 0.8% increase in 2005.
- ✔ In 2007, 35,124 homeless people were staying in municipal shelters, up 8.3% from 2006.
- ✔ The average number of families temporarily sheltered each night increased 11.5%, to 9,296 in 2007, compared to a year earlier.
- ✔ The number of non-payment filings in Housing Court decreased 2.1% in 2007, to 251,390, while the number of evictions rose 4.3%.

Introduction

Section 26-510(b) of the Rent Stabilization Law requires the Rent Guidelines Board (RGB) 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, the RGB research staff produces an annual *Income and Affordability Study*, which reports on housing affordability 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 number of eviction proceedings and the impact of welfare reform and federal housing policies on rents and incomes.

Summary

For the fourth year in a row, New York City's economy generally improved as compared with the preceding year, with steady unemployment rates, rising wages and employment levels, and Gross City Product growing steadily from the last quarter of 2003 through the fourth quarter of 2007. Citywide unemployment rates held steady at 5.0% during 2007, after falling the prior three years (although rates are still the lowest of the more than 30 years the RGB has access to). Total employment levels in the City increased 2.1%, and the City's Gross City Product increased for the fourth consecutive year and 17th consecutive quarter, increasing by 3.0% during 2007, compared to 3.6% during 2006. Real wages also increased by 4.1% between 2005 and 2006 (the most recent year for which there are statistics). In addition, public assistance cases fell for the third year in a row, dropping more than 8% between fiscal years 2006 and 2007.

However, there were indicators tracked in the *I&A Study* that showed a downward trend during 2007. HVS data released two years ago showed that household income for rent stabilized tenants declined in real terms by 8.6% between 2001 and 2004, remaining at a nominal $32,000 for both years. There was also a rise in homeless levels, increasing by 11.5% for families, although declining for single adults. And while employment levels in most tracked sectors increased, there was again a significant decline in the manufacturing sector, falling 4.8% from 2006 levels, while real income in that sector also declined, by 3.3%. In addition, evictions and possessions rose more than 4% in 2007, as well as an increase in the proportion of calendared cases that resulted in eviction, the highest level in 10 years. Cash assistance applications also rose by 8.8% during the 2007 fiscal year, while

job placements for those receiving cash assistance declined by 7.0%.

Economic Conditions

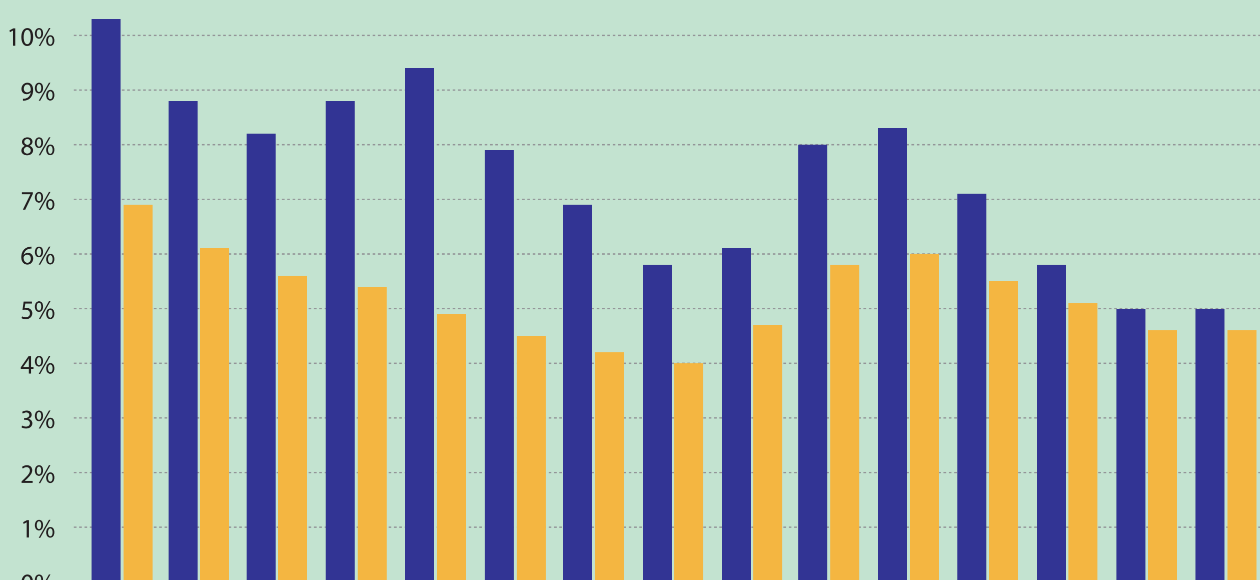
While posting positive gains during 2007, the City's economic growth was nevertheless slower than during the previous year. New York City's Gross City Product (GCP), which measures the total value of goods and services produced, increased by 3.0% during 2007 as compared to a 3.6% increase during the preceding year.[1] While growth during 2007 was lower overall than that during 2006, growth slowed even more quickly in the latter part of the year, with a 1.1% increase during the fourth quarter of 2007 (the lowest quarterly increase since the third quarter of 2003), but still significantly higher than the U.S. growth rate during that quarter of 0.6%. For comparison, GCP increased at an annualized rate of 6.0% from 1994 through 2000. Following the recession of 2001-2003, quarterly GCP has increased in each of the following seventeen quarters, including a high of 4.2% growth in the first quarter of 2006.[2] The analogous national number, United States Gross Domestic Product (GDP), has increased annually since 1992, including a 2.2% increase during 2007.[3]

The Consumer Price Index (CPI), which measures the change in the cost of typical household goods, increased 2.8% during 2007 versus 3.8% during 2006 in the NYC metropolitan area, signifying a less rapid rise in the rate of inflation.[4] This is the second year in a row that the annual inflation rate decreased. The U.S. CPI for urban consumers also increased at a slower rate between 2006 and 2007, down to 2.8% in 2007 versus an increase of 3.2% in 2006. This is the first time in six years that inflation in the New York area was lower or the same than in the United States as a whole.

For the first time since 2004, NYC's unemployment rate did not decrease over the prior year, remaining at 5.0% for both years.[5] The U.S. unemployment rate

NYC and U.S. Unemployment Rates, 1993-2007

NYC and U.S. Unemployment Rates Hold Steady in 2007



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
NYC	10.3%	8.8%	8.2%	8.8%	9.4%	7.9%	6.9%	5.8%	6.1%	8.0%	8.3%	7.1%	5.8%	5.0%	5.0%
US	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%

Source: U.S. Bureau of Labor Statistics and NYS Dept. of Labor also remained the same over the year, holding steady at 4.6% in 2007.[6] The gap between the NYC and nationwide rates, which has been as high as 4.5 percentage points, is now at just 0.4 percentage points. (See graph on previous page and Appendix F.1)

During the early months of 2008, unemployment rates in NYC were extremely varied. The City jobless rate stood at 6.1% in January 2008 and 4.4% in February, more than a percentage point higher than the 2007 average rate of 5.0% in January, but 0.6 percentage points lower in February. The national unemployment rate was 5.4% in January and 5.2% in February of this year, higher than the 2007 national average of 4.6%.

At the local level, unemployment rates rose slightly in four of the five boroughs over the past year. Manhattan, Queens, and Staten Island all had virtually identical unemployment rates in 2007, at 4.4% for Manhattan, 4.5% for Queens, and 4.6% for Staten Island. Brooklyn had the second-highest unemployment rate, at 5.5%, while the Bronx once again had the highest rate of the boroughs, 6.9%. Unemployment rates in Brooklyn, Manhattan, and Staten Island all rose 0.1 percentage points over 2006 levels, and rose 0.2 percentage points in the Bronx, and remained the same in Queens.[7] Citywide unemployment rates are still at the lowest level in at least 31 years (the earliest period for which data is available) with rates in each borough at least 2.4 percentage points lower than 2002 levels and half the rate of the recession years of the early 1990s.

Two other employment indices increased slightly in 2007. The NYC labor force participation rate — which measures the proportion of all non-institutionalized people, aged 16 and over, who are employed or actively looking for work — increased in 2007, to 59.5%, up from 59.0% in 2006.[8] This remained lower than the U.S. rate, which decreased to 66.0% over the past year from 66.2%.

In addition, the NYC employment/population ratio, which measures the proportion of those who are actually employed as a ratio of all non-institutionalized people age 16 or over, also increased, to 56.5% in 2007, up 0.4 percentage points from 2006. The U.S. employment/population ratio decreased slightly, down from 63.1% in 2006 to 63.0% in 2007.

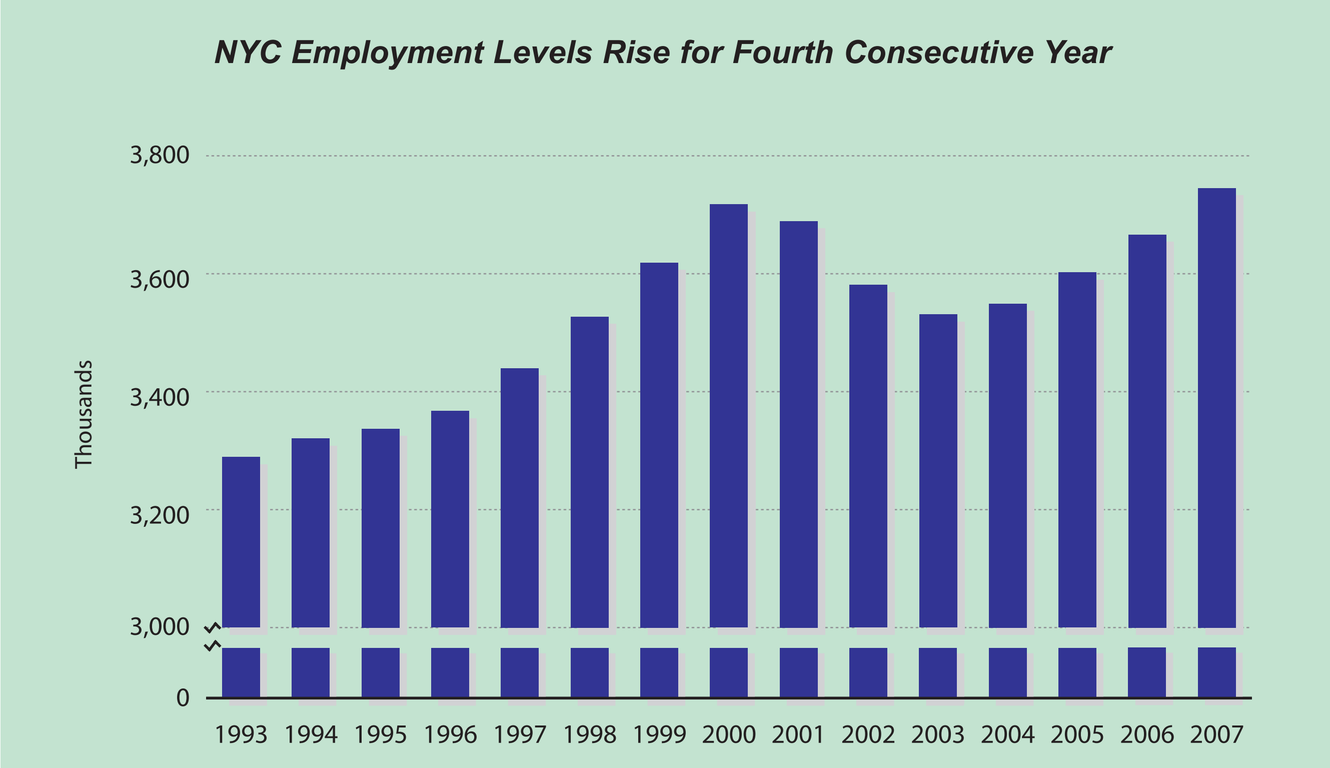
Despite the steady rate of unemployment, the number of persons employed in New York City actually rose over the year (see graph on next page), the fourth consecutive yearly increase in employment rates. Overall, among both city residents as well as those commuting into the city, NYC gained 78,800 jobs in 2007, a 2.1% increase from 2006.[9] Job gains over the past four years have finally recovered all of the almost 200,000 person job loss between 2001 and 2003.

Overall, almost all industries tracked in the *I&A Study* saw increases in employment, while just one saw a decrease in total employment levels. The manufacturing sector was the only sector to lose jobs in 2007, down 4.8%, or 5,100 jobs. With the exception of 1997, manufacturing levels have decreased each year since at least 1990 (the first year for which data is available), dropping 164,000 jobs in the 17-year period, a decline of 62%. Federal government jobs remained at 56,300 in 2007, the first year in the past seven that employment in this sector did not decrease.

Among the industries tracked, the largest increase in employment between 2006 and 2007 was in natural resources, mining and construction, which rose 7.3% to reach 127,100 persons (inclusive of an 11.4% increase in the subsector of “construction of buildings”). Leisure and Hospitality also saw a significant gain, rising 4.2% and adding 12,100 jobs to reach a total of 297,000. Professional and Business services also rose substantially, increasing by 3.5% over the year, while all other industries had positive gains of between 0.7% and 2.5%, including Financial Activities, which rose 2.1%, Educational and Health Services, which rose 1.8%, and Government, which rose by the lowest proportion, 0.7%, to reach 559,200. The service producing super-sector increased, rising 2.2%, while the goods producing super-sector also increased after falling the previous seven years, rising by 1.6%. See Appendix F.2 for a complete breakdown by industry.

This report also examines wage data of employees working in New York City (regardless of where they live), though the analysis is limited by the fact that there is a one-year lag in the reporting of income data. The most recent numbers, which cover the 2006 calendar year, reveal an increase in both real and nominal wages. Following a rise in real income of 0.8% during 2005, wages in 2006 rose again, but at a

Average Annual Payroll Employment, NYC, 1993-2007



Source: U.S. Bureau of Labor Statistics

much faster rate. Real wages climbed 4.1% in 2006, rising from $70,410 (in 2006 dollars) to $73,268.[10] Nominal wages (wages in current dollars) increased by 8.0% over the same time period. These are the largest increases seen since 2000, when real wages rose by 6.0% and nominal wages rose by 9.3%. Between the second quarter of 2006 and the second quarter of 2007 (the most recently available data), nominal wages Citywide rose by 6.4%, while real wages rose 3.8%.

Of the sectors tracked in this report, most had increases in real wages during 2006, and increases were generally larger than in the previous year. The most significant increase in real income was in the FIRE (Finance, Insurance, and Real Estate) sector, which rose in real terms by 12.2% over the year to reach $195,245. Smaller increases were also seen in the Information, Services, Construction, Management of Companies, and Trade sectors, which increased by 1.5%, 1.0%, 0.9%, 0.6%, and 0.1% respectively (in real dollars). Decreases in real wages were seen in the Manufacturing, Government, and Transportation sectors, which decreased by 3.3%, 2.6%, and 0.4% respectively.

The Census Bureau reports that the New York City poverty rate for all individuals was 19.2% in 2006, a slight rise from 19.1% in 2005.[11] They also report that the poverty rate for persons under the age of 18 was 28.2% in 2006, while it was 15.9% for individuals 18 to 64, and 19.0% for persons 65 years and over. Furthermore, 16.3% of all families were living under the poverty line in 2006, a decline from 16.7% the prior year. For families with related children under the age of 18, this figure rises to 23.0%, while for married-couple families the overall poverty rate is 9.2%, and for female-headed families it is 30.4%. According to Community Service Society reports, overall rates were as high as 26.4% in the mid-nineties.[12]

Affordability of Rental Housing

Despite ongoing efforts by a number of government agencies and non-profit groups, housing affordability remains an issue in a city ranked 11th highest in the nationwide American Community Survey of monthly rental costs ($945), but only 24th highest in median household income ($46,480).[13] This survey also reports that between 2005 and 2006 median rents for all apartments in New York City increased 4.0%, but the median gross rent-to-income ratio fell slightly, from 31.0% to 30.5%. The percentage of households paying more than 50% of their income towards rent remained at 27.9% between the two years.

The survey also provides mean household income for cities in quintiles. In New York City the top quintile in mean household income makes 23.95 times more than the lowest quintile, the sixth highest ratio among big cities (cities with more than 250,000 persons). The lowest disparity is in Santa Ana, California with a ratio of 8.57. Major cities such as Los Angeles, San Francisco, Boston, Chicago, Las Vegas, and Washington, D.C. had ratios of 18.96, 21.17, 24.24, 21.44, 13.92, and 29.22 respectively. While the ratio between the upper and lower quintiles was 23.95 for all of New York City, it was 39.68 in Manhattan where the top quintile makes almost $350,000 more annually than the lowest quintile. This data is not available for prior years for comparison purposes.

A similar survey, the triennial 2005 Housing and Vacancy Survey (HVS),[14] found a citywide vacancy rate of 3.09%, well below the 5% threshold required for rent regulation to continue under State law. It also found a median gross rent-to-income ratio of 31.2%, meaning that half of all households residing in rental housing pay more than 31.2% of their income in gross rent, and half pay less. In addition, more than a quarter (28.8%) of rental households pay more than 50% of their household income in gross rent. Generally, housing is considered affordable when a household pays no more than 30% of their income in rent.[15] More detailed 2005 HVS data can be found in the two previous *Income & Affordability Studies*, and in Appendix D of this book.

For the first time, staff also calculated electricity costs for a typical rental household. Assuming usage of 300 kWh and supply via Con Edison, the average renter's bill would have increased by an average of 8.2% over the year beginning in May of 2007 as compared with the year beginning in May of 2006.[16]

An April 2007 report studied housing affordability nationwide for people with disabilities who receive federal Supplemental Security Income (SSI) benefits. The report examined 2006 income from SSI benefits as compared to HUD Fair Market Rents in metropolitan areas nationwide. The report found that 162 metropolitan areas had one-bedroom fair market rents that were higher than monthly SSI payments. Of these 162 areas, New York City ranked 19th highest, with rents for one-bedroom apartments exceeding SSI payments by almost 55%. This was a decrease from the 66% that rent exceeded SSI payments by in 2004, when New York ranked 10th highest of 110 areas. Rents for studio apartments ran 43% higher than monthly SSI payments, an increase from 40% in 2004.[17]

Every year the National Low Income Housing Coalition (NLIHC) issues a study to determine whether rents are affordable to the lowest wage earners. The 2007 study has not been released at the time of publication, but using the NLICHC's methodology,[18] in order to afford a two-bedroom apartment at the City's Fair Market Rent ($1,318 a month[19]), as determined by the U.S. Department of Housing and Urban Development (HUD), a full-time worker must earn $25.35 per hour, or $52,720 a year. Alternately, those who earn minimum wage would have to work the equivalent of 142 hours a week (or two people residing together would each have to work 71 hours a week) to be able to afford a two-bedroom unit priced at Fair Market Rent.

In April of last year, the Drum Major Institute released, "Saving Our Middle Class: A Survey of New York's Leaders," a survey of 101 New Yorkers that included representatives from academia; advocacy groups; business leaders from real estate and development companies; politicians; and civic leaders such as those working for labor unions or Community Boards. Among the findings, 92% of respondents say it's harder for low-income New Yorkers to enter the middle class today than it was ten years ago, with more than half replying that it's "much harder." The respondents also felt that it took income levels much higher than current median levels for individuals and families to live a middle class lifestyle, with a majority citing a need for at least an additional $20,000-$25,000 a year. When asked about the top challenges facing the middle class, 66% of respondents put “affordable rent” among their top three concerns, along with affordable health insurance and being able to afford to buy a home. In addition, 67% of respondents said that rent stabilization and control laws have a positive impact on the city’s middle class, while 16% feel it has a negative impact. Mandatory inclusionary zoning laws were also seen very positively, with 83% of respondents in favor of the program.

Those surveyed were also asked to rate certain policies on a scale of one to ten for effectiveness in strengthening New York City’s middle class. Respondents rated “Building more government-funded, permanent affordable housing,” with an 8.97, ranking it the most effective strategy, while “Providing tax incentives to create more affordable housing,” followed in fifth place, ranked at 8.24.[20]

In January of this year, the Community Service Society released “2007 Unheard Third Survey of Low-Income New Yorkers,” a survey of 1,551 New York City residents, approximately one-third of whom are considered “poor” (making less than 100% of the poverty line), another one-third who are “near-poor” (earning between 100% and 200% of the poverty line), and the last one-third who are “moderate and upper income,” who make more than 200% of the poverty line. The federal poverty line is currently $13,690 for a family of two, $17,170 for a family of three, and $20,650 for a family of four.

Among the poor and near-poor households surveyed, 23% reported that they had lost their job in 2007, 26% fell behind on rent or mortgage payments, 17% had moved in with others, and 7% stayed in a shelter. In addition, 13% of the poor reported that the problem they worry most about is housing, as did 14% of the near-poor and 9% of the higher income households. Affordable housing was also identified as the biggest problem facing New York City by 14% of the poor, and 16% of both the near-poor and higher income households surveyed. By borough, between 21% and 43% of poor and near-poor respondents reported that they felt they would be forced out of their neighborhoods within the next two years, with 41% of Bronx, 55% of Manhattan, 63% of Brooklyn, and 49% of Queens households reported this fear was due to rising housing costs.[21]

Changes to the Section 8 housing voucher program last year (which allows recipients to live in privately owned housing, paying 30% of their income towards rent) may help to increase the supply of affordable housing. Because of funding cuts, New York City’s Section 8 waiting list was closed in 1994 to everyone but homeless individuals and domestic violence survivors.[22] At that time 127,000 persons were on the waiting list. Due to funding changes on the federal level, 12,000 new vouchers were due to be available last year and 10,000 more will be available this year, in addition to 2006 voucher levels of approximately 83,000. Last year City officials opened up the application process for the first time in 12 years and the New York City Housing Authority (NYCHA) reports that in FY 2007 the Section 8 waiting list went from 127,000 to 100,000 and 5,164 applicants were placed in housing versus 2,442 in FY 2006. However, during the first part of 2008 the waiting list increased to 158,000 persons although 3,822 applicants were placed in housing during just those four months between July and October of 2007.[23] As of September 30, NYCHA reports that 23,646 persons were in the process of being certified.[24] There were also recent reports that up to 10,000 vouchers could be lost in the fall due to budget issues at the U.S. Department of Housing and Urban Development.[25]

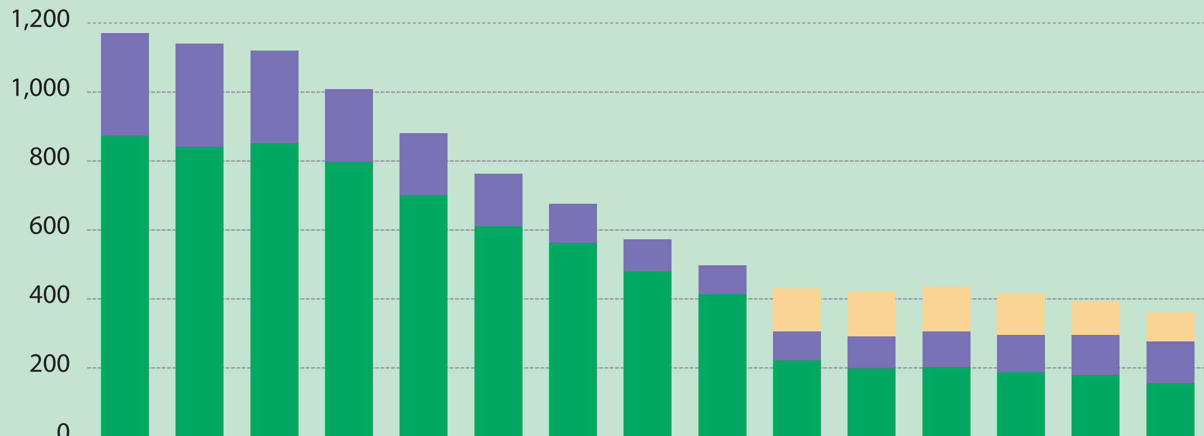
Cash Assistance Programs

For the third consecutive fiscal year, the total number of cash assistance cases (formerly known as public assistance) decreased, falling by more than 8% between June of 2006 and June of 2007. Cash assistance rolls are made up of two main programs: the Family Assistance Program (FAP) and the Safety Net Assistance (SNA) program.[26] The Mayor’s Management Report discloses that at the end of Fiscal Year (FY) 2007, 360,800 persons were receiving cash assistance through these two programs, a decrease of 8.4% (33,000 persons) from a year earlier (see graph on following page).[27]

While the number of cash assistance recipients went down during FY 2007, the number of applications for cash assistance increased from FY 2006 levels, rising by 8.8%. Over the last 11 years the

Family Assistance Program (FAP) and Safety Net Assistance (SNA)
FY 1993-FY 2007, in Thousands

Public Assistance Caseloads Decrease Slightly



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
SNA	296.8	299.8	268.7	209.9	179.7	152.7	113.2	93.3	83.7	84.8	91.4	104.5	108.3	114.9	119.8
FAP	873.3	840.8	850.7	798.1	700.4	610.6	562.3	479.6	413.4	221.3	200.1	202.0	187.0	179.9	156.1
FAP-SNA	---	---	---	---	---	---	---	---	---	124.3	130.0	130.9	120.9	99.0	84.9

Source: Mayor's Management Reports, FY's 1992 - FY 2007
Note: FAP-SNA refers to welfare recipients who were converted from the Family Assistance Program to the Safety Net Assistance Program

number of cash assistance recipients has dropped significantly, falling 68.9% since March 1995, when the City's welfare reform initiative began and 1,161,000 recipients were on the rolls.

For the "preliminary" 2008 Fiscal Year (October 2007) cash assistance caseloads are down 8.1%, or 31,490 cases from the same period the previous year, to 355,510. However, there was an 8.9% increase in the number of new cash assistance applications during the first four months of FY 2008, the second consecutive increase during this time period.

For the second consecutive year, the number of reported job placements among cash assistance recipients (excluding placements through the Workforce Investment Act) decreased significantly, falling 7.0% between FY 06 and FY 07 to 74,879 placements. Between July and October, placements are down 0.9% from the same period the prior year.

The number of food stamp recipients continues to remain at relatively high levels, remaining virtually the same between the end of FY 06 and FY 07 (1,095,000 persons), but rising to 1,116,500 by October of 2007 (preliminary FY 08), 3.3% higher than the previous October. Averages for calendar years 2006 and 2007 show a rise of 1.2% over the year.[28]

Housing Policy

New York City receives funding for a variety of housing programs from the U.S. Department of Housing and Urban Development (HUD). In the 2007 calendar year, New York City received $847.1 million from federally funded programs. These programs included $261.1 million in a Community Development Block Grant (CDBG), which funds housing and community development programs; $116.0 million for the HOME Investment Partnership Program, which helps preserve existing housing stock; $8.0 million for the Emergency Shelter Grant (ESG) program, which is used for homeless programs; and $54.7 million for Housing

Opportunities for Persons with AIDS (HOPWA). In 2008, the City expects to receive $812.8 million for federally funded programs, which represents a 4.0% nominal decrease over 2007 levels, and a 7.3% decrease in inflation-adjusted dollars.[29]

Evictions & Homelessness

Homelessness & Emergency Assistance

Homelessness in the City, based on visits to City shelters, increased significantly during 2007.[30] Each night, an average of 35,124 persons stayed in City shelters during 2007, up 2,694 persons, or 8.3%, from a year earlier, and up considerably from the average of 20,000-25,000 found in the 1990s. Despite the overall rise in shelter levels, the subcategory of number of single adults staying in City shelters declined in 2007, with an average of 6,988 persons staying in shelters in 2007, 8.8% lower than during 2006. However, the number of families in shelters increased significantly, up 11.5% over the year, rising to 9,296, and significantly higher than 1980s and 1990s levels. There was also an increase of 15.6% in the number of children staying in City shelters during 2007, rising to 14,559 from 12,597, while the number of adults in families rose by 11.5% over the year.

The number of families relocated to permanent housing increased in 2007, to a total of 6,246, 2.1% higher than during 2006, and significantly higher than previous years. However, approximately 4.1% of these families will return to the shelter system within one year and 10.7% will return within two years. The number of single adults placed in permanent housing increased at an even greater pace, rising 9.7% during 2007 to 9,546. The average number of days families spent in temporary housing increased slightly from 2006 to 2007, rising a week and a half to almost 49 weeks. However, the number of individuals entering the Department of Homeless Services shelter system for the first time fell 8.6% between 2006 and 2007, to an annual total of 16,258 persons, or an average of 1,355 new persons per month.

While total homeless levels were up between 2006 and 2007, the later part of 2007 saw these increases start to slow among families. Comparing the first and fourth quarters of 2007 with their respective quarters in the prior year, the number of homeless families increased by 17.8% during the first quarter of 2007, while during the fourth quarter growth slowed to 4.2% as compared with 2006. Among single adults, the opposite held true. Comparing the first quarter of 2007 with the first quarter of 2006, homeless levels fell 10.3%, while in the fourth quarter levels declined by 6.4%.

In December of 2004, the Department of Homeless Services implemented a new program aimed at moving the homeless population off of dwindling Section 8 vouchers and to a new rent subsidy called "Housing Stability Plus (HSP)." The Bloomberg Administration initially hoped that up to 6,500 homeless families a year could find permanent housing with these vouchers, which dropped in value by 20% every year for five years until expiring completely. Program rules also specified that recipients must be receiving some kind of welfare in order to continue to receive HSP vouchers, meaning most participants could not work.[31] Through the program, approximately 11,000 individuals and families were moved to permanent housing, with nearly all recipients (95%) being families.[32]

But in April of 2007 the Department of Homeless Services announced that beginning in July HSP would be phased out and a new program called "Work Advantage" would begin.[33] Work Advantage is not tied to public assistance as HSP was, but it is tied to certain other requirements, such as working at least 20 hours per week and paying $50 towards rent directly to the landlord. In addition, recipients of Work Advantage must save between 10%-20% of their rent, an amount that will be matched by the City. The City will also match the $50 being paid by the recipient to the landlord and put that money in a savings account. Rental assistance lasts one year, with a possible extension to a second year if program requirements are being met. The Dept. of Homeless Services will also work closely with the Human Resources Administration to help recipients with job training, food stamps, and child care. Related Advantage programs include specialized programs for domestic violence survivors, households receiving disability benefits, and families with open cases with the

Administration for Children's Services. Approximately 1,800 families had been placed in housing through the various Advantage programs through the end of 2007.

In 2004 Mayor Bloomberg announced that through a number of initiatives, including expanded drop-in centers and coordination of City services, they hoped to cut the number of homeless people in shelters by 25,000 persons by 2009.[34] As of 2007, levels were only 2,000 persons less than in 2004 when the initiative was announced.

Housing Court

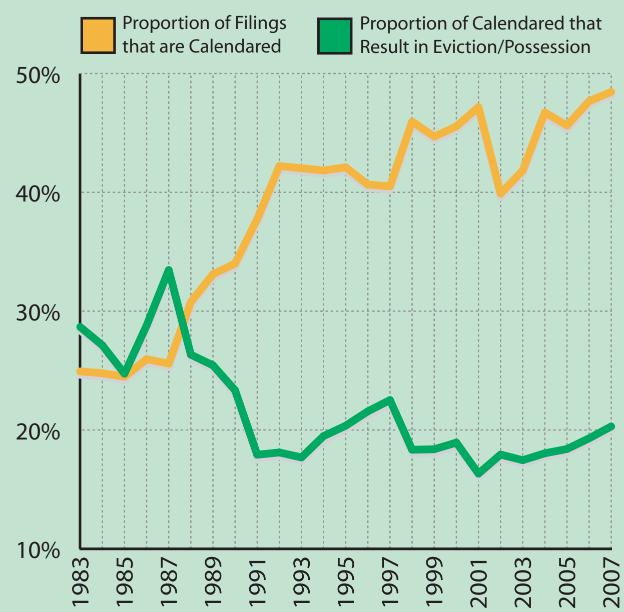
Another useful way to assess the impact of economic conditions on New York City's renters is to examine housing court data. Specifically, Housing Court actions are reviewed to determine the proportion of tenants who are unable to meet their rental payments. To measure the number of households experiencing the most severe affordability problems, evictions are also tracked.

For the fourth time in five years, the number of non-payment filings in Housing Court decreased, declining by 2.1% in 2007, to reach 251,390.[35] While court filings decreased in 2007, the proportion of cases resulting in an actual court appointment ("calendared") increased almost one percentage point, up to 48.4% from 47.7% last year, the highest proportion the RGB has ever recorded (see graph on this page and Appendix F.7). During the mid-to-late 1980s, an average of 27.1% of non-payment filings were calendared. Of the more than 250,000 non-payment filings during 2006, 60,788 were filed against tenants of New York City Housing Authority buildings, with 36,702 of these filings being calendared.[36]

The proportion of non-payment proceedings citywide that resulted in an eviction/possession ruling in 2007 increased to its highest level in ten years, up from 19.3% in 2006 to 20.3% in 2007. This translates to 24,696 court decisions ruled for the tenant's eviction from a total of 121,793 non-payment proceedings calendared.[37] The increase was due to a 4.3% increase in the number of evictions/possessions in 2007, despite a decrease of 0.5% in the number of calendared cases. This proportion remains lower than that found in the mid- to late-1980s, when typically a quarter to a third of cases reaching court resulted in an order of eviction or possession.

Housing Court Statistics, 1983-2007

Over Time, Non-Payment Cases Heard Increase, but Proportion of Evictions Decrease



Source: Civil Court of NYC and NYC Dept. of Investigations

Conclusion

For the fourth consecutive year, New York City's economy rallied from an almost three-year-long recession, as reflected in increasing Gross City Product, static unemployment rates, increasing employment levels, and falling public assistance cases. The City's Gross City Product increased by 3.0% during 2007, compared to 2.2% for the nation. While unemployment rates Citywide remained at 5.0%, total employment levels rose by almost 80,000 jobs, the fourth consecutive year of increase and the first year levels rose above those in 2000. In addition, public assistance rolls declined more than 8% and real wages increased by their highest rate since 2000. Inflation also slowed from the prior year, falling almost one percentage point.

But there were also negative indicators of economic health of NYC, including an increase in homeless levels and evictions, and HVS data which showed falling real wages and escalating gross rent-to-income ratios. Unemployment numbers showed mixed results in the beginning part of the year, with a 6.1% rate in January of 2008, but 4.4% in February. The City's Independent Budget Office is also predicting that the City will lose 20,000 financial activities jobs by the end of 2009, with overall job losses of 2,000 in 2008 (a loss of 8,000 private sector jobs, but a gain of 6,000 government jobs), and a gain of 9,800 jobs in 2009 (9,100 in the private sector). They also predict decreases in GCP from the first through third quarters of 2008, with moderate growth thereafter. Income growth is also predicted to rise a nominal 7.8% in 2007 and 2.9% in 2008.[38] ❐

Endnotes

1. GCP figures are adjusted annually by the New York City Comptroller's Office. The figures in this report are the latest available estimate from that office, based on inflation adjusted 2000 chained dollars.

2. Quarterly data from the NYC Comptroller's Office as of February, 2008.

3. Bureau of Economic Analysis. http://www.bea.gov/national/index.htm#gdp

4. Bureau of Labor Statistics; http://www.bls.gov; Data accessed Feb '08

5. NYS Dept. of Labor; http://www.labor.state.ny.us; Data accessed March 2008. Data is revised annually and may not match data reported in prior years. In the *2007 I&A Study*, 2006 Citywide unemployment was reported to be 4.9% and was revised to 5.0% this year.

6. Bureau of Labor Statistics; http://www.bls.gov; Data accessed Feb '08.

7. The NYS Dept. of Labor reports unemployment numbers to the tenth decimal point. Because of rounding, rates in four of the five boroughs went up between 2006 and 2007 even though unemployment for the City as a whole remained steady.

8. The NYC labor force participation rate and employment/population ratio are derived from unpublished data from the U.S. Bureau of Labor Statistics. Note that prior years' data are annually revised, and may differ from figures reported in prior years' *Income and Affordability Studies*.

9. New York State Dept. of Labor; http://www.labor.state.ny.us; Data accessed March 2008.

10. New York State Dept. of Labor; http://www.labor.state.ny.us; Data accessed March 2008.

11. Poverty statistics were researched on the Census Bureau's Factfinder Site: http://factfinder.census.gov in March of 2008.

12. The Community Service Society of New York uses Census Data to compute their own poverty statistics. Studies average two consecutive years of census data in calculating poverty rates.

13. 2006 American Community Survey, U.S. Census Bureau. http://factfinder.census.gov (Based on places with a population of more than 250,000).

14. The New York City Housing and Vacancy survey (HVS) is sponsored by the NYC Department of Housing Preservation and Development (HPD) and conducted by the U.S. Census Bureau. All HVS data reported herein is from "Selected Findings of the 2005 New York City Housing and Vacancy Survey," prepared by Dr. Moon Wha Lee of the New York City Dept. of Housing Preservation and Development.

15. The HUD benchmark for housing affordability is a 30% rent-to-income ratio. Source: Basic Laws on Housing and Community Development, Subcommittee on Housing and Community Development of the Committee on Banking Finance and Urban Affairs, revised through December 31, 1994, Section 3.(a)(2).

16. A typical bill was calculated using rate schedules published on the Con Edison website at http://www.coned.com/rates. The rates used were for Service Classification #1, Residential and Religious, at a usage rate of 300kWh, per averages stated by a representative from Con Edison. The year to year increase was based on years beginning in May through April of the following year.

17. "Priced out in 2006." Technical Assistance Collaborative, Inc and Consortium for Citizens with Disabilities, Housing Task Force.

18. The methodology that the National Low Income Housing Coalition uses is at: http://www.nlihc.org/oor/oor2006/howwhere.pdf.

19. Fair Market Rents are published annually by the U.S. Dept. of Housing and Urban Development. http://www.huduser.org/datasets/fmr.html

20 "Saving our Middle Class: A Survey of New York's Leaders by the Drum Major Institute for Public Policy." Drum Major Institute for Public Policy, April 2007.

21. "2007 Unheard Third Survey of Low-Income New Yorkers: Health, Income Inequality, Low Wage Work, and Policies to Advance Economic Security." Community Service Society. Jan. 7, 2008.

22 . Press Release, Mayor's Office. "Mayor Bloomberg and NYCHA Chairman Hernandez Announce that Section 8 Voucher List Will Open For First Time in Twelve Years," January 29, 2007.

23. *Mayor's Management Report*, Preliminary Fiscal Year 2008.

24. New York City Housing Authority Fact Sheet: http://www.nyc.gov/html/nycha/html/about/factsheet.shtml. Access March 2008.

25. "Activists: City Could Lose 10,000 Section 8 Housing Units," *New York Observer*, March 19, 2008.

26. In FY 2002, the City began shifting a large number of FAP recipients (federally funded by the Temporary Assistance to Needy Families (TANF) program) over to the SNA program after their federal benefits expired.

27. *Mayor's Management Reports*, Fiscal Year 1995 - Preliminary Fiscal Year 2008 and the Mayor's Office of Operations.

28. New York City Human Resources Administration. Food Stamp Recipients Trend Chart: http://www.nyc.gov/html/hra/downloads/pdf/fs_new.pdf

29. *Consolidated Plan 2007* and *Consolidated Plan 2008,* NYC Dept. of City Planning.

30. Source: NYC Dept. of Homeless Services, Critical Activity Reports.

http://www.nyc.gov/html/dhs/html/statistics/statistics.shtm

I

31. "Evaluating the Fiscal Impact of the Housing Stability Plus Program," New York City Independent Budget Office. March, 2005.

32. Updated statistics from the Department of Homeless Services, Policy & Planning/MAE Unit as of March 2008. Data is preliminary and subject to revision.

33. "Transitioning: HSP to Work Advantage." NYC Dept. of Homeless Services: http://www.nyc.gov/html/dhs/html/rent/hsp_page3.shtml and "DHS Unveils Reform Package Centering on Work and Self-Sufficiency." Press Release, NYC Dept. of Homeless Services, April 25, 2007: http://www.nyc.gov/html/dhs/html/press/pr042507.shtml.

34. "Bloomberg Sets Detailed Plan to Cut Number of Homeless," *The New York Times*, Leslie Kaufman. September 23, 2004.

35. Civil Court of the City of New York data.

36. The New York City Housing Authority is required by law to begin non-payment proceedings 14 days after the rent due date when rent goes unpaid.

37. NYC Department of Investigation, Bureau of Auditors data.

38. "Analysis of the Mayor's Preliminary Budget for 2009." NYC Independent Budget Office. March 2008.

Housing Supply

2008 Housing Supply Report

What's New

- ✔ Permits for 31,902 new dwelling units were issued in New York City in 2007, the most since 1972, and a 3.2% increase over the prior year.
- ✔ The number of new housing units completed in 2007 increased 7.3% over the prior year, to 25,510.
- ✔ The citywide vacancy rate was 3.09% in 2005.
- ✔ City-sponsored residential construction spurred 18,195 new housing starts, more than 70% of which were rehabilitations.
- ✔ The city-owned *in rem* housing stock continued to decline, with a 36.7% decline in housing units during FY 2007.
- ✔ The number of housing units newly receiving 421-a exemptions increased 8.7% in 2007, to 4,212.
- ✔ The number of housing units newly receiving J-51 abatements and exemptions decreased 15.6% in 2007, to 55,681.
- ✔ The Attorney General's office reported a 4.5% decrease in the number of co-op or condo units accepted in 2007, to 663 plans containing 25,271 units.
- ✔ Demolitions, as reported by the New York City Department of Buildings, were down in 2007, decreasing by 8.0% to 3,283 buildings.

Introduction

Over the past year there was a 3.2% increase in the number of permits issued for new dwelling units, rising to 31,902, the most since 1972. The number of completed housing units grew as well, rising 7.3% over 2006 levels. This growth in development has been prompted by the tight housing market, with a citywide rental vacancy rate of 3.09% and 10.2% of all rental housing considered overcrowded. There was also a 4.5% decrease in the number of units in cooperative and condominium plans accepted for conversion or new construction (the first drop since 1999), while the number of city-owned vacant and occupied buildings continued to fall through various disposition programs, declining more than 30% during the 2007 fiscal year. During 2007, housing starts under the 421-a Affordable Housing Program decreased 33.7%, but completions rose by 40.9%. The City also saw a decrease in demolitions during 2007, falling 8.0%. And rehabilitation of residential units under the J-51 tax abatement and exemption program during 2007 decreased for the third year in a row, falling 15.6%, while the number of market-rate 421-a units rose 8.7% over 2006 levels.

New York City's Housing Inventory

In contrast to the rest of the country, most New Yorkers do not own the homes in which they live. According to results from the *2005 Housing and Vacancy Survey (HVS)*,[1] rental units comprised 67.0% of New York City's housing stock in 2005, twice as many rental units as the nation as a whole.[2] New York City in 2005 had a total of 3,260,856 housing units, the largest housing stock since the first HVS was conducted in 1965.

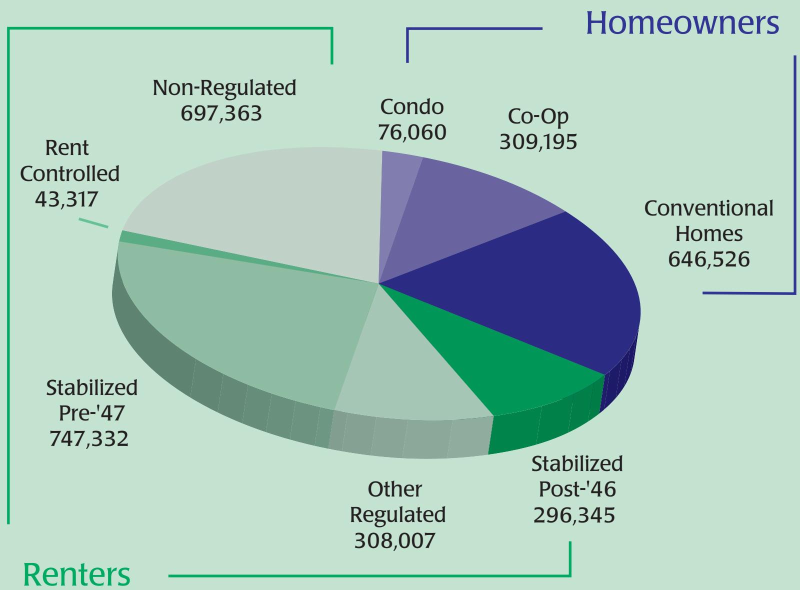
New York City's housing is dominated by the size of its rental housing stock and unlike most cities, the bulk of rental units are rent regulated. Of the 2,092,363 occupied and vacant rental units reported in the most recent HVS, a third (33.3%) were unregulated, or "free market." The majority are either pre-war (pre-47) rent stabilized (35.7%) or post-war (post-46) rent stabilized (14.2%), and the rest are rent controlled (2.1%) or part of various other[3] types of regulated apartment programs (14.7%). (See pie chart on following page)

The HVS also indicated that New York City's housing market remains tight, finding a citywide vacancy rate of 3.09% in 2005, below the 5% threshold required for rent regulation to continue under state law. The Bronx had the lowest vacancy rate in the city, at 2.63%, while Manhattan had the highest, 3.79%. Of the other boroughs, Queens' was 2.82%, Brooklyn's was 2.78%, and the small sample size of vacant apartments in Staten Island made calculation of a vacancy rate in that borough unobtainable.[4]

Vacancy rates also vary by rent regulation status. The tightest market was found among post-war stabilized units, with a vacancy rate of 2.28% in 2005.

Number of Renter and Owner Units

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



Source: U.S. Bureau of the Census, 2005 New York City Housing and Vacancy Survey
Note: Above figures exclude vacant units that are not available for sale or rent.

Pre-war stabilized units also maintained a low vacancy rate, at 2.84%, while private, non-regulated units were vacant at a 4.11% rate.

The frequency of crowding also varies by rent regulation status. Overall, 10.2% of all rental housing in NYC is overcrowded (defined as more than one person per room, on average) and 3.7% is severely overcrowded (defined as an average of more than 1.5 persons per room). Pre-war stabilized housing is most crowded, with 13.4% of units overcrowded and 5.5% severely overcrowded, while 9.5% of post-war units are overcrowded, and 3.6% of units are severely overcrowded. Private, non-regulated housing is slightly less overcrowded, at 9.2%, with 3.0% severely overcrowded.

Changes in the Housing Inventory

New Additions

Housing supply grows in a variety of ways: new construction, substantial rehabilitation of deteriorated buildings, and conversions from non-residential buildings into residential use. The number of permits authorized for new construction is a measure of how many new dwelling units will be completed and ready for occupancy, typically within three years, depending on the type of housing structure.

Following a slight decline during 2006, the City in 2007 issued more housing permits for single- and multi-family buildings than the year prior. In 2007, permits were issued for 31,902 units of new housing, an increase of 3.2% over the 30,927 units in 2006 (see graph on following page). While still below the 1960's average of 37,000 new units per year, 2007 saw the highest level in the number of permits since 1972, when 36,061 were issued. Permits issued Citywide in 2007 increased, despite decreases in permits issued in the Bronx and Staten Island. Proportionally, the Bronx decreased the most, down 33.7%, to 3,088 and Staten Island decreased by 28.7%, to 739. Levels in Brooklyn, Manhattan, and Queens all increased during 2007. Brooklyn rose by the greatest proportion, up 18.9% to 10,930 permits, while Manhattan increased by 8.3% to 9,520 and

Queens increased by the lowest proportion, increasing by 5.1% to 7,625. (See Appendix G.1 and the map on next page)

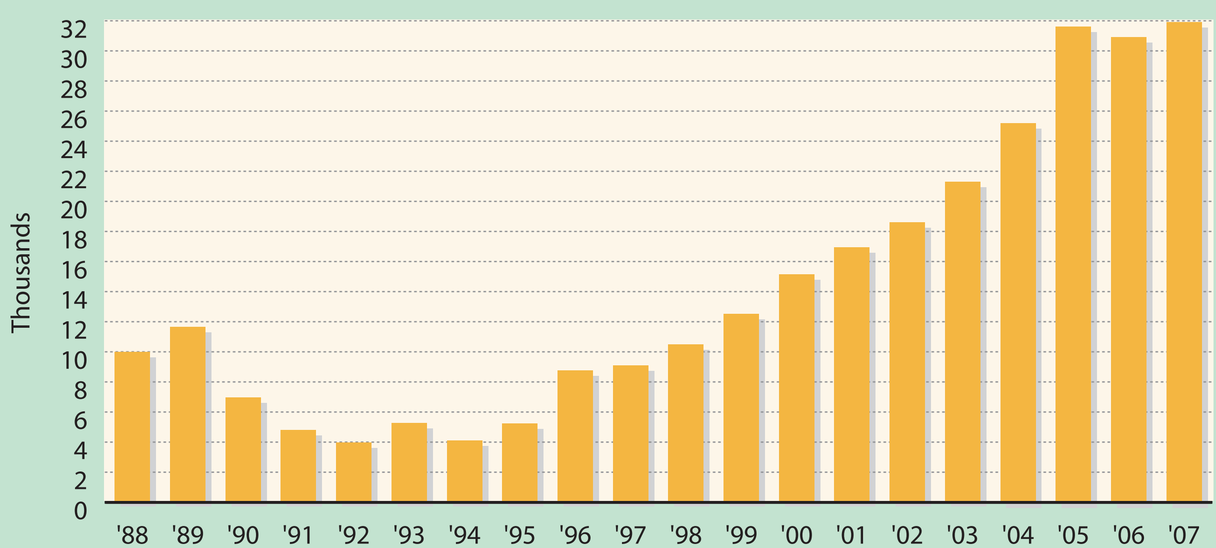
While permits issued increased between 2006 and 2007, the number of permits issued in early 2008 has decreased significantly. The number of permits issued in New York City decreased from 7,264 in the first quarter of 2007 to 3,893 during the same period of 2008, a 46.4% decrease. Permits issued declined in every borough but Staten Island, where levels rose 24.6% during the first quarter of 2008. Permit levels dropped by the most proportionally in Manhattan, falling 68.7%, followed by Queens with a drop of 62.2%, Brooklyn with a 38.8% decline, and the Bronx, with a fall of 16.9%.[5]

Permit data can also be analyzed by the reported size of the buildings applying for permits. In 2007, a total of 3,916 buildings received permits (containing a total of 31,902 housing units). Citywide, 16.0% of these buildings were single-family, 38.5% were two-family, 29.8% were three- or four-family structures, and 15.8% were five-family or greater buildings. The average five-family or greater building contained 40 units for the City as a whole, and 89 units in Manhattan, with 80% of all permits Citywide in these largest buildings. While the number of units of housing increased from 2006, the number of buildings containing these units dropped 24% causing the average building size Citywide to grow 36%. As the chart on the following page illustrates, almost all building permits in Manhattan were for the largest buildings, while in Staten Island virtually all permits were for either one- or two-family buildings. Building size was more evenly distributed in the other boroughs. (See Appendix G.2)

This report also examines the number of units completed in the City each year, illustrating what housing actually enters the market in a particular year.[6] In 2007, approximately 25,510 new housing units were completed, a 7.3% increase over 2006.[7] This number includes significant gains in the Manhattan and Brooklyn, a smaller increase in the Bronx, and decreases in Queens and Staten Island. Manhattan saw its number of new housing units grow more sharply than any other borough in 2007, up 26.6%, to 6,584. Brooklyn saw an 11.0% increase, to 7,123; and the Bronx increased by 2.9% to 4,436. Showing declines, Queens decreased by 0.4% to 5,918; and the number

Units Issued New Housing Permits, 1988-2007, in Thousands

Slight Increase in Growth of Number of Permits Issued for New Construction of Residential Units

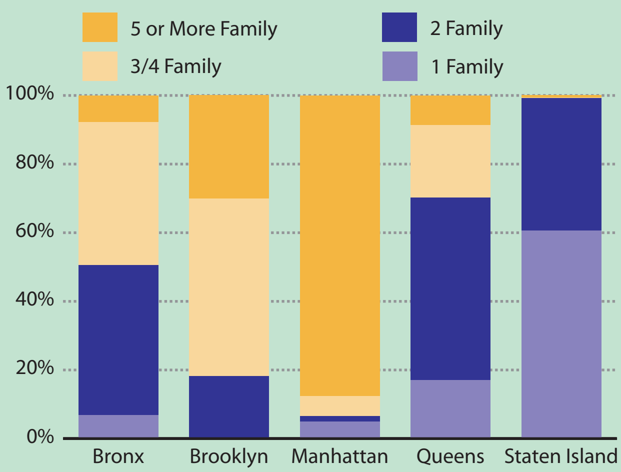


Source: U.S. Bureau of the Census, Manufacturing and Construction Division Building Permits Branch

Residential Building Permits, 2007

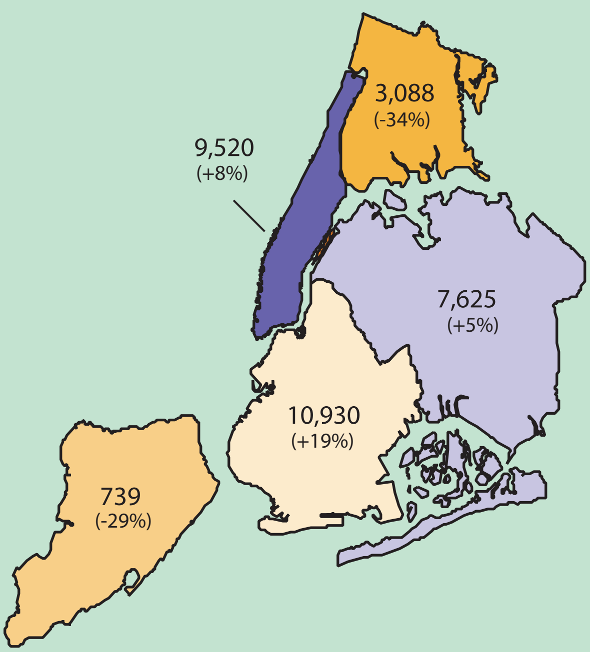
Permits by Building Size:

Most New Buildings in Manhattan are Five Family or More, in Staten Island One and Two Family Homes Predominate



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

Total Number of Permits Issued in 2007 and Percentage Change From 2006 by Borough



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

of new units in Staten Island decreased by the greatest amount, a 23.7% drop in 2007, to 1,449. (See Appendix G.3 for historical breakdown)

Housing is also created through publicly funded sources, including programs sponsored by the NYC Department of Housing Preservation and Development (HPD) and the New York City Housing Development Corporation (HDC). HPD's Office of Development operates a number of programs that develop affordable housing for low- and moderate-income New Yorkers. Programs include the Cornerstone program, which is HPD's multi-family new construction housing initiative, financed principally through private sources; the ANCHOR program, which is a revitalization program that creates both commercial retail and housing on vacant City-owned land; and the New Housing Opportunities Program, which issues taxable bonds to provide long-term fixed-rate permanent financing for middle-income rental projects. HDC operates such programs as 80/20, which requires developers to set aside 20% of units for moderate-income families, and oversees the Liberty Bond program, which encourages residential development in lower Manhattan.

HPD- and HDC-sponsored programs spurred a total of 18,195 reported housing starts[8] in FY 2007, an increase of 5.4% over the prior year. Of the 18,195 total starts this year, 12,970 were rehabilitation starts, and 5,225 were new construction starts. HPD and HDC collectively expect to start an additional 16,619 units of new construction and rehabilitation in FY 2008, and 16,485 in FY 2009. During the first four months of FY 2008 there were 2,455 starts by HPD and HDC, a 35.1% decline over the corresponding period of the previous year. Units were nearly evenly split between rehabilitation and new construction during this period.[9]

In February 2006, Mayor Michael R. Bloomberg announced the expansion of his New Housing Marketplace Plan. The original five-year, $3 billion commitment of 65,000 units is now a ten-year commitment to build and preserve 165,000 units of affordable housing by 2013. This $7.5 billion plan will provide affordable homes for 500,000 New Yorkers. As of March 2008, HPD and HDC have started 70,953 units of housing under the New

Housing Marketplace Plan. As part of this program the City is identifying new sources of land and funding sources, and making changes to regulations in the private market, such as 421-a reforms and new inclusionary zoning initiatives.[10]

Other initiatives to increase the supply of housing in New York City are new bills aimed at reducing the supply of vacant land in Upper Manhattan. Following a 2007 study by Manhattan Borough President Scott Stringer which found that there are approximately 2,228 Manhattan properties with vacancies, almost a quarter of which are completely empty lots, with more than 70% of vacancies above 96th Street,[11] legislation was proposed in the City Council that would require vacant properties to be registered annually, at a cost of up to $5,000 each. Tax breaks enacted in the 1970s for vacant land above 110th Street would also be repealed at the State level, reducing incentives for warehousing of buildable land.[12]

Tax Incentive Programs

The City helps promote development of new housing by offering various tax incentive programs. One such program for new renter- and owner-occupied multifamily properties containing three or more rental units is the 421-a tax incentive program. The program allows for a reduction 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. 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 commences. Rental 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.

A variety of factors are used to establish the level and period of 421-a benefits, including geographic location; preservation of units for low- and moderate-income families; construction periods; and government commitment. Properties are also subject to construction guidelines. Rental properties receive an exemption for 10 to 25 years depending on location, the number of units reserved for low- and moderate-income tenants, and whether they are located in a neighborhood preservation area. Longer exemption periods apply in northern Manhattan and boroughs outside Manhattan, and to projects that receive governmental assistance or contain 20% low-income units.[13]

Effective December 28, 2007, major revisions to the 421-a program were enacted. Among the changes was an extension of the Geographic Exclusion area (previously approximately 14th to 96th Streets in Manhattan and Greenpoint/Williamsburg in Brooklyn) to include all of Manhattan (except Roosevelt Island), and multiple neighborhoods in every borough, including portions of Crotona Park in the Bronx, the entire Queens East River waterfront, most of northern Staten Island, and large portions of northern Brooklyn, including Downtown, Cobble Hill, and Park Slope. Any housing built in these neighborhoods that receive 421-a benefits must set aside 20% of units in these buildings for affordable housing.

The new legislation also reduces the length of the exemption period for many buildings. In addition, the legislation stipulates that affordable units must be kept affordable for a minimum of 35 years, and residents of the community board where the development is located will be guaranteed 50% of the units. The minimum building size was also raised from three units to four units, and only the first $65,000 of an apartment's value will now be exempt from taxes. Additionally, the boundaries of the Geographic Exclusion Area will be reviewed every two years, with the first review in December of 2008.[14]

Historically, tax-incentive housing has also been developed through the 421-a Affordable Housing Program, aimed at providing new housing for low- and moderate-income families. Units could have been located anywhere in the City, and received up to a 25-year tax exemption. In addition to receiving tax benefits, for each low-income rental unit produced through the Affordable Housing Program, approximately five 421-a tax exemption certificates were produced, each allowing construction of one market-rate unit within the "Exclusion Zone."

Therefore, the City had ensured that development of tax-exempt, market-rate housing within core Manhattan created at least one affordable housing unit for each five market-rate units within the Zone. Developers had the option of locating the affordable units on-site, by setting aside twenty percent of the units in the building for low-income tenants, or building off-site. If developers within the Exclusion Zone choose not to build affordable housing themselves, they had the option of buying these certificates from affordable housing developers in other parts of the City for an estimated cost of $10,000 to $15,000 each, thereby helping finance additional affordable housing.[15] As described above, new rules for the 421-a program are phasing out this certificate program in favor of on-site location of affordable housing units. No new agreements with developers for these negotiable certificates have been written since the new law became effective in December of 2007, however previously issued certificates can still be used in the traditional way, with certain limitations. (See Endnote 14)

Housing starts under the 421-a Affordable Housing Program declined during 2007, falling 33.7% from 2006 levels, for a total of 686 units. When all the units begun in 2007 are completed, these 686 new affordable units will create approximately 3,769 certificates eligible to be sold for market-rate housing within the Exclusion Zone. While construction starts under the 421-a Affordable Housing Program were down by almost 34%, housing units completed under the Affordable Housing program in 2007 grew significantly. In 2007, 1,141 new affordable units, producing approximately 5,904 certificates for market-rate housing, were completed, a 40.9% rise from last year.[16]

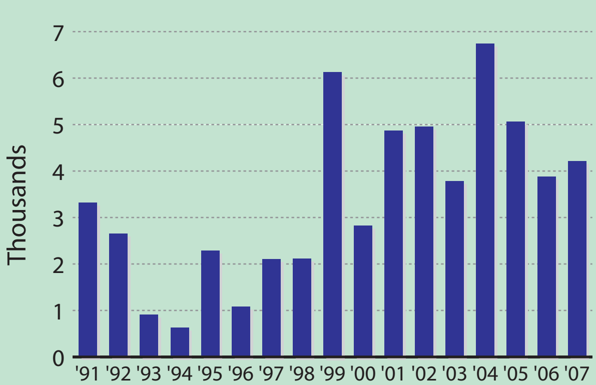
Through the market-rate 421-a program, the number of housing units newly receiving 421-a exemptions increased for the first time in three years, up 8.7%, to 4,212 (see graph on this page), including increases in the Bronx and Brooklyn (794.7% and 12.1% respectively), decreases in Manhattan and Queens (18.4% and 34.2% respectively) and no change in Staten Island, which remained at zero. The largest proportion of units receiving benefits in 2007 were in buildings located in Manhattan, which contained 46.0% of the total units in the City, despite having only 10.4% of the buildings that received benefits. The remainder of these units were in the Bronx (24.2%), Brooklyn (19.6%), and Queens (10.2%). No buildings in Staten Island utilized 421-a tax benefits this year. The most significant changes were seen in the Bronx, which had an almost 800% increase in units receiving benefits (from 114 to 1,020) and saw its share of units Citywide rise from 2.9% to 24.2%.[17] (See Appendices G.6 and G.7)

Another program that has offered affordable housing, the New York State Mitchell-Lama program, is losing residential units as market rents rise and landlords choose to opt out of the program. The program, which was created in 1955 as a means of providing affordable rental and cooperative housing to moderate- and middle-income families, granted low-cost mortgages and tax breaks to landlords who developed low- and middle-income housing. There are approximately 97,000 Mitchell-Lama units in the City today (and up to 18,000 elsewhere in the state), and the last Mitchell-Lama project opened in 1978.[18]

After twenty years, landlords may leave the program, and in recent years, some have done so by "buying out" of the program. In New York City approximately 41,000 units in Mitchell-Lama buildings

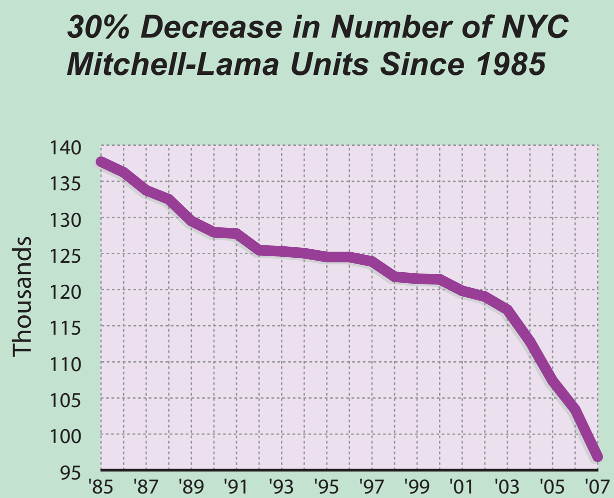
Units Newly Receiving 421-a Certificates, 1991-2007, in Thousands

9% Increase in Number of Units Newly Issued 421-a Certificates in 2007



Source: NYC Department of Housing Preservation and Development

Units in the Mitchell-Lama Program, 1985-2007, in Thousands



Source: NYC Comptroller's Office

have been lost due to buyouts since 1985 (see graph above). The pace has accelerated in the past couple of years, with at least 22,000 units bought out between 2003 and 2007.[19]

As more and more Mitchell-Lama apartments leave the program, new legislation and policies are increasingly being proposed to clarify the laws regarding rents in buildings opting out. In November of 2007, the New York State Division of Housing and Community Renewal (DHCR) issued a new policy on "unique and peculiar" circumstances, a policy that had allowed buildings leaving Mitchell-Lama and built before 1974 to apply to have apartment rents set at market rates instead of lower, current rents when entering rent stabilization. The new policy requires all Mitchell-Lama buildings built before 1974 to enter rent stabilization at current rents, preserving affordable rent levels for thousands of renters.[20] Another proposed bill would require all buildings leaving Mitchell-Lama, regardless of their construction date, to enter rent stabilization.[21]

There were also recent reports that the NYS Housing Finance Agency, which issues tax-exempt financing for the 80/20 program (buildings where 80% of apartments are market-rate and 20% are affordable to low-income households), will have significantly less funds available for 2008 through at least 2010. *Crain's* reports that only two or three of the 30 projects seeking financing will receive it during 2008, and none may get funded in 2009 and 2010.[22]

Conversions and Subdivisions

New housing units are also brought onto the market through subdivisions and conversions. Subdivisions involve the division of existing residential space into a larger number of units. Non-residential spaces, such as offices or other commercial spaces, can also be converted for residential use. With a tight housing market and high demand for luxury apartments, there has been an increasing number of conversions in neighborhoods citywide, including buildings some in the past may have never considered for residential uses. A 96-unit condo building will take the place of the Sony recording studios in Hell's Kitchen,[23] 447 condo units will be built in a former power plant in Long Island City,[24] while a former riding academy on the Upper West Side will now house luxury condo units.[25]

Conversion of single room occupancy (SRO) buildings also continued in high numbers over the past year. SRO owners may convert SRO housing to other uses after obtaining a "Certificate of No Harassment" from HPD. The last several years have seen significantly more Certificates issued than in previous years. While from 1995-1996, there were an average of 67 applications filed each year, from 1997- 2001, an average of 114 applications for Certificates were filed. HPD reports there were 182 Certificates applied for in 2007, down from 209 in 2006.[26] In addition, there has been increased focus on the issue of illegal hotels, that is residential units meant to be used by permanent tenants that are instead rented out on a nightly basis to tourists. A bill pending in the City Council would increase fines from $800 for an illegal conversion to $1,000-$5,000 for a first offense, and up to $20,000 for subsequent offenses.[27]

Cooperative and Condominium Activity

Developers planning to build new co-op or condo buildings, and owners wishing to convert their rental buildings to co-ops or condos, must file plans with, and receive acceptance from, the New York State Attorney General's Office. In 2007, the Attorney General accepted 663 co-op and condo plans, a 6.6% decrease over the number accepted in 2006. These 663 plans encompassed 25,271 housing units, 4.5% less than in 2006. The majority of plans (371) were accepted for buildings located in Brooklyn; 185 were located in Manhattan; 86 plans were accepted for Queens; the Bronx had 15 plans; and there were six in Staten Island. However, while more buildings were in Brooklyn, the average building in Manhattan is larger, so more units were located in Manhattan (11,227) than in Brooklyn (8,061).[28] (See Appendices G.4 and G.5)

Almost all of the plans accepted citywide in 2007 were for new construction, comprising 573 of 663 plans, and a total of 19,511 of 25,271 units. This is similar to the prior year, when new construction accounted for 644 of the 710 accepted plans. In 2007, 66 plans and 5,441 units were non-eviction conversions. An additional 16 plans, containing 248 units, were eviction plan conversions, all sponsored by the New York City Dept. of Housing Preservation and Development. In addition, eight plans and 71 units were rehabilitation conversions.

While the conversion of rental housing into co-op and condo units increases the housing inventory for sale, it simultaneously reduces the total number of housing units for rent. Conversions represented 22.5% of the total number of units in 2007 co-op and condo plans. Conversions held in the 70-90% range for all of the 1980s, before beginning to fall in the 1990s. Because most conversion plans are non-eviction plans (including all private plans in 2007), 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.

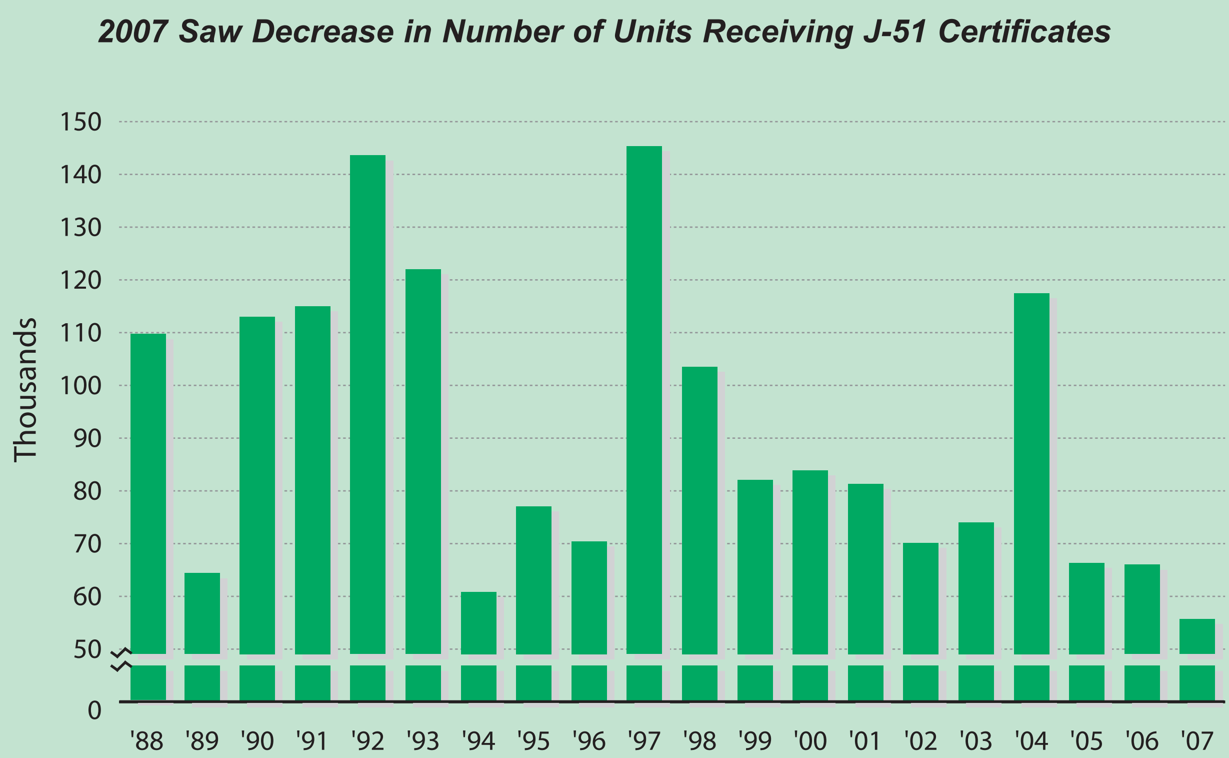
Rehabilitation

Another method for adding residential units to the City's housing stock is through rehabilitation of old buildings. As buildings age, they must undergo renovation and rehabilitation to remain in habitable condition. This is particularly relevant to NYC's rental housing stock, of which more than 60% of units are in buildings constructed prior to 1946.[29] Through tax abatement and exemption subsidy programs offered by the City for rehabilitation, units are able to remain in, or be readmitted to, the City's housing stock. The J-51 tax abatement and exemption program is intended to encourage the periodic renovation of New York City's stock of both renter- and owner-occupied housing. In the late 1980s and early 1990s, the number of units approved for initial J-51 tax abatements and exemptions each year was frequently above 100,000. In the mid-1990s, rehabilitation activity declined to just under 70,000 units per year. But in 1997, coinciding 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. Levels have decreased significantly from that high, mostly remaining less than 100,000 units since then.

In 2007, 55,681 units newly received J-51 benefits, a decrease of 15.6% from the previous year (see graph on next page). These units were contained in 957 buildings, a decrease of 12.2% from 2006 levels. The location of the units newly receiving benefits ranged from 41.6% located in Queens; to 22.4% in Brooklyn; 22.2% in Manhattan; 13.3% in the Bronx; and 0.6% in Staten Island. Buildings were distributed through the boroughs in roughly the same way units were distributed.[30]

The J-51 tax relief program is similar to the 421-a program in that it requires that rental units be subject to rent regulation for the extent of the benefits. Apartment units in many high-rent neighborhoods are not allowed to enter the program because the apartment unit tax assessment generally cannot exceed $38,000-$40,000 after completion. Rehabilitation activities that are eligible for tax abatements and exemptions include Major Capital Improvements (MCI's), 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.[31]

Units Receiving Initial J-51 Benefits, 1988-2007, in Thousands



Source: NYC Department of Housing Preservation and Development

In Fiscal Year 2007 (the most recently available data), the J-51 tax program cost the City \$220.5 million for all housing types, including more than 700,000 rental units.[32] Most of these units will remain stabilized after the benefit period, because most units receiving J-51 benefits would ordinarily be under the jurisdiction of rent stabilization laws even without tax abatements. However, rental apartments not stabilized prior to receiving tax benefits will not be subject to the City's rent regulations once their benefits end. (See Appendices G.6 and G.7)

Tax-Delinquent Property

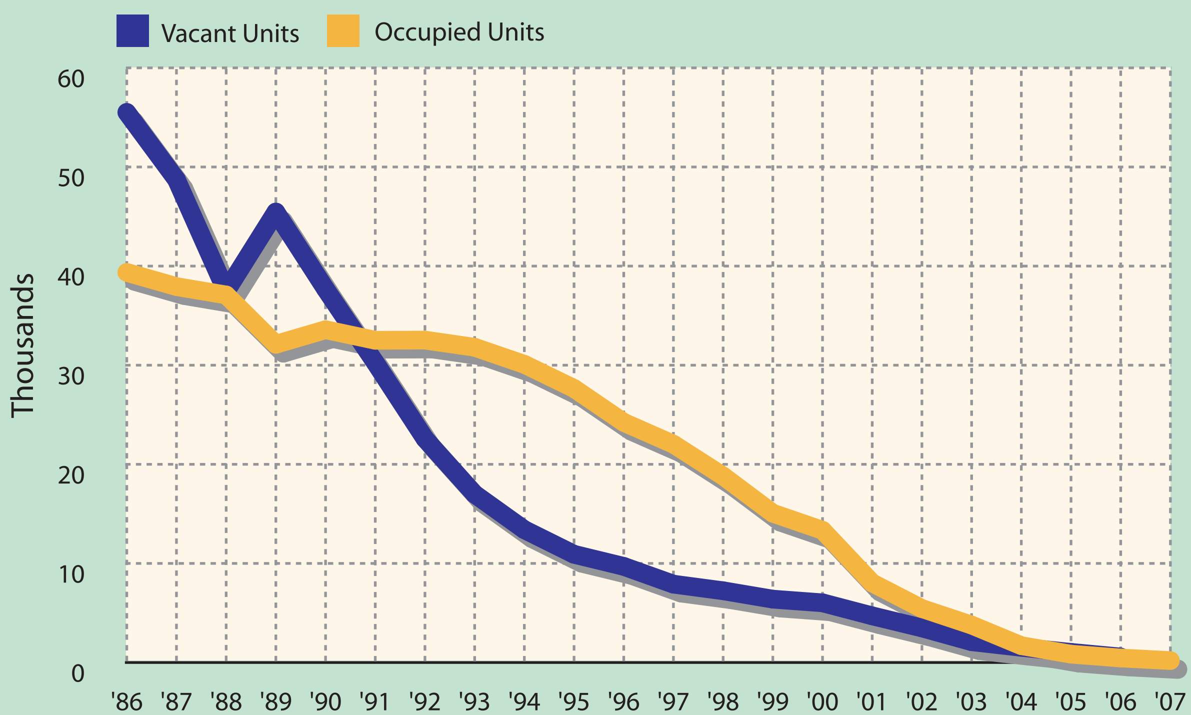
In Rem Housing

For two decades, the City foreclosed on thousands of tax-delinquent residential properties, becoming the owner and manager of these buildings. By its peak in 1986, the city owned and managed 4,000 occupied buildings containing 40,000 units of housing (see graph on next page). Most of these buildings were dilapidated multi-families occupied by a predominantly low-income population. To counter this trend, HPD has developed multiple disposition programs over time to manage, rehabilitate and sell many of these so-called *in rem* buildings. HPD's Alternative Management Programs began in 1994 with the goal of returning city-owned properties to private owners and stimulating neighborhood development. The programs enable local entrepreneurs, community not-for-profit housing organizations, and groups of tenants to own and manage these buildings. Many of these programs include funds for rehabilitation and use the proceeds of federal tax credits to keep rents affordable.

HPD has successfully reduced the number of occupied *in rem* units in central management to 466 through October 2007, a 98.5% decline since FY 1994.[33] HPD transfers buildings into alternative management programs before returning them to private ownership. During FY 2007, 105 buildings with 763

Units in HPD Central Management Stock, FY 1986-FY 2007, in Thousands

Continued Decline in City* In Rem *Housing Stock in FY 2007



Source: Mayor's Management Report, Office of Operations, FY 1986-FY 2007

units were sold through these programs.

The number of units in vacant city-owned buildings also fell significantly over the same period, to 499 units by the end of October 2007, a 96.4% decline since FY 1994. During FY 2007, the total number of buildings operated by HPD, including both occupied and vacant, fell 31.8%, and the number of units in these buildings fell 36.7%, as compared to FY 2006. This trend continued during the first four months of FY 2008. (See Appendix G.8)

Anti-Abandonment Strategies

The City has also been able to significantly reduce its share of *in rem* buildings by identifying buildings at risk and helping owners. Key initiatives to prevent abandonment include the Third Party Transfer Program, which targets distressed and other buildings with tax arrears, and a Housing Education Program, which teaches owners and superintendents basic management, maintenance, and finance skills to improve their properties.[34]

Since the mid-1990's, the City has not taken title (i.e., vesting) of properties that are tax delinquent. Instead, the City has developed a comprehensive anti-abandonment strategy. First, tax liens for properties that are not distressed are sold in bulk to private investors. After the lien is sold, the lien holder is entitled to collect the entire lien amount, plus other interest and charges, from the property owner. In addition, the property owner must continue to pay current taxes to the City. If the owner has not paid the lien or entered into a payment plan, the lien holder can file for foreclosure on the property.[35]

An additional facet of the City's anti-abandonment strategy is third party transfer. For buildings that are distressed and in tax arrears, the City can initiate an *in rem* tax foreclosure action against property owners. The policy, authorized under Local Law 37, transfers the title of *in rem* properties directly to new owners (qualified third parties) without the City ever taking title itself. The properties are temporarily transferred to Neighborhood Restore, a nonprofit corporation, and upon the judgment of the court, are transferred to a qualified third party.[36] Since beginning in 1996, the program has collected $309 million in back taxes, and 438 buildings have been transferred to responsible for-profit and non-profit owners.[37]

Another anti-abandonment strategy involves the identification of buildings that are at risk of abandonment and helping these owners achieve fiscal and structural soundness for their properties through housing education, counseling, subsidized loans, and voluntary repair agreements, to preserve housing and avoid *in rem* actions entirely.

Demolitions

While in the early 1990's relatively few residential buildings in New York City were demolished, this began to change in 1996, the same year that the number of building permits issued began to increase significantly. In fact, the number of buildings demolished between 2005 and 2007 alone was almost triple the number demolished in all the years from 1990 to 1999 combined. A total of 3,283 buildings were demolished in 2007, an 8.0% decrease over the prior year, the first decrease in six years. This was still the third highest total since 1985, when the RGB began collecting this data. Queens accounted for 42.9% of all the buildings demolished in 2007, Brooklyn had 30.0%, Staten Island had 9.4%, the Bronx had 9.2%, and Manhattan had the lowest proportion, 8.6%. Demolitions fell in every borough but Manhattan in 2007, declining by 19.2% in Staten Island, 11.3% in Brooklyn, 9.6% in the Bronx, and 5.3% in Queens. In Manhattan, demolitions rose by 8.9%.[38] (See Appendix G.9)

Conclusion

Housing permits remained at high levels, with the highest number of permits issued in 2007 than in any year since 1972, while the number of completed housing units increased by 7.3%. The City also continued to reduce its share of city-owned vacant and occupied housing units, seeing a 36.7% decline during the most recent fiscal year. The number of new units receiving 421-a tax benefits increased 8.7% in 2007, while J-51 tax abatements and exemptions decreased 15.6%. Rental housing availability remains tight, with a citywide vacancy rate of just 3.09% in 2005, and overcrowding remains a problem. Mayor Bloomberg's ten-year housing initiative has begun development/construction on more than 70,000 units, helping to reduce the affordable housing shortage. ❒

Endnotes

1. The *New York City Housing and Vacancy Survey* (HVS) is done triennially, sponsored by the NYC Department of Housing Preservation and Development (HPD) and conducted by the U.S. Census Bureau.

2. The U.S. housing stock was comprised of 33% renter-occupied units, according to the *2006 American Community Survey*, conducted by the U.S. Census Bureau.

3. Other units include public housing, Mitchell-Lama, *In Rem*, HUD-regulated, Article 4 and Loft Board units.

4. Since the number of vacant units available for rent in Staten Island is small, and the HVS is a sample survey, the sampling error of the vacancy rate is likely to be large, and thus, the Census Bureau could not calculate an accurate vacancy rate.

5. U.S. Census Bureau web site. World Wide Web page <http://www.census.gov/const/www/permitsindex.html>.

6. NYC Dept. of City Planning data. Note that the data is continually updated and is subject to change, including data from prior years.

7. Beginning in the *2006 Housing Supply Report*, the RGB will now define a housing completion as any unit receiving either a permanent or a temporary Certificate of Occupancy in the stated year. The Department of City Planning provided this information for the 2004 calendar year and beyond, and believes it is a more accurate representation of new housing in New York City than previous methodologies which only counted final Certificates of Occupancy.

8. Starts refer to the number of units beginning construction or rehabilitation in a given period.

9. *Mayor's Management Reports*, Fiscal Year 2007 and Preliminary Fiscal Year 2008.

10. "Mayor Bloomberg's Affordable Housing Plan," May 2008. http://nyc.gov/html/hpd/downloads/pdf/New-Housing-Market-Place-Plan.pdf

11. "No Vacancy: The Role of Underutilized Properties in Meeting Manhattan's Affordable Housing Needs," Manhattan Borough President Scott M. Stringer, April 2007. http://www.mbpo.org/uploads/NO%20VACANCY.pdf

12. "Legislation to Fine Housing Speculators," Kevin Shin. *Columbia Spectator,* February 7, 2008.

13. Program information available at: http://nyc.gov/html/hpd/html/developers/421a.shtml

14. "421-a Legislation Overview and FAQ," NYC Dept. of Housing Preservation and Development. February 28, 2008. http://nyc.gov/html/hpd/downloads/pdf/421a-FAQ.pdf

15. Program information available at: http://nyc.gov/html/hpd/html/developers/ahp.shtml

16. Data obtained from the NYC Dept. of Housing Preservation and Development, Inclusionary Housing/421a Affordable Housing Program. Each affordable housing unit financed or built under the Affordable Housing Program creates between four and six certificates for market rate housing.

17 NYC Department of Housing Preservation and Development, Tax Incentives Program data.

18. "2007 Annual Report: Mitchell-Lama Housing Companies in NYS." NYS Division of Housing and Community Renewal. January 15, 2008.

19. The number of Mitchell-Lama buyouts were provided most recently through the NYC Dept. of Housing Preservation and Development, and in previous years through other sources, such as the report "Affordable No More: An Update" by the Office of the New York City Comptroller, Office of Policy Management.on May 25, 2006.

20. "Albany Bars Rent Rise for Thousands." Manny Fernandez, *New York Times*, November 26, 2007.

21. NYS Assembly Bill A07253.

22. "Tax-exempt housing funds are drying up." Theresa Agovino, *Crains New York Business*, February 17, 2008.

23. "Same Old Tune: Sony Sells Hell's Kitchen Studio for $44M., Condos Planned." Eliot Brown, *The New York Observer,* November 26, 2007.

24. "Powerhouses to the People." C.J. Hughes, *New York Times*, March 9, 2008.

25. "Luxury Units Set To Rise Where Horses Once Trotted." Bradley Hope, *The New York Sun*, February 28, 2008.

26. Historic data obtained from the West Side SRO Law Project, reporting NYC Department of Housing Preservation and Development (HPD) data and 2007 data obtained directly from HPD.

27. "Council Plans Heftier Fines for Apartments Used as Hotels." Fernanda Santos, *New York Times*, December 4, 2007.

28. NYS Attorney General's Office, Real Estate Financing Bureau data. and the NYC Dept. of Housing Preservation and Development, Sales Unit.

29. *2005 NYC Housing and Vacancy Survey*.

30. NYC Dept. of Housing Preservation and Development, Tax Incentives Program data. Note that, similar to the 421–a program, J-51 provides tax abatements and incentives to newly built renter- and owner-occupied units, which are included in the figures given in this report.

31. Landlord Information/Tax Incentives: J-51, NYC Department of Housing Preservation and Development web site. http://www.nyc.gov/html/hpd/html/developers/j51.shtml.

32. "Annual Report on Tax Expenditures," NYC Dept. of Finance publication, December, 2007.

33. *Mayor's Management Reports*, Fiscal Year 1994-Preliminary Fiscal 2008, with additional, unpublished information provided by the Mayor's Office of Operations.

34. NYC Department of Housing Preservation and Development website. http://www.nyc.gov/html/hpd/html/buyers/small_prop.shtml.

35. NYC Department of Finance, General Information on the City's Tax Lien Sale Process. http://www.nyc.gov/html/dof/html/property/property_bill_taxlien.shtml#general.

36. "New York City Case Study: Third Party Transfer Initiative: A Solution To Property Abandonment," by Lisa Mueller, Local Initiative Support Corporation report, January 14, 2003. http://www.lisc.org/content/publications/detail/794/.

37. Most recent figures obtained from NYC Dept. of Housing Preservation and Development, May 9, 2008.

38. NYC Department of Buildings (DOB) data. Note that demolition statistics include both residential as well as commercial buildings, as the DOB does not specify the type of building in its data.

Changes to the Rent Stabilized Housing Stock in New York City in 2007

What's New

- ✔ The study finds a net estimated loss of 5,088 rent stabilized units in 2007, 16% fewer units lost than in 2006.
- ✔ The vast majority of additions to the rent stabilized stock in 2007 were in three categories: 421-a units, 420-c units and rental units leaving Mitchell-Lama.
- ✔ In 2007, high rent/vacancy decontrol makes up the largest category of subtractions from the stabilized stock, accounting for 73% of the subtractions.

Introduction

Rent regulation has been a fixture in New York City's housing market for 65 years, although the laws that govern rent regulated housing have been substantially changed and/or modified over time. In addition to legislative changes, the existing laws allow for dynamic changes in the regulatory status of a significant portion of the rent regulated housing stock in any given year. Units enter, exit or change status within the regulatory system.

The figures in this study represent additions and subtractions of dwelling units to and from the rent regulation system in 2007. These statistics are gathered from various city and state agencies.

This report is an update of previous studies done annually since 2003, when an analysis was done of the changes in New York City's rent stabilized housing stock from 1994 to 2002. The total number of additions and subtractions to the rent stabilized housing stock since 1994 is contained in the appendices of this report. These totals do not represent every unit that has been added or subtracted from the rent stabilized stock since 1994, but rather those that have been recorded or registered by various city and state agencies. They represent a 'floor,' or minimum count, of the actual number of newly regulated and deregulated units in these years.

Additions to the Rent Regulated Housing Stock

Since newly constructed or substantially rehabilitated units are exempt from rent regulation, increases to the regulated housing stock are frequently a result of owners "voluntarily" placing these new units under rent stabilization in exchange for tax benefits. These owners choose to place units under rent stabilization because of cost/benefit analyses concluding that short-term regulation with tax benefits is more profitable than free market rents without tax benefits. Events that lead to the addition of stabilized units include:

- **Section 421-a Program**
- **J-51 Program**
- **Mitchell-Lama buyouts**
- **Lofts converted to rent stabilized units**
- **Other Additions**
- **Rent controlled apartments converting to rent stabilization**

Section 421-a and J-51 Programs

The New York City Department of Housing Preservation and Development (HPD) administers programs to increase the supply of rental housing. Two of these programs have a significant impact on the inventory of stabilized housing: the Section 421-a Program and the J-51 Program. Under Section 421-a of the Real Property Tax Law, newly constructed dwellings in New York City can elect to receive real estate tax exemptions. For the duration of the benefits, at least, the newly built apartments are subject to rent stabilization. In 2007, an estimated total of 2,838 units were added to the rent stabilized stock through the 421-a program, a quarter more than the number of additions seen in 2006 (2,264). In 2007, the largest number of units were in Brooklyn (809), followed by Queens (708), the Bronx (677), Manhattan (638), and the remaining six units were on Staten Island.

The J-51 Program provides real estate tax exemptions and abatements to existing residential buildings which are renovated or rehabilitated. This program also provides these benefits to residential buildings converted from commercial structures. In consideration of receiving these benefits, owners of these buildings agree to place under rent stabilization those apartments which otherwise would not be subject to regulation. The apartments remain stabilized, at least, until the benefits expire. The J-51 program added 135 units to the rent stabilized stock in 2007 (in two buildings in Brooklyn), about the same number that were added in 2006. (See Appendix H.1)

Mitchell-Lama Buyouts

Where rents in a building are regulated directly by the Federal, State or City government, these apartments are exempt from rent stabilization and control laws. However, when these government-aided developments are no longer directly administered by a governmental entity, they may become subject to the rent stabilization laws. These federally regulated projects include Section 236 financed buildings and project-based Section 8 buildings.

Mitchell-Lama developments were constructed under the provisions of Article 2 of the Private Housing Finance Law (PHFL). This program was primarily designed to increase the supply of housing affordable to middle-income households. Approximately 75,000 rental apartments and 50,000 cooperative units were constructed under the program from the 1950's through the 1970's. For these units to be affordable, the State or City provided low interest mortgages and real estate tax abatements, and the owners agreed to limit their return on equity.

While the State and City mortgages are generally for a term of 40 or 50 years, the PHFL allows owners to "buy-out" of the program after 20 years. If an owner of a rental development buys-out of the program and the development was occupied prior to January 1,1974, the apartments may become subject to rent stabilization.

A total of 2,517 units in five formerly Mitchell-Lama rental developments became rent stabilized in 2007, the second highest total since we began collecting this data (the highest was in the prior year, when there were 3,040 units). Since 1994, 9,781 rental units have left the Mitchell-Lama system and become a part of the rent stabilized housing stock. (See Appendix H.1)

Loft Units

The New York City Loft Board, under Article 7-C of the Multiple Dwelling Law, regulates rents in buildings originally intended as commercial loft space that have been converted to residential housing. When the units are brought up to code standard, they become stabilized. A total of 35 loft units entered the rent stabilization system in 2007, a 57% decrease from the 81 loft units added in 2006. (See Appendix H.1)

Other Additions to the Stabilized Housing Stock

Additionally, several other events can increase the rent stabilized housing stock: tax incentive programs such as 421-g and 420-c, "deconversion," returned losses, and the sub-division of large units into two or more smaller units. At least 2,999 units were added to the rent stabilized stock from these programs in 2007. (See Appendix H.1)

The 421-g tax incentive program is designed for conversion of units in Lower Manhattan from non-residential to residential use. The 421-g program added 441 rent stabilized units to the housing stock in 2007, up from just five in 2006. An additional 379 units were converted to residential rental use during the year, however their initial rent levels exceeded $2,000 per month and these units were subject to High Rent/Vacancy decontrol upon occupancy.[1]

The 420-c program, a tax exemption program for low income housing projects that are developed in conjunction with the Low Income Housing Tax Credit program, also adds units to the rent stabilized stock. An estimated 2,558 units were added to the rent stabilized stock in 2007 through the 420-c program, a 42% increase over the number added in 2006. Of the total 420-c units that were added, the majority (1,457) were located in Manhattan, followed by Brooklyn (468), the Bronx (449) and Queens (184). There were no projects built on Staten Island.[2]

Deconversion occurs when a building converted to cooperative status reverts to rental status because of financial difficulties. Returned losses include abandoned buildings that are returned to habitable status without being substantially rehabilitated, or City-owned *in rem* buildings being returned to private ownership. These latter events do not generally add a significant number of units to the rent stabilized stock and were not quantified in this study.

Changes in Regulatory Status

Chapter 371 of the Laws of 1971 provided for the decontrol of rent controlled units that were voluntarily vacated on or after July 1, 1971. Since the enactment of vacancy decontrol, the number of rent controlled units has fallen from over one million to roughly 43,000.[3] When a rent controlled unit is vacated it either becomes rent stabilized or leaves the regulatory system. If the vacated unit is in a rental building with six or more units and the incoming tenant pays less than $2,000 per month, the apartment becomes stabilized. This process results in a diminution of the controlled stock and an increase in the stabilized stock.

According to rent registration filings with the NYS Division of Housing and Community Renewal (DHCR), in 2007 592 units were decontrolled and became rent stabilized, of which almost half (278) were in Manhattan. Of the remaining rent controlled units that became stabilized, 160 were located in Brooklyn, 92 were in Queens, 60 were in the Bronx and two were on Staten Island. (See Appendix H.2)

Subtractions from the Rent Regulated Housing Stock

Deregulation of rent controlled and stabilized units occur because of statutory requirements or because of physical changes to the residential dwellings. Events that lead to the removal of stabilized units include the following:

- **High Rent/High Income Decontrol**
- **High Rent/Vacancy Decontrol**
- **Cooperative/Condominium Conversions**
- **Expiration of 421-a Benefits**
- **Expiration of J-51 Benefits**
- **Substantial Rehabilitation**
- **Conversion to Commercial or Professional Status**
- **Other Losses to the Housing Stock – Demolitions, Condemnations, Mergers, etc.**

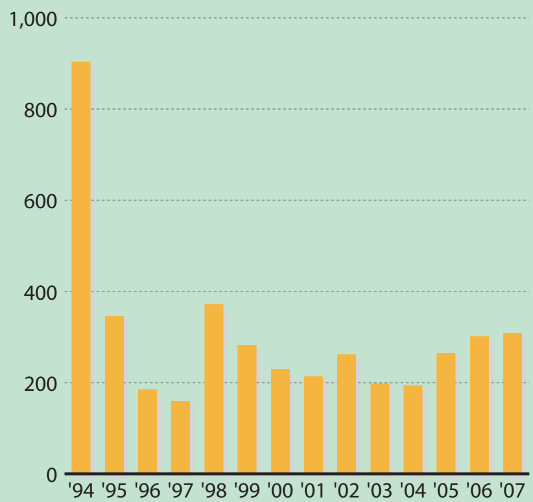
High Rent/High Income Decontrol

The Rent Regulation Reform Act (RRRA) of 1993 permitted the deregulation of occupied apartments renting for $2,000 or more in which the tenants in occupancy had a combined household income in excess of $250,000 in each of the immediately two preceding years. The 1997 RRRA reduced the income threshold to $175,000. Deregulation would occur upon application by the owner and upon the expiration of the rent stabilized lease. This income-based decontrol process, which is administered by the DHCR, relies upon data furnished to the NYS Department of Taxation and Finance as part of the verification process. Please note that both the rent level and household income criteria have to be met for decontrol to take place. If households earning at least $175,000 paid less than $2,000 per month, rent regulation would remain in effect. Also note that the owner must apply to DHCR in order to decontrol the unit. If the owner did not submit a decontrol application, the occupying tenant would remain regulated regardless of rent level and household income. Because DHCR has to approve the orders of deregulation, an exact accounting exists of units leaving regulation as a result of High Rent/High Income decontrol.

Based on DHCR processing records, High Rent/High Income decontrol affected a total of 309 apartments in 2007, 3% higher than the number of

High Rent/High Income Decontrol, 1994-2007

Number of Units Deregulated due to High Rent/Income Increases in 2007



Source: NYS Division of Housing and Community Renewal annual registration data.

units deregulated in 2006.[4] Since 1994, 4,223 units have been deregulated due to High Rent/High Income decontrol, of which 94% have been located in Manhattan. (See graph above and Appendix H.3) Since 2003, 83% of units have been located in Manhattan.

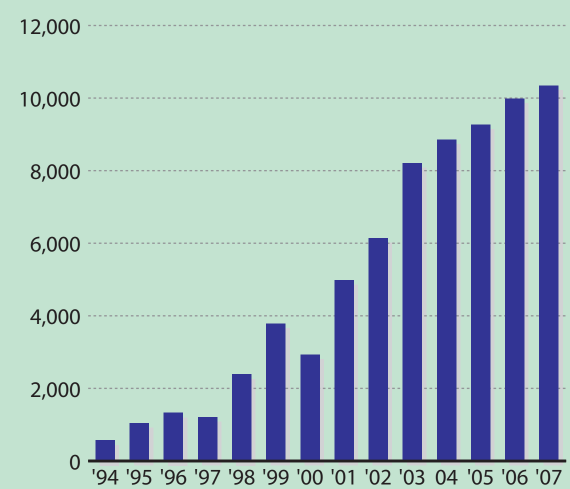
High Rent/Vacancy Decontrol

In the 1993 RRRA, the New York State legislature reinstituted High Rent/Vacancy decontrol.[5] This initial statute has since been changed several times. First, the 1993 RRRA decontrolled vacant apartments and occupied regulated apartments that subsequently were vacated, that rented for $2,000 or more per month between July 7 and October 1, 1993. Second, the New York City Council allowed for the deregulation of apartments upon vacancy on or after April 1, 1994 if these units rented for $2,000 or more. Thus, the original dates in the RRRA of 1993 establishing the parameters for decontrol were no longer applicable. DHCR interpreted the $2,000 rent threshold as follows: if upon vacancy, the owner undertook individual apartment improvements that increased the legal regulated rent to $2,000 or more, and the incoming tenant agreed to pay $2,000 or more, the unit would be deregulated.

In a third stage, in early 1997, the City Council amended the Rent Stabilization Law to only allow for vacancy deregulation of the apartment if the vacating tenant's legal regulated rent was $2,000 or more. Finally, in June of 1997, with the passage of the RRRA, the state overrode the new City regulation. The determining factor was no longer the outgoing tenant's legal regulated rent but the incoming tenant's calculated legal regulated rent. Owners, upon a vacancy, could now apply a combination of allowable increases to reach the $2,000 deregulation level: standard vacancy increases, special vacancy increases and individual apartment improvement increases. This calculated rent for a hypothetical

High Rent/Vacancy Decontrol, 1994-2007

Continued Increase in Number of Units Deregulated due to High Rent/Vacancy



Note: Registration of deregulated units with DHCR was voluntary and not required from 1994-2000. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years. The NYC City Council required proof of registration with DHCR of the unit as exempt to be sent to the tenant beginning in March 2000 (see Endnote 6).

Source: NYS Division of Housing and Community Renewal annual registration data.

incoming tenant was the determining factor, not the rent the incoming tenant actually paid. In fact, after a stabilized unit is deregulated by this calculation, the actual deregulated rent the new tenant pays can be less than $2,000 per month.

According to DHCR rent registration records, 10,342 units were deregulated in 2007 under the High Rent/Vacancy decontrol provisions of the RRRA, up 4% from 9,983 in 2006. From the period of 1994-2007, a total of 71,027 units were registered with the DHCR as being deregulated due to High Rent/Vacancy decontrol, 82% of which have been located in Manhattan. Since 2001, the first year owners were required to file high rent/vacancy decontrol registrations, the rate at which they have increased over the prior year has varied. From 2001 to 2002, high rent/vacancy registrations increased by 23%, and from 2002 to 2003, they increased by 34%. Since 2003, the rate of increase has been between 4-8% each year. (See graph on previous page and Appendix H.4)

Cooperative & Condominium Conversions

When rent regulated housing is converted to ownership status, there is a small immediate decrease in the rental stock, but over time there is a significantly larger decrease. Tenants that choose to purchase their apartments after a cooperative or condominium plan is approved by the New York State Attorney General's Office are immediately removed from rent regulation. These units are no longer rentals. In eviction conversion plans, non-purchasing tenants may continue in residence until the expiration of their lease. In non-eviction plans (which are the overwhelming majority of approved plans) the regulated tenants have the right to remain in occupancy until they voluntarily leave their apartments. When a tenant leaves a regulated unit, the apartment in many cases becomes deregulated, regardless if the incoming tenant purchases or rents.[7]

In 2007, 1,455 units located in co-ops or condos left the stabilized housing stock, 7% fewer than left the system in 2006. A total of 40,412 co-op or condo units have left the stabilized stock since 1994. (See Appendix H.5)

Expiration of Section 421-a and J-51 Benefits

As stated in the "Additions" section of this report, buildings receiving Section 421-a and J-51 benefits remain stabilized, at least until the benefits expire. Therefore, these units enter the stabilized system for a prescribed time period and then exit the system. The number of units leaving the stabilization system is directly dependent upon those units previously entering the system.

Expiration of 421-a and J-51 benefits has resulted in a total of 161 and 270 units removed, respectively, from the rent regulatory system in 2007. There were 39% fewer expirations of 421-a benefit but 14% more expirations of J-51 benefits in 2007 compared to expirations in the prior year. Since 1994, 17,307 421-a units have left the rent stabilization system while 13,702 J-51 units are no longer rent regulated. (See Appendix H.5)

Substantial Rehabilitation

The Emergency Tenant Protection Act (ETPA) of 1974 exempts apartments from rent regulation in buildings that have been substantially rehabilitated on or after January 1, 1974. DHCR processes applications by owners seeking exemption from rent regulation based on the substantial rehabilitation of their properties. Owners must replace at least 75% of building-wide and apartment systems (i.e., plumbing, heating, electrical wiring, windows, floors, kitchens, bathrooms, etc.). In general, buildings that are substantially rehabilitated have been vacated and tended to have been stabilized properties. Therefore, when these buildings are substantially rehabilitated, the apartments are no longer subject to regulation and are considered new construction. This counts as a subtraction from the regulated stock. Notably, these properties do not receive J-51 tax incentives for rehabilitation.

During 2007, 297 units were removed from stabilization through substantial rehabilitation, down from 350 units lost in 2006. A total of 6,438 units have been removed from the rent stabilization system through substantial rehabilitation since 1994. (See Appendix H.5)

Conversion to Commercial or Professional Status

Space converted from residential to nonresidential use is no longer subject to rent regulation. In 2007, 66 units were converted to nonresidential use, down from 135 in 2006. For the period 1994-2007, 1,978 residential units have been converted to nonresidential use. (See Appendix H.5)

Other Losses to the Housing Stock

Owners may register units as permanently exempt when smaller units are merged into larger ones, or when the building is condemned, demolished or boarded-up/burnt-out. DHCR annual registration data shows that 1,304 units were removed from the stabilized housing stock in 2007 due to these reasons, 14% more than in 2006. (See Appendix H.5)

Summary

Approximately 14,204 housing units left rent stabilization, while approximately 9,116 units initially entered the stabilization system in 2007. The built-in fluidity of the system resulted in a net loss of an estimated 5,088 units to the rent stabilized housing stock, a decrease of 16% from 2006, when rent stabilization saw a net estimated loss 6,022 units.[8] (See Summary Table on next page.)

The vast majority of additions to the stabilized stock in 2007 were in three categories: 421-a units, equaling 31% of the total, 420-c units, equaling 28% of the total, and units that were formerly Mitchell-Lama, equaling another 28% of the total. Meanwhile, high rent/vacancy decontrol was the largest source of subtractions from the rent stabilized housing stock in 2007, accounting for 73% of the total number of subtractions. ❐

Endnotes

1. The 421-g tax incentive program provides 14-year tax exemption and abatement benefits for the conversion of commercial buildings to multiple dwellings in Downtown Manhattan. All rental units in the project become subject to rent stabilization for the duration of the benefits. These units are subject to High Rent/Vacancy decontrol if the initial rent level is $2,000 or more. Also, an additional 971 condo units were created under this tax incentive program in 2007.

2. The 420-c tax incentive program provides a complete exemption from real estate taxes for the term of the regulatory agreement (up to 30 years). Eligible projects are owned or controlled by a not-for-profit Housing Development Fund Company, subject to an HPD regulatory agreement which requires use as low-income housing and are financed in part with a loan from the City or State in conjunction with federal low-income housing tax credits.

3. The 2005 Housing and Vacancy Survey reported a total of 43,317 rent controlled units in New York City.

4. The final count for petitions for High Rent/High Income decontrol may be slightly reduced as they are subject to appeal or in some cases, to review by a court of competent jurisdiction.

5. Decontrol of certain high rent apartments was instituted in New York City twice before, in 1964 and in 1968.

6. In March 2000, the City Council passed Local Law Intro No. 669-A, which amended the administrative code of the City of New York, in relation to extending the rent stabilization laws with certain amendments to such laws and the rent control law.

7. A court decision affecting units in Brooklyn and Queens ruled that apartments in buildings that have converted to co-op/condo status may remain rent stabilized for a new rental tenant even after a stabilized tenant vacates the apartment.

8. Almost the entire number of the estimated net loss of units to the rent stabilized housing stock will remain as housing units in New York City. These units would convert from rent stabilization to either forms of ownership or to non-regulated rental units unless they are demolished.

Summary Table of Additions and Subtractions to the Rent Stabilized Housing Stock in 2007

Program	Number of Units
ADDITIONS	
421-a	+ 2,838
J-51 conversions	+ 135
Mitchell-Lama buyouts	+ 2,517
Loft conversions	+ 35
Other Additions	+ 2,999
CHANGES	
Rent control to rent stabilization	+ 592
Subtotal Additions & Changes	**+ 9,116**
SUBTRACTIONS	
Co-op and Condo subtractions	- 1,455
High Rent/Vacancy Decontrol	- 10,342
High Rent/High Income Decontrol	- 309
421-a Expiration	- 161
J-51 Expiration	- 270
Substantial Rehabilitation	- 297
Commercial/Professional conversion	- 66
Other Subtractions	- 1,304
Subtotal Subtractions	**- 14,204**
NET TOTAL	
Net Estimated Loss	***-5,088***

Sources: Department of Housing Preservation and Development (HPD), Tax Incentive Programs and Division of Housing Supervision (Mitchell-Lama Developments); NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration and Office of Housing Operations; and NYC Loft Board.

Appendices

Appendix A: Guidelines Adopted by the Board

A.1 Apartments & Lofts - Order #40

On June 19, 2008, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2008 and on or before September 30, 2009 for rent stabilized apartments:

Where heat is provided at no cost to the tenant:

One-Year Lease	Two-Year Lease
4.5%	8.5%

Where the most recent vacancy lease was executed six years or more prior to the date of the renewal lease under this Order:

One-Year Lease	Two-Year Lease
4.5% or $45 (whichever is greater)	8.5% or $85 (whichever is greater)

Where heat is **not** provided at no cost to the tenant:

One-Year Lease	Two-Year Lease
4.0%	8.0%

Where the most recent vacancy lease was executed six years or more prior to the date of the renewal lease under this Order:

One-Year Lease	Two-Year Lease
4.0% or $40 (whichever is greater)	8.0% or $80 (whichever is greater)

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, 2008 and on or before September 30, 2009:

One-Year Increase Period	Two-Year Increase Period
3.5%	6.5%

Leases for units subject to rent control on September 30, 2008, 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, 2008, the special guideline shall be the greater of the following:

(1) 50% above the maximum base rent 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, 2008.

A.2 Hotel Units - Order #38

On June 19, 2008, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2008 and on or before September 30, 2009 for rent stabilized hotels:

Single Room Occupancy Buildings (SRO)	4.5%
Lodging Houses	4.5%
Class A Hotels	4.5%
Class B Hotels	4.5%
Rooming Houses	4.5%

Except that the allowable level of rent adjustment over the lawful rent actually charged and paid on September 30, 2008 shall be 0% if:

- Permanent rent stabilized or rent controlled tenants paying no more than the legal regulated rent, at the time that any rent increases in this Order would otherwise be authorized, constitute fewer than 85% of all units in a building that are used or occupied, or intended, arranged or designed to be used or occupied in whole or in part as the home, residence or sleeping place of one or more human beings.

B.1 PIOC Sample, Number of Price Quotes per Item, 2007 vs. 2008

Spec	Description	2007	2008
211	Apartment Value	145	116
212	Non-Union Super	121	82
216	Non-Union Janitor/Porter	51	38
	LABOR COSTS	**317**	**236**
301	Fuel Oil #2	27	25
302	Fuel Oil #4	6	6
303	Fuel Oil #6	6	6
	FUEL	**39**	**37**
501	Repainting	125	121
502	Plumbing, Faucet	33	32
503	Plumbing, Stoppage	32	31
504	Elevator #1	14	13
505	Elevator #2	14	13
506	Elevator #3	14	12
507	Burner Repair	11	11
508	Boiler Repair, Tube	11	10
509	Boiler Repair, Weld	6	5
510	Refrigerator Repair	9	6
511	Range Repair	10	11
512	Roof Repair	25	22
513	Air Conditioner Repair	6	6
514	Floor Maint. #1	5	6
515	Floor Maint. #2	5	6
516	Floor Maint. #3	5	6
518	Linen/Laundry Service	5	5
	CONTRACTOR SERVICES	**330**	**316**
601	Management Fees	99	64
602	Accountant Fees	27	29
603	Attorney Fees	21	23
604	Newspaper Ads	21	18
605	Agency Fees	5	4
606	Lease Forms	6	6
607	Bill Envelopes	9	10
608	Ledger Paper	7	7
	ADMINISTRATIVE COSTS	**195**	**161**

Spec	Description	2007	2008
701	INSURANCE COSTS	**622**	**567**
801	Light bulbs	7	6
802	Light Switch	7	6
803	Wet Mop	12	9
804	Floor Wax	11	10
805	Paint	12	10
806	Pushbroom	11	6
807	Detergent	6	5
808	Bucket	10	10
809	Washers	12	10
810	Linens	10	10
811	Pine Disinfectant	10	7
812	Window/Glass Cleaner	10	8
813	Switch Plate	7	5
814	Duplex Receptacle	7	6
815	Toilet Seat	15	11
816	Deck Faucet	11	10
	PARTS & SUPPLIES	**158**	**129**
901	Refrigerator #1	6	6
902	Refrigerator #2	11	10
903	Air Conditioner #1	5	5
904	Air Conditioner #2	5	5
905	Floor Runner	7	6
906	Dishwasher	7	7
907	Range #1	7	7
908	Range #2	7	7
909	Carpet	10	10
910	Dresser	5	5
911	Mattress & Box Spring	5	5
	REPLACEMENT COSTS	**75**	**73**
	ALL ITEMS	**1,736**	**1,519**

B.2 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Apartments, 2008

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES, FEES, & PERMITS	**0.2727**	**1.0032**	**0.32%**	**0.0665**
201	Payroll, Bronx, All	0.1052	1.0304	3.04%	0.0000
202	Payroll, Other, Union, Supts.	0.1059	1.0257	2.57%	0.0000
203	Payroll, Other, Union, Other	0.2625	1.0275	2.75%	0.0000
204	Payroll, Other, Non-Union, All	0.2895	1.0559	5.59%	0.8138
205	Social Security Insurance	0.0441	1.0384	3.84%	0.0000
206	Unemployment Insurance	0.0069	0.8877	-11.23%	0.0000
207	Private Health & Welfare	0.1859	1.0516	5.16%	0.0000
	LABOR COSTS	**0.1403**	**1.0398**	**3.98%**	**0.2356**
301	Fuel Oil #2	0.6120	1.3021	30.21%	1.2096
302	Fuel Oil #4	0.1484	1.4594	45.94%	0.7968
303	Fuel Oil #6	0.2397	1.5027	50.27%	0.5918
	FUEL	**0.1211**	**1.3735**	**37.35%**	**0.7629**
401	Electricity #1, 2,500 KWH	0.0098	1.1261	12.61%	0.0000
402	Electricity #2, 15,000 KWH	0.1248	1.1192	11.92%	0.0000
403	Electricity #3, 82,000 KWH	0.0000	1.1044	10.44%	0.0000
404	Gas #1, 12,000 therms	0.0055	1.0826	8.26%	0.0000
405	Gas #2, 65,000 therms	0.0618	1.0398	3.98%	0.0000
406	Gas #3, 214,000 therms	0.2751	1.0389	3.89%	0.0000
407	Steam #1, 1.2m lbs	0.0171	1.1297	12.97%	0.0000
408	Steam #2, 2.6m lbs	0.0066	1.1475	14.75%	0.0000
409	Telephone	0.0089	0.9498	-5.02%	0.0000
410	Water & Sewer	0.4905	1.1150	11.50%	0.0000
	UTILITIES	**0.1518**	**1.0889**	**8.89%**	**0.000**
501	Repainting	0.3872	1.0451	4.51%	0.7605
502	Plumbing, Faucet	0.1400	1.0494	4.94%	1.1204
503	Plumbing, Stoppage	0.1241	1.0470	4.70%	1.3385
504	Elevator #1, 6 fl., 1 e.	0.0558	1.0472	4.72%	0.7723
505	Elevator #2, 13 fl., 2 e.	0.0363	1.0452	4.52%	0.8233
506	Elevator #3, 19 fl., 3 e.	0.0204	1.0477	4.77%	0.8334
507	Burner Repair	0.0385	1.0546	5.46%	2.1470
508	Boiler Repair, Tube	0.0531	1.0287	2.87%	1.7013
509	Boiler Repair, Weld	0.0453	1.0214	2.14%	2.2983
510	Refrigerator Repair	0.0113	1.0580	5.80%	3.6349
511	Range Repair	0.0113	1.0270	2.70%	1.4430
512	Roof Repair	0.0636	1.0763	7.63%	1.8831
513	Air Conditioner Repair	0.0082	1.0217	2.17%	1.9998
514	Floor Maint. #1, Studio	0.0003	1.0604	6.04%	4.2417
515	Floor Maint. #2, 1 Br.	0.0005	1.0421	4.21%	4.3662
516	Floor Maint. #3, 2 Br.	0.0043	1.0403	4.03%	4.1932
	CONTRACTOR SERVICES	**0.1297**	**1.0462**	**4.62%**	**0.4297**

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
601	Management Fees	0.7220	1.0551	5.51%	1.1419
602	Accountant Fees	0.1346	1.0710	7.10%	1.5154
603	Attorney Fees	0.1084	1.0213	2.13%	1.0357
604	Newspaper Ads	0.0040	1.0456	4.56%	1.7557
605	Agency Fees	0.0055	1.0140	1.40%	0.8212
606	Lease Forms	0.0090	1.0336	3.36%	1.6128
607	Bill Envelopes	0.0088	1.0187	1.87%	1.1825
608	Ledger Paper	0.0077	1.0278	2.78%	2.0519
	ADMINISTRATIVE COSTS	**0.0752**	**1.0526**	**5.26%**	**0.8571**
701	INSURANCE COSTS	**0.0867**	**1.0233**	**2.33%**	**0.8083**
801	Light Bulbs	0.0362	1.0132	1.32%	1.4154
802	Light Switch	0.0438	1.0000	0.00%	0.0000
803	Wet Mop	0.0390	1.0066	0.66%	0.4770
804	Floor Wax	0.0466	1.0181	1.81%	0.9924
805	Paint	0.2254	1.0431	4.31%	2.5419
806	Pushbroom	0.0345	1.0000	0.00%	0.0000
807	Detergent	0.0366	1.0000	0.00%	0.0000
808	Bucket	0.0383	1.0042	0.42%	0.4308
809	Washers	0.0955	1.0318	3.18%	1.8127
811	Pine Disinfectant	0.0547	1.0234	2.34%	1.4467
812	Window/Glass Cleaner	0.0510	1.0030	0.30%	0.3215
813	Switch Plate	0.0469	1.0000	0.00%	0.0000
814	Duplex Receptacle	0.0327	1.0245	2.45%	2.6677
815	Toilet Seat	0.0955	1.0327	3.27%	2.1509
816	Deck Faucet	0.1233	1.0241	2.41%	1.2899
	PARTS AND SUPPLIES	**0.0159**	**1.0228**	**2.28%**	**0.6673**
901	Refrigerator #1	0.0946	1.0262	2.62%	1.0895
902	Refrigerator #2	0.4687	1.0471	4.71%	1.7337
903	Air Conditioner #1	0.0167	1.0337	3.37%	2.0322
904	Air Conditioner #2	0.0208	1.0199	1.99%	1.4351
905	Floor Runner	0.0958	1.0000	0.00%	0.0000
906	Dishwasher	0.0472	1.0546	5.46%	2.0590
907	Range #1	0.0465	1.0738	7.38%	1.6187
908	Range #2	0.2095	1.0398	3.98%	1.4329
	REPLACEMENT COSTS	**0.0066**	**1.0399**	**3.99%**	**0.8822**
	ALL ITEMS	**1.0000**	**1.0778**	**7.78%**	**0.1492**

B.3 Price Relative by Building Type, Apartments, 2008

Spec #	Item Description	Pre-1947	Post-1946	Gas Heated	Oil Heated	MASTER METERED BLDGS
101	TAXES	1.0170	0.9829	1.0032	1.0032	1.0032
201-207	LABOR COSTS	1.0421	1.0373	1.0406	1.0399	1.0412
301-303	FUEL	1.3597	1.4310	1.3030	1.3760	1.3048
401-410	UTILITIES	1.0811	1.0926	1.0644	1.1101	1.0809
501-516	CONTRACTOR SERVICES	1.0466	1.0451	1.0465	1.0462	1.0456
601-608	ADMINISTRATIVE COSTS	1.0516	1.0537	1.0494	1.0531	1.0551
701	INSURANCE COSTS	1.0233	1.0233	1.0233	1.0233	1.0233
801-816	PARTS AND SUPPLIES	1.0232	1.0219	1.0244	1.0223	1.0164
901-908	REPLACEMENT COSTS	1.0405	1.0386	1.0428	1.0391	1.0329
	ALL ITEMS	**1.0907**	**1.0622**	**1.0417**	**1.1006**	**1.0568**

B.4 Price Relative by Hotel Type, 2008

Spec #	Item Description	Hotel	Rooming House	SRO
101	TAXES	0.9860	1.0197	0.9863
205-206, 208-216	LABOR COSTS	1.0557	1.0520	1.0511
301-302	FUEL	1.3523	1.3021	1.4369
401-407, 409-410	UTILITIES	1.0565	1.1031	1.0709
501-516	CONTRACTOR SERVICES	1.0310	1.0376	1.0388
601-608	ADMINISTRATIVE COSTS	1.0502	1.0487	1.0485
701	INSURANCE COSTS	1.0233	1.0233	1.0233
801-816	PARTS AND SUPPLIES	1.0080	1.0247	1.0227
901-904, 907-911	REPLACEMENT COSTS	1.0156	1.0234	1.0241
	ALL ITEMS	**1.0588**	**1.0895**	**1.0965**

B.5 Percentage Change in Real Estate Tax Sample by Borough and Source of Change, Apartments and Hotels, 2008

	% Change Due to Assessments	% Change Due to Exemptions	% Change Due to Abatements	% Change Due to Tax Rates	% Change Due to Interactions	Total % Change
APARTMENTS						
Manhattan	7.45%	-0.32%	0.03%	-6.46%	-0.45%	0.24%
Bronx	12.04%	-2.09%	-0.06%	-6.83%	-0.63%	2.44%
Brooklyn	10.01%	-0.96%	0.05%	-6.62%	-0.58%	1.91%
Queens	5.25%	-0.20%	0.05%	-6.50%	-0.32%	-1.71%
Staten Island	6.26%	-0.04%	-0.89%	-6.68%	-0.39%	-1.74%
All apts	**7.82%**	**-0.54%**	**0.03%**	**-6.52%**	**-0.46%**	**0.32%**
HOTELS						
Hotel	7.36%	-0.85%	0.19%	-7.55%	-0.54%	-1.40%
RH	9.07%	-0.13%	0.00%	-6.39%	-0.58%	1.97%
SRO	5.44%	-0.08%	0.10%	-6.48%	-0.35%	-1.37%
All hotels	**6.82%**	**-0.35%**	**0.11%**	**-6.81%**	**-0.46%**	**-0.69%**

Note: Totals may not add due to rounding.

B.6 Tax Change by Borough and Community Board, Apartments, 2008

Borough	Community Board	Number of Buildings	Tax Relative
Manhattan		**12,015**	**0.24%**
	1	56	9.35%
	2	1,088	1.39%
	3	1,535	0.16%
	4	965	2.39%
	5	281	1.05%
	6	822	-1.04%
	7	1,822	-1.05%
	8	2,077	-1.11%
	9	674	5.65%
	10	838	21.23%
	11	578	10.65%
	12	1,361	2.89%
Lower		**8,135**	**-0.20%**
Upper		**3,970**	**3.41%**
Bronx		**4,865**	**2.44%**
	1	282	7.84%
	2	220	8.17%
	3	272	13.29%
	4	642	2.04%
	5	623	4.70%
(Bronx cont.)	6	441	8.88%
	7	932	3.13%
	8	332	0.27%
	9	279	4.02%
	10	169	-0.34%
	11	285	2.51%
	12	359	-4.22%
Brooklyn		**11,569**	**1.91%**
	1	1,381	4.04%
	2	580	1.27%
	3	744	8.25%
	4	1,151	2.25%
	5	294	10.46%
	6	891	2.10%
	7	794	5.41%
	8	873	7.42%
	9	521	3.75%
	10	741	1.25%
	11	688	0.75%
	12	591	-0.79%
	13	161	-1.16%
	14	852	1.51%
	15	363	-0.37%
	16	274	17.76%
(Bklyn. cont.)	17	592	1.89%
	18	69	2.11%
Queens		**5,908**	**-1.71%**
	1	1,658	3.97%
	2	795	2.80%
	3	376	-0.65%
	4	362	-3.09%
	5	1,141	0.65%
	6	313	-4.88%
	7	361	-1.88%
	8	183	-3.70%
	9	197	1.64%
	10	53	0.47%
	11	117	-8.96%
	12	152	1.38%
	13	45	-4.67%
	14	78	2.82%
Staten Island		**155**	**1.74%**
	1	106	-1.66%
	2	26	2.70%
	3	21	-3.78%
Total		**34,602**	**0.32%**

Note: No Community Board could be assigned to the following number of buildings for each borough: Manhattan (8), Bronx (29), Brooklyn (9), Queens (77), Staten Island (2). The number of buildings in the category "All" for each borough includes these buildings which could not be assigned a Community Board. Core and Upper Manhattan building totals are defined by block count and cannot be calculated by using Community Board numbers alone.

B.7 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Hotels, 2008

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES, FEES, & PERMITS	**0.2868**	**0.9931**	**-0.69%**	**0.8616**
205	Social Security Insurance	0.0529	1.0384	3.84%	0.0000
206	Unemployment Insurance	0.0146	0.8877	-11.23%	0.0000
208	Hotel Private Health/Welfare	0.0434	1.1870	18.70%	0.0000
209	Hotel Union Labor	0.3132	1.0400	4.00%	0.0000
210	SRO Union Labor	0.0122	1.0400	4.00%	0.0000
211	Apartment Value	0.1253	1.0540	5.40%	0.6848
212	Non-Union Superintendent	0.3109	1.0512	5.12%	0.8722
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 Maint. Worker	0.0000	0.0000	NA	0.0000
216	Non-Union Janitor/Porter	0.1275	1.0693	6.93%	1.8987
	LABOR COSTS	**0.1585**	**1.0530**	**5.30%**	**0.3735**
301	Fuel Oil #2	0.7040	1.3021	30.21%	1.2096
302	Fuel Oil #4	0.0151	1.4594	45.94%	0.7968
303	Fuel Oil #6	0.2810	1.5027	50.27%	0.5918
	FUEL	**0.1354**	**1.3608**	**36.08%**	**0.8677**
401	Electricity #1, 2,500 KWH	0.0666	1.1261	12.61%	0.0000
402	Electricity #2, 15,000 KWH	0.0721	1.1192	11.92%	0.0000
403	Electricity #3, 82,000 KWH	0.2394	1.1044	10.44%	0.0000
404	Gas #1, 12,000 therms	0.0580	1.0826	8.26%	0.0000
405	Gas #2, 65,000 therms	0.0461	1.0398	3.98%	0.0000
406	Gas #3, 214,000 therms	0.2120	1.0389	3.89%	0.0000
407	Steam #1, 1.2m lbs	0.0003	1.1297	12.97%	0.0000
409	Telephone	0.1574	0.9498	-5.02%	0.0000
410	Water & Sewer	0.1481	1.1150	11.50%	0.0000
	UTILITIES	**0.1502**	**1.0660**	**6.60%**	**0.0000**
501	Repainting	0.2164	1.0451	4.51%	0.7605
502	Plumbing, Faucet	0.0888	1.0494	4.94%	1.1204
503	Plumbing, Stoppage	0.0834	1.0470	4.70%	1.3385
504	Elevator #1, 6 fl., 1 e.	0.0383	1.0472	4.72%	0.7723
505	Elevator #2, 13 fl., 2 e.	0.0343	1.0452	4.52%	0.8233
506	Elevator #3, 19 fl., 3 e.	0.0316	1.0477	4.77%	0.8334
507	Burner Repair	0.0282	1.0546	5.46%	2.1470
508	Boiler Repair, Tube	0.0351	1.0287	2.87%	1.7013
509	Boiler Repair, Weld"	0.0354	1.0214	2.14%	3.6349
511	Range Repair	0.1330	1.0270	2.70%	1.4430
512	Roof Repair	0.0288	1.0763	7.63%	1.8831
513	Air Conditioner Repair	0.0422	1.0217	2.17%	1.9998
514	Floor Maint. #1, Studio	0.0008	1.0604	6.04%	4.2417
515	Floor Maint. #2, 1 Br.	0.0018	1.0421	4.21%	4.3662
516	Floor Maint. #3, 2 Br.	0.0165	1.0403	4.03%	4.1932
518	Linen/Laundry Service	0.1853	1.0000	0.00%	0.0000
	CONTRACTOR SERVICES	**0.0798**	**1.0337**	**3.37%**	**0.3426**
601	Management Fees	0.6566	1.0551	5.51%	1.1419
602	Accountant Fees	0.0788	1.0710	7.10%	1.5154
603	Attorney Fees	0.1140	1.0213	2.13%	1.0357
604	Newspaper Ads	0.0952	1.0456	4.56%	1.7557
605	Agency Fees	0.0244	1.0140	1.40%	0.8212
606	Lease Forms	0.0103	1.0336	3.36%	1.6128
607	Bill Envelopes	0.0119	1.0187	1.87%	1.1825
608	Ledger Paper	0.0088	1.0278	2.78%	2.0519
	ADMINISTRATIVE COSTS	**0.0828**	**1.0497**	**4.97%**	**0.7871**
701	INSURANCE COSTS	**0.0483**	**1.0233**	**2.33%**	**0.8083**
801	Light Bulbs	0.0153	1.0132	1.32%	1.4154
802	Light Switch	0.0168	1.0000	0.00%	0.0000
803	Wet Mop	0.0470	1.0066	0.66%	0.4770
804	Floor Wax	0.0592	1.0181	1.81%	0.9924
805	Paint	0.1263	1.0431	4.31%	2.5419
806	Pushbroom	0.0400	1.0000	0.00%	0.0000
807	Detergent	0.0500	1.0000	0.00%	0.0000
808	Bucket	0.0476	1.0042	0.42%	0.4308
809	Washers	0.0486	1.0318	3.18%	1.8127
810	Linens	0.2991	1.0012	0.12%	0.1291
811	Pine Disinfectant	0.0218	1.0234	2.34%	1.4467
812	Window/Glass Cleaner	0.0201	1.0030	0.30%	0.3215
813	Switch Plate	0.0566	1.0000	0.00%	0.0000
814	Duplex Receptacle	0.0402	1.0245	2.45%	2.6677
815	Toilet Seat	0.0486	1.0327	3.27%	2.1509
816	Deck Faucet	0.0629	1.0241	2.41%	1.2899
	PARTS AND SUPPLIES	**0.0414**	**1.0138**	**1.38%**	**0.3837**
901	Refrigerator #1	0.0204	1.0262	2.62%	1.0895
902	Refrigerator #2	0.1001	1.0471	4.71%	1.7337
903	Air Conditioner #1	0.0599	1.0337	3.37%	2.0322
904	Air Conditioner #2	0.0708	1.0199	1.99%	1.4351
907	Range #1	0.0088	1.0738	7.38%	1.6187
908	Range #2	0.0406	1.0398	3.98%	1.4329
909	Carpet	0.3437	1.0122	1.22%	1.2999
910	Dresser	0.1863	1.0000	0.00%	0.0000
911	Mattress & Box Spring	0.1693	1.0192	1.92%	1.5990
	REPLACEMENT COSTS	**0.0168**	**1.0184**	**1.84%**	**0.5764**
	ALL ITEMS	**1.0000**	**1.0740**	**7.40%**	**0.2920**

B.8 Expenditure Weights and Price Relatives, Lofts, 2008

Spec #	Item Description	Weights	Price Relative
101	TAXES	**0.2630**	**1.0032**
201	Payroll, Bronx, All"	0.0000	1.0304
202	Payroll, Other, Union, Supts.	0.2575	1.0257
203	Payroll, Other, Union, Other	0.0000	1.0275
204	Payroll, Other, Non-Union, All	0.5363	1.0559
205	Social Security Insurance	0.0424	1.0384
206	Unemployment Insurance	0.0074	0.8877
207	Private Health & Welfare	0.1564	1.0516
	LABOR COSTS	**0.0916**	**1.0454**
301	Fuel Oil #2	0.3377	1.3021
302	Fuel Oil #4	0.5555	1.4594
303	Fuel Oil #6	0.1068	1.5027
	FUEL	**0.0847**	**1.4109**
401	Electricity #1, 2,500 KWH	0.0108	1.1261
402	Electricity #2, 15,000 KWH	0.1395	1.1192
403	Electricity #3, 82,000 KWH	0.0000	1.1044
404	Gas #1, 12,000 therms	0.0061	1.0826
405	Gas #2, 65,000 therms	0.0685	1.0398
406	Gas #3, 214,000 therms	0.1943	1.0389
407	Steam #1, 1.2m lbs	0.0190	1.1297
408	Steam #2, 2.6m lbs	0.0072	1.1475
409	Telephone	0.0098	0.9498
410	Water & Sewer - Frontage	0.5447	1.1150
	UTILITIES	**0.0759**	**1.0945**
501	Repainting	0.3871	1.0451
502	Plumbing, Faucet	0.1400	1.0494
503	Plumbing, Stoppage	0.1241	1.0470
504	Elevator #1, 6 fl., 1 e.	0.0558	1.0472
505	Elevator #2, 13 fl., 2 e.	0.0363	1.0452
506	Elevator #3, 19 fl., 3 e.	0.0204	1.0477
507	Burner Repair	0.0385	1.0546
508	Boiler Repair, Tube	0.0531	1.0287
509	Boiler Repair, Weld	0.0453	1.0214
510	Refrigerator Repair	0.0113	1.0580
511	Range Repair	0.0113	1.0270
512	Roof Repair	0.0636	1.0763
513	Air Conditioner Repair	0.0082	1.0217
514	Floor Maint. #1, Studio	0.0003	1.0604
515	Floor Maint. #2, 1 Br.	0.0005	1.0421
516	Floor Maint. #3, 2 Br.	0.0043	1.0403
	CONTRACTOR SERVICES	**0.0701**	**1.0462**
	ADMINISTRATIVE COSTS, LEGAL	**0.0792**	**1.0213**
601	Management Fees	0.8179	1.0551
602	Accountant Fees	0.1408	1.0710
604	Newspaper Ads	0.0048	1.0456
605	Agency Fees	0.0065	1.0140
606	Lease Forms	0.0096	1.0336
607	Bill Envelopes	0.0110	1.0187
608	Ledger Paper	0.0094	1.0278
	ADMINISTRATIVE COSTS - OTHER	**0.0942**	**1.0561**
701	INSURANCE COSTS	**0.2117**	**1.0233**
801	Light Bulbs	0.0362	1.0132
802	Light Switch	0.0437	1.0000
803	Wet Mop	0.0390	1.0066
804	Floor Wax	0.0466	1.0181
805	Paint	0.2254	1.0431
806	Pushbroom	0.0345	1.0000
807	Detergent	0.0366	1.0000
808	Bucket	0.0383	1.0042
809	Washers	0.0955	1.0318
811	Pine Disinfectant	0.0546	1.0234
812	Window/Glass Cleaner	0.0510	1.0030
813	Switch Plate	0.0468	1.0000
814	Duplex Receptacle	0.0328	1.0245
815	Toilet Seat	0.0955	1.0327
816	Deck Faucet	0.1234	1.0241
	PARTS AND SUPPLIES	**0.0167**	**1.0228**
901	Refrigerator #1	0.0947	1.0262
902	Refrigerator #2	0.4687	1.0471
903	Air Conditioner #1	0.0168	1.0337
904	Air Conditioner #2	0.0208	1.0199
905	Floor Runner	0.0958	1.0000
906	Dishwasher	0.0473	1.0546
907	Range #1	0.0464	1.0738
908	Range #2	0.2096	1.0398
	REPLACEMENT COSTS	**0.0130**	**1.0399**
	ALL ITEMS	**1.0000**	**1.0630**

B.9 Changes in the Price Index of Operating Costs, Expenditure Weights and Price Relatives, Apartments, 1998-2008

	1998		1999		2000		2001		2002	
	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
Taxes	0.255	1.2%	0.258	0.4%	0.259	5.2%	0.253	5.5%	0.245	6.6%
Labor Costs	0.166	2.7%	0.171	3.4%	0.176	2.6%	0.168	4.0%	0.160	4.0%
Fuel	0.106	-15.0%	0.090	-18.4%	0.073	54.8%	0.095	33.3%	0.116	-36.1%
Utilities	0.144	2.3%	0.147	-0.4%	0.147	5.7%	0.154	15.0%	0.163	-9.9%
Contractor Services	0.147	2.7%	0.151	3.5%	0.156	4.6%	0.152	3.6%	0.145	3.9%
Administrative Costs	0.083	3.3%	0.086	2.9%	0.089	4.0%	0.085	4.1%	0.082	4.6%
Insurance Costs	0.065	-1.5%	0.064	3.5%	0.067	0.7%	0.062	4.9%	0.060	16.5%
Parts and Supplies	0.023	1.9%	0.023	2.2%	0.023	1.9%	0.022	0.8%	0.021	0.9%
Replacement Costs	0.010	0.6%	0.010	1.7%	0.010	0.8%	0.010	1.0%	0.009	-0.6%
All Items		**0.1%**		**0.03%**		**7.8%**		**8.7%**		**-1.6%**
Pre '47										
Taxes	0.175	1.2%	0.178	0.4%	0.180	5.2%	0.174	5.5%	0.166	6.6%
Labor Costs	0.145	2.7%	0.150	3.8%	0.156	2.7%	0.147	4.1%	0.139	4.4%
Fuel	0.147	-14.8%	0.126	-17.9%	0.104	52.9%	0.118	33.1%	0.143	-35.4%
Utilities	0.146	2.6%	0.151	0.1%	0.152	5.0%	0.174	18.9%	0.188	-11.4%
Contractor Services	0.179	2.7%	0.185	3.6%	0.192	4.5%	0.185	3.7%	0.174	3.9%
Administrative Costs	0.080	3.2%	0.083	1.5%	0.084	2.6%	0.080	2.7%	0.074	4.4%
Insurance Costs	0.086	-1.5%	0.086	3.5%	0.089	0.7%	0.082	4.9%	0.078	16.5%
Parts and Supplies	0.026	2.0%	0.027	2.2%	0.028	2.0%	0.026	0.8%	0.024	0.9%
Replacement Costs	0.015	0.7%	0.016	1.5%	0.016	0.8%	0.015	1.0%	0.013	-0.6%
All Items		**-0.5%**		**-0.4%**		**8.8%**		**10.1%**		**-3.2%**
Post '46										
Taxes	0.332	1.2%	0.335	0.4%	0.336	5.2%	0.330	5.5%	0.322	6.6%
Labor Costs	0.202	2.7%	0.206	2.9%	0.212	2.5%	0.203	3.9%	0.195	3.6%
Fuel	0.078	-15.6%	0.065	-20.0%	0.052	60.7%	0.073	34.1%	0.091	-38.8%
Utilities	0.122	1.8%	0.124	-1.5%	0.122	7.1%	0.127	14.5%	0.135	-10.5%
Contractor Services	0.101	2.6%	0.103	3.2%	0.107	4.7%	0.104	3.4%	0.100	3.6%
Administrative Costs	0.095	3.4%	0.097	2.5%	0.100	3.6%	0.096	3.8%	0.092	4.9%
Insurance Costs	0.045	-1.5%	0.044	3.5%	0.045	0.7%	0.043	4.9%	0.041	16.5%
Parts and Supplies	0.018	1.9%	0.018	2.2%	0.019	1.9%	0.018	0.8%	0.017	1.0%
Replacement Costs	0.008	0.6%	0.008	2.0%	0.008	0.7%	0.008	1.0%	0.007	-0.7%
All Items		**0.5%**		**0.02%**		**7.2%**		**7.9%**		**-0.6%**

2003		2004		2005		2006		2007		2008	
Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
0.266	14.8%	0.261	16.2%	0.283	1.2%	0.271	7.8%	0.271	5.8%	0.273	0.3%
0.170	3.5%	0.150	4.5%	0.147	3.5%	0.144	2.5%	0.136	8.1%	0.140	4.0%
0.076	66.9%	0.108	-2.8%	0.098	20.0%	0.111	22.8%	0.127	0.5%	0.121	37.4%
0.149	21.7%	0.155	0.8%	0.146	8.4%	0.150	7.9%	0.150	6.3%	0.152	8.9%
0.153	4.8%	0.137	4.1%	0.133	4.5%	0.132	5.9%	0.129	5.6%	0.130	4.6%
0.087	5.4%	0.078	4.0%	0.076	4.0%	0.075	6.5%	0.074	6.9%	0.075	5.3%
0.071	40.5%	0.085	14.7%	0.091	8.9%	0.094	2.5%	0.089	1.9%	0.087	2.3%
0.021	0.4%	0.018	1.2%	0.017	2.6%	0.017	5.5%	0.016	3.0%	0.016	2.3%
0.009	1.4%	0.008	1.0%	0.007	3.1%	0.007	4.5%	0.007	1.6%	0.007	4.0%
	16.9%		**6.9%**		**5.8%**		**7.8%**		**5.1%**		**7.8%**
0.183	14.8%	0.178	16.8%	0.195	1.3%	0.185	8.6%	0.185	6.1%	0.188	1.7%
0.150	3.6%	0.131	4.7%	0.129	3.5%	0.125	2.5%	0.118	7.3%	0.121	4.2%
0.095	64.3%	0.132	-2.3%	0.122	20.9%	0.138	21.9%	0.155	1.3%	0.150	36.0%
0.172	22.2%	0.177	2.4%	0.171	8.4%	0.173	9.6%	0.175	5.3%	0.176	8.1%
0.187	4.9%	0.166	4.1%	0.162	4.5%	0.159	5.9%	0.155	5.7%	0.156	4.7%
0.080	5.2%	0.071	3.9%	0.070	3.8%	0.068	6.1%	0.066	6.6%	0.067	5.2%
0.094	40.5%	0.112	14.7%	0.121	8.9%	0.123	2.5%	0.116	1.9%	0.113	2.3%
0.025	0.4%	0.021	1.2%	0.020	2.6%	0.019	5.4%	0.019	3.1%	0.018	2.3%
0.014	1.4%	0.012	1.0%	0.011	3.1%	0.011	4.6%	0.010	1.5%	0.010	4.0%
	18.4%		**6.4%**		**6.8%**		**8.4%**		**4.7%**		**9.1%**
0.345	14.8%	0.341	15.2%	0.368	1.1%	0.355	6.6%	0.353	5.4%	0.353	-1.7%
0.203	3.3%	0.181	4.3%	0.177	3.5%	0.175	2.5%	0.167	9.0%	0.173	3.7%
0.056	77.7%	0.085	-5.0%	0.076	16.3%	0.084	26.2%	0.099	-2.8%	0.092	43.1%
0.121	24.9%	0.131	-1.7%	0.120	8.9%	0.124	7.8%	0.125	6.3%	0.127	9.3%
0.104	4.7%	0.094	3.9%	0.091	4.3%	0.091	5.9%	0.089	5.4%	0.090	4.5%
0.098	5.7%	0.089	4.0%	0.087	4.2%	0.086	6.9%	0.086	7.3%	0.087	5.4%
0.048	40.5%	0.059	14.7%	0.063	8.9%	0.065	2.5%	0.062	1.9%	0.060	2.3%
0.017	0.4%	0.015	1.2%	0.014	2.6%	0.014	5.6%	0.013	3.0%	0.013	2.2%
0.007	1.4%	0.006	1.0%	0.006	3.0%	0.006	4.3%	0.006	1.7%	0.005	3.9%
	16.2%		**6.9%**		**4.7%**		**7.4%**		**5.2%**		**6.2%**

C.1 Cross-Sectional Income and Expense Study, Estimated Average Operating & Maintenance Cost (2006) 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	**$147**	**$66**	**$88**	**$37**	**$24**	**$118**	**$76**	**$44**	**$65**	**$666**
11-19 units	$161	$57	$97	$38	$27	$122	$85	$48	$86	$720
20-99 units	$131	$56	$89	$38	$22	$114	$72	$44	$60	$626
100+ units	$252	$163	$64	$33	$37	$137	$96	$38	$71	$890
Bronx	$82	$53	$91	$40	$22	$109	$60	$48	$48	$554
11-19 units	$80	$59	$106	$41	$27	$111	$59	$53	$74	$610
20-99 units	$82	$52	$91	$40	$22	$108	$60	$48	$47	$549
100+ units	$91	$66	$77	$39	$26	$123	$69	$44	$38	$573
Brooklyn	$107	$45	$92	$37	$20	$99	$60	$42	$55	$555
11-19 units	$103	$43	$96	$35	$19	$110	$68	$43	$61	$578
20-99 units	$106	$44	$91	$37	$20	$95	$57	$42	$54	$546
100+ units	$122	$61	$81	$39	$19	$109	$58	$38	$42	$569
Manhattan	$221	$92	$85	$37	$30	$139	$100	$45	$86	$835
11-19 units	$232	$68	$98	$40	$35	$138	$111	$53	$112	$887
20-99 units	$192	$71	$88	$37	$25	$136	$93	$45	$77	$764
100+ units	$337	$224	$53	$29	$48	$153	$118	$37	$89	$1,087
Queens	$134	$54	$83	$35	$17	$106	$68	$38	$57	$592
11-19 units	$120	$45	$91	$34	$15	$105	$54	$37	$67	$568
20-99 units	$134	$51	$82	$36	$17	$106	$71	$38	$55	$590
100+ units	$169	$105	$81	$35	$19	$105	$61	$39	$55	$669
Core Man	$291	$107	$74	$34	$33	$139	$114	$44	$99	$935
11-19 units	$277	$68	$91	$39	$32	$142	$118	$53	$119	$940
20-99 units	$271	$75	$75	$33	$26	$132	$108	$42	$92	$854
100+ units	$355	$233	$51	$29	$49	$154	$122	$37	$91	$1,121
Upper Man	$118	$69	$101	$41	$27	$138	$81	$47	$67	$690
11-19 units	$112	$70	$116	$43	$42	$125	$92	$52	$93	$744
20-99 units	$118	$67	$100	$41	$24	$140	$80	$47	$62	$680
100+ units	$157	$123	$66	$34	$30	$137	$77	$37	$69	$730
City w/o Core	$105	$54	$92	$39	$22	$111	$66	$44	$55	$588
11-19 units	$104	$51	$100	$37	$24	$111	$68	$45	$70	$611
20-99 units	$104	$53	$91	$39	$21	$111	$65	$44	$53	$582
100+ units	$127	$79	$78	$38	$22	$115	$64	$40	$47	$610

Notes: The sum of the lines may not equal the total due to rounding. Totals in this table may not match those in Appendix Table 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 Study* is the sum of "Water & Sewer" and "Light & Power." The number of Pre-47 rent stabilized buildings in Staten Island were too small to calculate reliable statistics. Due to changes in the RPIE form, owners are no longer required to report tax expenses; therefore, tax figures used in this report were calculated by the Dept. of Finance.

Source: NYC Department of Finance, RPIE Filings.

C.2 Cross-Sectional Income and Expense Study, Estimated Average Operating & Maintenance Cost (2006) 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	**$207**	**$115**	**$75**	**$35**	**$35**	**$106**	**$81**	**$38**	**$71**	**$763**
11-19 units	$152	$57	$80	$35	$27	$113	$75	$42	$48	$630
20-99 units	$152	$72	$78	$37	$29	$100	$69	$39	$62	$639
100+ units	$270	$167	$71	$33	$42	$111	$95	$37	$83	$908
Bronx	$122	$79	$75	$38	$33	$94	$66	$43	$60	$609
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$118	$65	$76	$39	$28	$94	$60	$45	$55	$579
100+ units	$133	$107	$73	$35	$43	$91	$79	$37	$70	$668
Brooklyn	$140	$84	$79	$35	$28	$94	$64	$38	$61	$622
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$135	$70	$84	$37	$28	$96	$65	$39	$63	$618
100+ units	$147	$114	$71	$32	$28	$88	$60	$35	$58	$634
Manhattan	$393	$201	$72	$31	$46	$135	$125	$40	$99	$1,143
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$262	$86	$78	$33	$34	$137	$104	$42	$65	$842
100+ units	$446	$249	$69	$31	$51	$133	$132	$39	$111	$1,261
Queens	$154	$87	$74	$36	$32	$95	$68	$34	$63	$644
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$148	$73	$75	$37	$29	$90	$64	$34	$67	$617
100+ units	$165	$112	$71	$36	$38	$101	$73	$33	$62	$691
St. Island	$122	$86	$74	$27	$20	$110	$54	$37	$55	$586
Core Man	$479	$229	$69	$30	$47	$140	$139	$41	$95	$1,270
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$347	$95	$64	$28	$34	$139	$109	$37	$72	$925
100+ units	$519	$270	$69	$31	$51	$139	$147	$42	$101	$1,369
Upper Man	$139	$119	$81	$34	$44	$120	$81	$38	$108	$764
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$149	$74	$98	$39	$34	$135	$97	$49	$57	$732
100+ units	-	-	-	-	-	-	-	-	-	-
City w/o Core	$141	$87	$76	$36	$32	$97	$67	$38	$65	$638
11-19 units	$134	$56	$78	$35	$26	$106	$67	$41	$43	$585
20-99 units	$135	$70	$80	$37	$29	$96	$66	$39	$62	$614
100+ units	$149	$116	$71	$34	$37	$97	$69	$34	$74	$680

Notes: The sum of the lines may not equal the total due to rounding. Totals in this table may not match those in Appendix Table 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 Study* is the sum of "Water & Sewer" and "Light & Power." The number of Post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Staten Island, Queens, and Manhattan as well as 20-99 buildings on Staten Island and 100+ unit buildings on Staten Island and in Upper Manhattan were too small to calculate reliable statistics. Due to changes in the RPIE form, owners are no longer required to report tax expenses; therefore, tax figures used in this report were calculated by the Dept. of Finance.

Source: NYC Department of Finance, RPIE Filings.

C.3 Cross-Sectional Income and Expense Study, Estimated Average Rent, Income and Costs (2006) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**$1,020**	**$1,125**	**$763**	**$857**	**$958**	**$666**	**$907**	**$1,009**	**$695**
11-19 units	$855	$977	$630	$873	$1,038	$720	$871	$1,032	$711
20-99 units	$851	$908	$639	$812	$890	$626	$821	$894	$629
100+ units	$1,217	$1,371	$908	$1,197	$1,371	$890	$1,211	$1,371	$902
Bronx	$784	$825	$609	$665	$720	$554	$693	$744	$567
11-19 units	-	-	-	$653	$731	$610	$648	$729	$610
20-99 units	$747	$778	$579	$663	$716	$549	$678	$727	$555
100+ units	$867	$923	$668	$720	$777	$573	$823	$879	$640
Brooklyn	$812	$865	$622	$722	$760	$555	$748	$791	$575
11-19 units	-	-	-	$728	$780	$578	$735	$785	$578
20-99 units	$791	$838	$618	$714	$746	$546	$735	$771	$565
100+ units	$846	$911	$634	$779	$831	$569	$824	$885	$613
Manhattan	$1,565	$1,815	$1,143	$1,092	$1,285	$835	$1,202	$1,408	$906
11-19 units	-	-	-	$1,060	$1,360	$887	$1,064	$1,362	$888
20-99 units	$1,183	$1,326	$842	$1,019	$1,167	$764	$1,037	$1,185	$772
100+ units	$1,718	$2,007	$1,261	$1,465	$1,718	$1,087	$1,616	$1,891	$1,191
Queens	$863	$923	$644	$800	$834	$592	$833	$880	$619
11-19 units	-	-	-	$751	$786	$568	$778	$847	$577
20-99 units	$840	$888	$617	$799	$831	$590	$816	$855	$601
100+ units	$902	$963	$691	$920	$973	$669	$905	$964	$688
St. Island	$769	$829	$586	-	-	-	$761	$821	$578
Core Man	$1,773	$2,073	$1,270	$1,283	$1,531	$935	$1,419	$1,681	$1,027
11-19 units	-	-	-	$1,153	$1,500	$940	$1,157	$1,502	$942
20-99 units	$1,361	$1,542	$925	$1,247	$1,441	$854	$1,261	$1,454	$863
100+ units	$1,896	$2,227	$1,369	$1,514	$1,782	$1,121	$1,732	$2,036	$1,262
Upper Man	$948	$1,049	$764	$813	$927	$690	$834	$946	$702
11-19 units	-	-	-	$809	$979	$744	$806	$975	$740
20-99 units	$949	$1,041	$732	$808	$914	$680	$821	$926	$685
100+ units	-	-	-	$951	$1,049	$730	$953	$1,059	$780
City w/o Core	$835	$892	$638	$733	$791	$588	$765	$823	$603
11-19 units	$803	$905	$585	$734	$809	$611	$742	$821	$608
20-99 units	$806	$852	$614	$728	$783	$582	$747	$800	$590
100+ units	$882	$949	$680	$812	$871	$610	$865	$931	$664

Notes: City, borough totals and building size categories are weighted. Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Staten Island, Queens, and Manhattan as well as 20-99 buildings on Staten Island and 100+ unit buildings on Staten Island and in Upper Manhattan were too small to calculate reliable statistics, as was the number of Pre-47 buildings in Staten Island. Borough averages without building size figures for Post-46 Staten Island are provided.

Source: NYC Department of Finance, RPIE Filings.

C.4 Cross-Sectional Income and Expense Study, Estimated Median Rent, Income and Costs (2006) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**$861**	**$907**	**$651**	**$768**	**$819**	**$599**	**$782**	**$832**	**$605**
11-19 units	$811	$875	$606	$821	$919	$668	$820	$915	$666
20-99 units	$821	$858	$609	$753	$795	$581	$760	$802	$584
100+ units	$931	$1,011	$738	$873	$965	$659	$911	$987	$707
Bronx	$746	$778	$565	$666	$705	$539	$673	$711	$540
11-19 units	-	-	-	$658	$719	$594	$654	$708	$594
20-99 units	$745	$773	$554	$666	$703	$533	$671	$707	$535
100+ units	$816	$844	$618	$728	$784	$531	$754	$808	$557
Brooklyn	$805	$851	$592	$699	$729	$524	$709	$740	$531
11-19 units	-	-	-	$685	$717	$539	$688	$720	$539
20-99 units	$791	$826	$569	$700	$729	$520	$708	$738	$523
100+ units	$834	$932	$619	$762	$821	$572	$812	$881	$590
Manhattan	$1,352	$1,568	$981	$999	$1,168	$735	$1,024	$1,189	$749
11-19 units	-	-	-	$1,061	$1,307	$804	$1,067	$1,309	$806
20-99 units	$1,217	$1,285	$828	$962	$1,086	$697	$977	$1,097	$703
100+ units	$1,798	$2,050	$1,276	$1,283	$1,495	$969	$1,529	$1,813	$1,122
Queens	$861	$900	$632	$794	$810	$560	$817	$838	$588
11-19 units	-	-	-	$752	$767	$531	$757	$777	$536
20-99 units	$842	$875	$607	$801	$820	$566	$813	$833	$581
100+ units	$881	$934	$666	$903	$967	$637	$885	$942	$664
St. Island	$758	$793	$559	-	-	-	$758	$777	$557
Core Man	$1,503	$1,793	$1,091	$1,188	$1,361	$799	$1,208	$1,380	$819
11-19 units	-	-	-	$1,140	$1,404	$846	$1,142	$1,406	$848
20-99 units	$1,284	$1,392	$862	$1,209	$1,317	$760	$1,216	$1,319	$764
100+ units	$1,900	$2,196	$1,365	$1,479	$1,711	$1,102	$1,671	$1,967	$1,224
Upper Man	$852	$952	$711	$750	$817	$626	$754	$824	$627
11-19 units	-	-	-	$720	$833	$665	$720	$832	$662
20-99 units	$877	$949	$648	$752	$813	$619	$756	$816	$621
100+ units	-	-	-	$843	$874	$609	$849	$933	$707
City w/o Core	$823	$866	$610	$709	$747	$553	$724	$760	$559
11-19 units	$742	$813	$540	$701	$743	$563	$702	$746	$561
20-99 units	$798	$835	$585	$709	$745	$549	$720	$752	$553
100+ units	$867	$922	$661	$785	$838	$579	$851	$897	$631

Notes: Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Staten Island, Queens,, and Manhattan as well as 20-99 buildings on Staten Island and 100+ unit buildings on Staten Island and in Upper Manhattan were too small to calculate reliable statistics, as was the number of Pre-47 buildings in Staten Island. Borough averages without building size figures for Post-46 Staten Island are provided.

Source: NYC Department of Finance, RPIE Filings.

C.5 Cross-Sectional Income and Expense Study, Net Operating Income in 2006 per Apartment per Month by Building Size and Location

	Post-46	Pre-47	All
Citywide	**$362**	**$292**	**$314**
11-19 units	$347	$318	$321
20-99 units	$269	$264	$265
100+ units	$463	$481	$469
Bronx	$216	$165	$177
11-19 units	-	$121	$119
20-99 units	$199	$167	$173
100+ units	$255	$204	$240
Brooklyn	$243	$205	$216
11-19 units	-	$202	$208
20-99 units	$220	$200	$205
100+ units	$277	$262	$272
Manhattan	$672	$450	$502
11-19 units	-	$472	$474
20-99 units	$484	$404	$412
100+ units	$746	$631	$700
Queens	$279	$242	$261
11-19 units	-	$218	$270
20-99 units	$271	$241	$254
100+ units	$272	$304	$277
St. Island	$243	-	$243

	Post-46	Pre-47	All
Core Man	$802	$597	$654
11-19 units	-	$560	$560
20-99 units	$617	$587	$591
100+ units	$858	$661	$773
Upper Man	$285	$237	$244
11-19 units	-	$235	$235
20-99 units	$309	$234	$241
100+ units	-	$319	$279
City w/o Core	$254	$204	$219
11-19 units	$320	$198	$213
20-99 units	$238	$201	$210
100+ units	$269	$261	$267

Notes: City, borough totals and building size categories are weighted. Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Staten Island, Queens, and Manhattan as well as 20-99 unit buildings on Staten Island and 100+ unit buildings on Staten Island and in Upper Manhattan were too small to calculate reliable statistics, as was the number of Pre-47 buildings in Staten Island. Borough averages without building size figures for Post-46 Staten Island are provided.

Source: NYC Department of Finance, RPIE Filings.

C.6 Cross-Sectional Distribution of Operating Costs in 2006, by Building Size and Age

	Taxes	Maint.	Labor	Admin.	Utilities	Fuel	Misc.	Insurance	Total
Pre-47	22.1%	17.7%	9.9%	11.5%	9.2%	13.2%	9.8%	6.6%	100%
11-19 units	22.4%	16.9%	7.9%	11.8%	9.0%	13.5%	12.0%	6.6%	100%
20-99 units	21.0%	18.2%	9.0%	11.5%	9.5%	14.2%	9.5%	7.0%	100%
100+ units	28.3%	15.4%	18.4%	10.7%	7.9%	7.2%	8.0%	4.3%	100%
Post-46	27.1%	13.9%	15.0%	10.6%	9.2%	9.8%	9.3%	5.0%	100%
11-19 units	24.2%	18.0%	9.1%	12.0%	9.8%	12.6%	7.6%	6.7%	100%
20-99 units	23.9%	15.6%	11.2%	10.8%	10.3%	12.3%	9.8%	6.1%	100%
100+ units	29.8%	12.2%	18.4%	10.4%	8.2%	7.8%	9.1%	4.1%	100%
All Bldgs.	23.7%	16.4%	11.6%	11.2%	9.2%	12.1%	9.6%	6.1%	100%
11-19 units	22.5%	17.0%	8.0%	11.8%	9.1%	13.4%	11.6%	6.6%	100%
20-99 units	21.6%	17.6%	9.5%	11.4%	9.7%	13.7%	9.6%	6.8%	100%
100+ units	29.3%	13.2%	18.4%	10.5%	8.1%	7.6%	8.8%	4.1%	100%

Source: NYC Department of Finance, RPIE Filings.

C.7 Cross-Sectional Distribution of "Distressed" Buildings, 2006 RPIE Filings

	Citywide	Bronx	Brooklyn	Manhattan	Queens	St. Island	Core Man	Upper Man
Pre-47								
11-19 units	438	71	117	205	45	-	136	69
20-99 units	807	214	201	319	73	-	112	207
100+ units	12	3	2	5	2	-	3	2
All	1,257	288	320	529	120	-	251	278
Post-46								
11-19 units	8	4	-	4	-	-	3	1
20-99 units	62	16	17	8	18	3	5	3
100+ units	24	2	3	8	10	1	7	1
All	94	22	20	20	28	4	15	5
All Bldgs.								
11-19 units	446	75	117	209	45	-	139	70
20-99 units	869	230	218	327	91	3	117	210
100+ units	36	5	5	13	12	1	10	3
All	**1,351**	**310**	**340**	**549**	**148**	**4**	**266**	**283**

Source: NYC Department of Finance, RPIE Filings.

C.8 Cross-Sectional Sample, 2006 RPIE Filings

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
Citywide	**1,420**	**156,178**	**11,222**	**414,828**	**12,644**	**571,045**
11-19 units	87	1,294	2,939	44,443	3,027	45,753
20-99 units	829	48,079	7,940	317,151	8,770	365,253
100+ units	504	106,805	343	53,234	847	160,039
Bronx	222	18,186	2,330	100,546	2,552	118,732
11-19 units	10	152	269	3,962	279	4,114
20-99 units	171	10,343	2,002	89,103	2,173	99,446
100+ units	41	7,691	59	7,481	100	15,172
Brooklyn	268	25,639	2,590	95,436	2,860	121,114
11-19 units	14	199	687	10,400	702	10,615
20-99 units	175	11,186	1,847	78,242	2,023	89,451
100+ units	79	14,254	56	6,794	135	21,048
Manhattan	354	51,976	5,068	169,451	5,422	221,427
11-19 units	26	406	1,643	24,785	1,669	25,191
20-99 units	155	7,885	3,257	114,364	3,412	122,249
100+ units	173	43,685	168	30,302	341	73,987
Queens	523	56,439	1,217	48,607	1,740	105,046
11-19 units	27	393	334	5,194	361	5,587
20-99 units	299	17,481	826	35,080	1,125	52,561
100+ units	197	38,565	57	8,333	254	46,898
St. Island	53	3,938	17	788	70	4,726
11-19 units	10	144	6	102	16	246
20-99 units	29	1,184	8	362	37	1,546
100+ units	14	2,610	3	324	17	2,934
Core Man	298	44,584	3,264	101,414	3,562	145,998
11-19 units	23	359	1,305	19,651	1,328	20,010
20-99 units	119	6,056	1,834	58,253	1,953	64,309
100+ units	156	38,169	125	23,510	281	61,679
Upper Man	56	7,392	1,804	68,037	1,860	75,429
11-19 units	3	47	338	5,134	341	5,181
20-99 units	36	1,829	1,423	56,111	1,459	57,940
100+ units	17	5,516	43	6,792	60	12,308

Source: NYC Department of Finance, RPIE Filings.

C.9 Longitudinal Income and Expense Study, Estimated Average Rent, Income and Costs Changes (2005-2006) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**5.1%**	**5.2%**	**3.6%**	**5.9%**	**5.7%**	**4.3%**	**5.6%**	**5.5%**	**4.1%**
11-19 units	1.2%	2.8%	-1.4%	7.0%	6.4%	5.0%	6.4%	6.0%	4.4%
20-99 units	4.6%	4.9%	3.6%	5.4%	5.3%	4.0%	5.2%	5.2%	3.9%
100+ units	5.7%	5.5%	4.0%	7.3%	7.2%	5.0%	6.2%	6.0%	4.3%
Bronx	7.0%	6.4%	3.4%	3.4%	4.0%	2.8%	4.3%	4.6%	2.9%
11-19 units	-	-	-	1.4%	1.1%	2.1%	1.4%	1.0%	2.6%
20-99 units	5.4%	5.7%	1.7%	3.5%	4.1%	2.6%	3.9%	4.4%	2.4%
100+ units	9.9%	7.7%	6.3%	4.4%	6.2%	7.1%	8.4%	7.3%	6.5%
Brooklyn	3.7%	3.7%	2.4%	6.3%	4.8%	3.4%	5.5%	4.4%	3.0%
11-19 units	-	-	-	8.1%	5.0%	2.7%	7.7%	4.8%	2.4%
20-99 units	3.1%	3.3%	4.2%	5.7%	4.6%	3.4%	5.0%	4.2%	3.6%
100+ units	4.9%	4.6%	-0.3%	5.9%	6.0%	5.1%	5.2%	5.0%	1.3%
Manhattan	5.7%	6.1%	4.4%	6.8%	6.7%	5.2%	6.5%	6.5%	4.9%
11-19 units	-	-	-	7.1%	7.5%	6.6%	6.9%	7.4%	6.4%
20-99 units	5.8%	6.8%	5.2%	6.5%	6.3%	4.8%	6.4%	6.3%	4.8%
100+ units	5.8%	5.9%	4.3%	7.6%	7.4%	4.9%	6.5%	6.5%	4.5%
Queens	4.1%	4.2%	3.5%	5.9%	5.6%	5.7%	4.9%	4.9%	4.5%
11-19 units	-	-	-	7.4%	7.5%	4.9%	5.0%	5.6%	1.6%
20-99 units	4.6%	4.6%	3.5%	5.3%	5.1%	6.1%	5.0%	4.9%	5.0%
100+ units	3.9%	4.0%	4.8%	9.0%	7.8%	3.0%	4.6%	4.5%	4.6%
Staten Island	6.7%	2.0%	2.4%	-	-	-	6.4%	2.4%	1.9%
Core Manhattan	4.9%	5.2%	3.7%	7.1%	7.1%	4.9%	6.3%	6.5%	4.5%
11-19 units	-	-	-	6.9%	7.5%	6.2%	6.7%	7.3%	6.1%
20-99 units	5.8%	6.3%	4.4%	6.9%	6.7%	4.4%	6.7%	6.7%	4.4%
100+ units	4.8%	5.1%	3.5%	7.6%	7.4%	4.8%	5.9%	6.0%	4.0%
Upper Manhattan	10.3%	11.2%	8.3%	6.3%	5.9%	5.6%	7.0%	6.8%	6.0%
11-19 units	-	-	-	8.0%	7.5%	7.9%	7.6%	7.4%	7.6%
20-99 units	-	-	-	6.0%	5.6%	5.2%	5.9%	5.8%	5.3%
100+ units	-	-	-	-	-	-	13.0%	12.2%	9.2%
All City w/o Core	5.2%	5.1%	3.6%	5.3%	4.9%	4.0%	5.3%	5.0%	3.9%
11-19 units	1.0%	2.4%	-2.4%	7.0%	5.4%	4.0%	6.1%	4.9%	3.2%
20-99 units	4.5%	4.7%	3.5%	4.9%	4.7%	3.9%	4.8%	4.7%	3.8%
100+ units	6.7%	5.9%	4.4%	6.6%	6.5%	5.3%	6.7%	6.1%	4.6%

Notes: City, borough totals and building size categories are weighted. Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Queens, Staten Island, and Manhattan as well as buildings with 20-99 units and 100+ units in Upper Manhattan and Staten Island were too small to calculate reliable statistics as was the number of Pre-47 buildings in Staten Island and Upper Manhattan 100+ units. Borough averages without building size figures for Staten Island are provided.

Source: NYC Department of Finance, RPIE Filings.

C.10 Longitudinal Income and Expense Study, Estimated Median Rent, Income and Costs Changes (2005-2006) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**3.7%**	**4.1%**	**1.9%**	**5.6%**	**5.1%**	**4.1%**	**5.6%**	**5.0%**	**3.7%**
11-19 units	0.7%	-1.1%	1.5%	8.5%	4.7%	4.6%	8.0%	5.4%	4.5%
20-99 units	4.1%	4.2%	3.6%	5.1%	4.8%	4.3%	5.3%	5.0%	4.1%
100+ units	4.7%	5.6%	3.2%	5.2%	5.7%	4.1%	4.4%	5.9%	3.9%
Bronx	3.9%	5.5%	0.7%	4.6%	4.3%	2.7%	4.5%	4.6%	2.8%
11-19 units	-	-	-	3.4%	4.9%	3.9%	3.5%	5.1%	3.9%
20-99 units	4.8%	8.3%	1.1%	4.6%	4.2%	2.1%	4.7%	4.5%	2.5%
100+ units	4.1%	3.1%	3.3%	6.3%	3.6%	3.4%	3.5%	4.8%	8.6%
Brooklyn	4.3%	3.7%	5.5%	6.5%	5.7%	2.6%	6.0%	5.2%	3.1%
11-19 units	-	-	-	8.9%	7.3%	3.7%	8.5%	7.3%	3.7%
20-99 units	3.9%	4.5%	5.3%	5.8%	5.7%	2.6%	5.4%	5.4%	2.3%
100+ units	6.3%	3.4%	2.7%	7.4%	6.6%	6.8%	6.8%	3.5%	2.8%
Manhattan	3.9%	6.2%	3.0%	7.2%	6.3%	5.7%	7.0%	6.0%	5.4%
11-19 units	-	-	-	8.6%	7.9%	5.3%	8.8%	7.3%	5.6%
20-99 units	4.8%	4.6%	8.7%	6.7%	5.6%	4.2%	7.0%	6.2%	4.6%
100+ units	4.1%	4.9%	3.9%	8.5%	4.7%	5.0%	7.1%	6.7%	1.0%
Queens	3.8%	3.9%	1.1%	5.1%	5.4%	5.0%	5.3%	5.5%	4.8%
11-19 units	-	-	-	4.5%	5.9%	7.2%	5.9%	6.5%	7.5%
20-99 units	3.8%	4.1%	3.2%	5.0%	5.1%	4.8%	5.5%	5.2%	4.7%
100+ units	3.6%	6.0%	-1.6%	6.4%	6.9%	-3.6%	3.9%	4.8%	1.4%
Staten Island	6.8%	3.9%	1.1%	-	-	-	7.2%	4.8%	1.5%
Core Manhattan	7.1%	7.0%	2.8%	7.1%	6.9%	4.1%	6.7%	7.4%	4.2%
11-19 units	-	-	-	8.2%	7.1%	5.3%	8.2%	6.9%	5.2%
20-99 units	5.7%	8.0%	5.8%	6.4%	6.3%	2.8%	6.4%	6.2%	3.1%
100+ units	6.0%	7.2%	4.7%	11.1%	4.5%	3.3%	6.0%	5.3%	3.0%
Upper Manhattan	7.3%	4.4%	3.4%	5.8%	6.0%	5.1%	6.0%	6.0%	4.9%
11-19 units	-	-	-	5.6%	5.9%	6.8%	5.6%	5.9%	7.1%
20-99 units	-	-	-	6.3%	6.0%	4.7%	6.1%	6.1%	5.4%
100+ units	-	-	-	-	-	-	12.1%	9.1%	5.6%
All City w/o Core	4.7%	4.4%	3.4%	6.0%	4.9%	4.1%	5.3%	5.0%	3.9%
11-19 units	-3.4%	1.2%	-3.4%	7.4%	5.1%	4.7%	7.3%	5.0%	4.2%
20-99 units	4.7%	5.3%	3.7%	5.4%	4.9%	4.0%	5.2%	5.0%	3.9%
100+ units	4.0%	4.6%	1.6%	6.7%	6.4%	4.4%	5.0%	5.3%	3.4%

Notes: Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Queens, Staten Island, and Manhattan as well as buildings with 20-99 units and 100+ units in Upper Manhattan and Staten Island were too small to calculate reliable statistics as was the number of Pre-47 buildings in Staten Island and Upper Manhattan 100+ units. Borough averages without building size figures for Staten Island are provided.

Source: NYC Department of Finance, RPIE Filings.

C.11 Longitudinal Income and Expense Study, Net Operating Income Changes (2005-2006) by Building Size and Location

	Post-46	Pre-47	All
Citywide	**8.5%**	**8.9%**	**8.8%**
11-19 units	-	9.5%	9.7%
20-99 units	8.2%	8.2%	8.2%
100+ units	8.5%	11.4%	9.4%
Bronx	15.5%	8.4%	10.5%
11-19 units	-	-3.8%	-5.9%
20-99 units	19.4%	9.6%	11.6%
100+ units	11.5%	3.4%	9.5%
Brooklyn	7.3%	8.7%	8.2%
11-19 units	-	11.7%	11.5%
20-99 units	0.9%	7.8%	5.8%
100+ units	16.5%	8.1%	14.0%
Manhattan	9.0%	9.7%	9.5%
11-19 units	-	9.1%	9.1%
20-99 units	9.7%	9.3%	9.3%
100+ units	8.9%	11.7%	9.9%
Queens	5.8%	5.5%	5.7%
11-19 units	-	14.2%	14.7%
20-99 units	7.0%	2.8%	4.7%
100+ units	1.9%	19.8%	4.3%
St. Island	1.1%	-	3.7%

	Post-46	Pre-47	All
Core Manhattan	7.9%	10.6%	9.7%
11-19 units	-	9.6%	9.5%
20-99 units	9.3%	10.3%	10.2%
100+ units	7.7%	12.0%	9.3%
Upper Manhattan	19.9%	6.8%	8.8%
11-19 units	-	6.2%	6.9%
20-99 units	-	6.9%	7.3%
100+ units	-	-	21.0%
All City w/o Core	9.0%	7.6%	8.1%
11-19 units	12.0%	9.4%	9.9%
20-99 units	8.0%	7.1%	7.3%
100+ units	9.8%	9.6%	9.8%

Notes: City, borough totals and building size categories are weighted. Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Queens, Staten Island, and Manhattan as well buildings with 20-99 units and 100+ units in Upper Manhattan and Staten Island were too small to calculate reliable statistics as was the number of Pre-47 buildings in Staten Island and Upper Manhattan 100+ units. Borough averages without building size figures for Staten Island are provided.

Source: NYC Department of Finance, RPIE Filings.

C.12 Longitudinal Sample, 2005 & 2006 RPIE Filings

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
Citywide	1,118	122,176	7,907	308,526	9,026	430,725
11-19 units	66	980	1,870	28,437	1,936	29,417
20-99 units	640	37,492	5,769	37,715	6,410	275,230
100+ units	412	83,704	268	42,374	680	126,078
Bronx	167	13,616	1,638	74,155	1,805	87,771
11-19 units	8	119	136	2,050	144	2,169
20-99 units	124	7,679	1,459	66,520	1,583	74,199
100+ units	35	5,818	43	5,585	78	11,403
Brooklyn	208	20,612	1,726	67,588	1,935	88,223
11-19 units	12	172	393	5,983	405	6,155
20-99 units	134	8,549	1,294	56,886	1,429	65,458
100+ units	62	11,891	39	4,719	101	16,610
Manhattan	287	40,516	3,666	128,761	3,953	169,277
11-19 units	20	312	1,144	17,311	1,164	17,623
20-99 units	126	6,584	2,388	87,010	2,514	93,594
100+ units	141	33,620	134	24,440	275	58,060
Queens	413	44,148	863	37,294	1,276	81,442
11-19 units	18	261	193	3,026	211	3,287
20-99 units	232	13,672	621	26,962	853	40,634
100+ units	163	30,215	49	7,306	212	37,521
St. Island	43	3,284	14	728	57	4,012
11-19 units	8	116	4	67	12	183
20-99 units	24	1,008	7	337	31	1,345
100+ units	11	2,160	3	324	14	2,484
Core Manhattan	244	35,762	2,410	77,935	2,654	113,697
11-19 units	18	278	950	14,317	968	14,595
20-99 units	98	5,089	1,359	44,131	1,457	49,220
100+ units	128	30,395	101	19,487	229	49,882
Upper Manhattan	43	4,754	1,256	50,826	1,299	55,580
11-19 units	2	34	194	2,994	196	3,028
20-99 units	28	1,495	1,029	42,879	1,057	44,374
100+ units	13	3,225	33	4,953	46	8,178

Source: NYC Department of Finance, RPIE Filings.

D.1 Occupancy Status

	ALL UNITS	Owner Units	Renter Units	Stabilized
Total Number of Units (occupied, vacant available, and vacant not available)	3,260,855@			
Number of Units (occupied and vacant, available)	3,124,143	1,031,780	2,092,363	1,043,677
Occupied Units	3,037,996	1,010,370	2,027,626	1,015,654
Bronx	472,246	104,400	367,846	217,048
Brooklyn	877,552	255,955	621,597	270,109
Manhattan	737,768	174,179	563,589	324,749
Queens	786,766	365,040	421,726	195,351
Staten Island	163,663	110,795	52,868	8,397
Vacant Units	222,859			
Vacant, for rent or sale	86,147	21,410	64,737	28,023
Bronx	10,952	1,000	9,952	5,274
Brooklyn	23,790	6,031	17,759	7,880
Manhattan	27,906	5,708	22,198	10,089
Queens	19,842	7,603	12,239	4,016
Staten Island	3,658	1,068	2,590	764
Asking Rent				
<$500	-	-	4,388	1,297
$500-$599	-	-	2,930	1,726
$600-$699	-	-	4,988	2,776
$700-$799	-	-	4,371	2,573
$800-$899	-	-	7,749	3,614
$900-$999	-	-	7,928	4,155
$1000-$1249	-	-	11,195	6,289
$ 1250-$1499	-	-	4,768	1,978
$1500-$1749	-	-	4,821	2,235
$1750+	-	-	11,600	1,379
Vacant, not for rent or sale	136,712	-	-	-
Bronx	15,830	-	-	-
Brooklyn	43,389	-	-	-
Manhattan	49,591	-	-	-
Queens	21,393	-	-	-
Staten Island	6,508	-	-	-
Dilapidated	2,338	-	-	-
Rented-Not Yet Occupied	8,853	-	-	-
Sold-Not Yet Occupied	7,348	-	-	-
Undergoing Renovation	31,432	-	-	-
Awaiting Renovation	16,376	-	-	-
Non-Residential Use	989	-	-	-
Legal Dispute	10,155	-	-	-
Awaiting Conversion	602	-	-	-
Held for Occasional Use	37,357	-	-	-
Unable to Rent or Sell	9,595	-	-	-
Held Pending Sale of Building	2,786	-	-	-
Held for Planned Demolition	1,078	-	-	-
Held for Other Reasons	7,017	-	-	-
(Not Reported)	784	-	-	-

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

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
Pre-1947	Post-1946	Controlled	Lama	Housing	Regulated*	Rentals**	
							Total Number of Units
747,332	296,345	43,317	61,893	170,892	75,222	697,364	Number of Units (occupied and vacant, available)
726,070	289,584	43,317	58,944	167,539	73,461	668,711	Occupied Units
166,712	50,336	3,985	21,962	37,851	21,339	65,661	Bronx
205,631	64,478	10,567	17,762	59,585	20,283	243,290	Brooklyn
255,175	69,574	23,190	11,797	50,660	24,651	128,543	Manhattan
97,199	98,152	5,575	5,885	17,030	5,053	192,831	Queens
1,353	7,044	0	1,538	2,413	2,135	38,386	Staten Island
							Vacant Units
21,262	6,761	0	2,949	3,353	1,761	28,653	Vacant, for rent or sale
3,898	1,376	0	1,048	758	0	2,872	Bronx
6,875	1,005	0	1,330	0	518	8,031	Brooklyn
7,583	2,506	0	360	2,096	1,243	8,409	Manhattan
2,142	1,874	0	211	218	0	7,795	Queens
764	0	0	0	281	0	1,546	Staten Island
							Asking Rent
935	362	-	211	2,582	298	0	<$500
1,726	0	-	372	198	470	164	$500-$599
2,581	195	-	847	572	350	443	$600-$699
2,025	548	-	194	0	0	1,604	$700-$799
2,811	803	-	223	0	0	3,912	$800-$899
2,771	1,384	-	368	0	0	3,405	$900-$999
4,453	1,836	-	543	0	314	4,049	$1000-$1249
1,585	393	-	0	0	0	2,790	$1250-$1499
1,628	607	-	191	0	0	2,395	$1500-$1749
747	632	-			331	9,890	$1750+
-	-	-	-	-	-	-	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.1 Occupancy Status (continued)

	ALL UNITS	Owner Units	Renter Units	Stabilized
Total Number of Units (occupied, vacant available, and vacant not available)	3,260,855@			
Number of Units (occupied and vacant, available)	3,124,143	33.0%	67.0%	33.4%
Occupied Units	3,037,996	33.3%	66.7%	33.4%
Bronx	15.5%	10.3%	18.1%	21.4%
Brooklyn	28.9%	25.3%	30.7%	26.6%
Manhattan	24.3%	17.2%	27.8%	32.0%
Queens	25.9%	36.1%	20.8%	19.2%
Staten Island	5.4%	11.0%	2.6%	0.8%
Vacant Units	222,859			
Vacant, for rent or sale	86,147	24.9%	75.1%	32.5%
Bronx	12.7%	4.7%	15.4%	18.8%
Brooklyn	27.6%	28.2%	27.4%	28.1%
Manhattan	32.4%	26.7%	34.3%	36.0%
Queens	23.0%	35.5%	18.9%	14.3%
Staten Island	4.2%	5.0%	4.0%	2.7%
Asking Rent				
<$500	-	-	6.8%	4.6%
$500-$599	-	-	4.5%	6.2%
$600-$699	-	-	7.7%	9.9%
$700-$799	-	-	6.8%	9.2%
$800-$899	-	-	12.0%	12.9%
$900-$999	-	-	12.2%	14.8%
$1000-$1249	-	-	17.3%	22.4%
$ 1250-$1499	-	-	7.4%	7.1%
$1500-$1749	-	-	7.4%	8.0%
$1750+	-	-	17.9%	4.9%
Vacant, not for rent or sale	136,712			
Bronx	11.6%	-	-	-
Brooklyn	31.7%	-	-	-
Manhattan	36.3%	-	-	-
Queens	15.6%	-	-	-
Staten Island	4.8%	-	-	-
Dilapidated	1.7%	-	-	-
Rented-Not Yet Occupied	6.5%	-	-	-
Sold-Not Yet Occupied	5.4%	-	-	-
Undergoing Renovation	23.1%	-	-	-
Awaiting Renovation	12.0%	-	-	-
Non-Residential Use	0.7%	-	-	-
Legal Dispute	7.5%	-	-	-
Awaiting Conversion	0.4%	-	-	-
Held for Occasional Use	27.5%	-	-	-
Unable to Rent or Sell	7.1%	-	-	-
Held Pending Sale of Building	2.0%	-	-	-
Held for Planned Demolition	0.8%	-	-	-
Held for Other Reasons	5.2%	-	-	-
(Not Reported)	-	-	-	-

@ 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**	
							Total Number of Units
71.6%	28.4%	1.4%	2.0%	5.5%	2.4%	22.3%	Number of Units (occupied and vacant, available)
71.5%	28.5%	1.4%	1.9%	5.5%	2.4%	22.0%	Occupied Units
23.0%	17.4%	9.2%	37.3%	22.6%	29.0%	9.8%	Bronx
28.3%	22.3%	24.4%	30.1%	35.6%	27.6%	36.4%	Brooklyn
35.1%	24.0%	53.5%	20.0%	30.2%	33.6%	19.2%	Manhattan
13.4%	33.9%	12.9%	10.0%	10.2%	6.9%	28.8%	Queens
0.2%	2.4%	0.0%	2.6%	1.4%	2.9%	5.7%	Staten Island
							Vacant Units
24.7%	7.8%	0.0%	3.4%	3.9%	2.0%	33.3%	Vacant, for rent or sale
18.3%	20.4%	0.0%	35.5%	22.6%	0.0%	10.0%	Bronx
32.3%	14.9%	0.0%	45.1%	0.0%	29.4%	28.0%	Brooklyn
35.7%	37.1%	0.0%	12.2%	62.5%	70.6%	29.3%	Manhattan
10.1%	27.7%	0.0%	7.2%	6.5%	0.0%	27.2%	Queens
3.6%	0.0%	0.0%	0.0%	8.4%	0.0%	5.4%	Staten Island
							Asking Rent
4.4%	5.4%	0.0%	7.2%	77.0%	16.9%	0.0%	<$500
8.1%	0.0%	0.0%	12.6%	5.9%	26.7%	0.6%	$500-$599
12.1%	2.9%	0.0%	28.7%	17.1%	19.9%	1.5%	$600-$699
9.5%	8.1%	0.0%	6.6%	0.0%	0.0%	5.6%	$700-$799
13.2%	11.9%	0.0%	7.6%	0.0%	0.0%	13.7%	$800-$899
13.0%	20.5%	0.0%	12.5%	0.0%	0.0%	11.9%	$900-$999
20.9%	27.2%	0.0%	18.4%	0.0%	17.8%	14.1%	$1000-$1249
7.5%	5.8%	0.0%	0.0%	0.0%	0.0%	9.7%	$ 1250-$1499
7.7%	9.0%	0.0%	6.5%	0.0%	0.0%	8.4%	$1500-$1749
3.5%	9.3%	0.0%	0.0%	0.0%	18.8%	34.5%	$1750+
							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	-	-	89,643	13,449
$200-$299	-	-	62,725	16,542
$300-$399	-	-	64,471	17,632
$400-$499	-	-	97,825	38,865
$500-$599	-	-	136,859	88,029
$600-$699	-	-	198,787	128,376
$700-$799	-	-	211,595	129,636
$800-$899	-	-	233,594	143,463
$900-$999	-	-	192,656	112,047
$1000-$1249	-	-	310,566	155,350
$1250-$1499	-	-	136,027	70,230
$1500-$1749	-	-	92,924	45,334
$1750+	-	-	162,639	40,733
(No Cash Rent)	-	-	(37,314)	(15,969)
Mean	-	-	$956	$908
Mean/Room	-	-	$314	$331
Median	-	-	$850	$844
Median/Room	-	-	$240	$258
Monthly Cost of Electricity				
Mean	$85	$112	$67	$63
Median	$70	$95	$60	$59
Monthly Cost of Utility Gas				
Mean	$100	$167	$44	$33
Median	$45	$135	$30	$26
Monthly Cost of Water/Sewer				
Mean	$61	$61	$59	-
Median	$50	$50	$33	-
Monthly Cost of Other Fuels				
Mean	$175	$181	$69	-
Median	$166	$166	$31	-
Monthly Mortgage Payments				
Mean	-	$1,570	-	-
Median	-	$1,400	-	-
Monthly Insurance Payments				
Mean	-	$93	-	-
Median	-	$67	-	-
Monthly Property Taxes				
Mean	-	$229	-	-
Median	-	$183	-	-

@ All households, including owners and renters.

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
Pre-1947	Post-1946	Controlled	Lama	Housing	Regulated*	Rentals**	
							Monthly Contract Rent
9,231	4,218	4,039	2,558	48,607	20,990°		$0-$199
12,395	4,147	4,638	3,054	24,859	13,632°		$200-$299
13,355	4,277	4,315	3,348	23,446	15,729°		$300-$399
31,061	7,804	5,216	3,403	30,703	19,638°		$400-$499
72,300	15,729	3,943	4,216	15,228	25,443°		$500-$599
95,389	32,987	2,897	6,874	15,212	45,429°		$600-$699
96,546	33,090	4,202	10,518	3,930	63,309°		$700-$799
102,254	41,209	3,184	8,937	2,814	75,197°		$800-$899
75,470	36,577	1,819	7,937	451	70,402°		$900-$999
102,231	53,119	2,735	4,424	1,905	146,153°		$1000-$1249
44,978	25,252	1,227	1,559	-	63,011°		$1250-$1499
33,298	12,036	1,103	1,265	-	45,222°		$1500-$1749
24,579	16,154	2,461	652	197	118,595°		$1750+
(12,983)	(2,986)	(1,537)	(198)	(189)	(19,421)°		(No Cash Rent)
$883	$971	$721	$739	$368	$1,191°		Mean
$323	$352	$203	$229	$100	$351°		Mean/Room
$810	$899	$551	$750	$342	$1,000°		Median
$250	$283	$150	$200	$90	$250°		Median/Room
							Monthly Cost of Electricity
$64	$62	$61	$66	$61	$66	$73	Mean
$59	$58	$50	$60	$50	$55	$60	Median
							Monthly Cost of Utility Gas
$32	$38	$29	$45	$95	$30	$59	Mean
$26	$27	$25	$30	$39	$25	$35	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.

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

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
Monthly Contract Rent				
$0-$199	-	-	4.5%	1.3%
$200-$299	-	-	3.2%	1.7%
$300-$399	-	-	3.2%	1.8%
$400-$499	-	-	4.9%	3.9%
$500-$599	-	-	6.9%	8.8%
$600-$699	-	-	10.0%	12.8%
$700-$799	-	-	10.6%	13.0%
$800-$899	-	-	11.7%	14.4%
$900-$999	-	-	9.7%	11.2%
$1000-$1249	-	-	15.6%	15.5%
$1250-$1499	-	-	6.8%	7.0%
$1500-$1749	-	-	4.7%	4.5%
$1750+	-	-	8.2%	4.1%
(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		Rent	Mitchell-	Public	Other	Other	
Pre-1947	Post-1946	Controlled	Lama	Housing	Regulated*	Rentals**	
							Monthly Contract Rent
1.3%	1.5%	9.7%	4.4%	29.0%	2.9%°		$0-$199
1.7%	1.4%	11.1%	5.2%	14.9%	1.8%°		$200-$299
1.9%	1.5%	10.3%	5.7%	14.0%	2.2%°		$300-$399
4.4%	2.7%	12.5%	5.8%	18.3%	2.7%°		$400-$499
10.1%	5.5%	9.4%	7.2%	9.1%	3.5%°		$500-$599
13.4%	11.5%	6.9%	11.7%	9.1%	6.3%°		$600-$699
13.5%	11.5%	10.1%	17.9%	2.3%	8.8%°		$700-$799
14.3%	14.4%	7.6%	15.2%	1.7%	10.4%°		$800-$899
10.6%	12.8%	4.4%	13.5%	0.3%	9.7%°		$900-$999
14.3%	18.5%	6.5%	7.5%	1.1%	20.2%°		$1000-$1249
6.3%	8.8%	2.9%	2.7%	0.0%	8.7%°		$1250-$1499
4.7%	4.2%	2.6%	2.2%	0.0%	6.3%°		$1500-$1749
3.4%	5.6%	5.9%	1.1%	0.1%	16.4%°		$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.

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

Totals may not add to 100% due to rounding.

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
2004 Total Household Income				
Loss, no income or<$5000	161,773	27,551	134,222	64,525
$5000-$9999	245,175	31,255	213,920	90,279
$10,000-$19,999	416,544	89,492	327,052	167,162
$20,000-$29,999	341,472	81,568	259,904	137,350
$30,000-$39,999	312,188	74,858	237,330	124,592
$40,000-$49,999	265,038	71,537	193,501	105,567
$50,000-$59,999	232,380	86,113	146,267	72,804
$60,000-$69,999	187,539	71,866	115,673	56,074
$70,000-$79,999	153,521	66,729	86,793	48,053
$80,000-$89,999	133,364	59,497	73,867	37,982
$90,000-$99,999	92,843	46,411	46,432	23,909
$100,000+	496,161	303,495	192,666	87,358
(Not Reported)	-	-	-	-
Mean	$63,477	$97,137	$46,704	$45,836
Median	$40,000	$65,000	$32,000	$32,000
Contract Rent to Income Ratio				
<10%	-	-	137,115	67,976
10%-19%	-	-	449,871	231,185
20%-29%	-	-	415,260	195,278
30%-39%	-	-	258,634	125,725
40%-49%	-	-	157,351	80,600
50%-59%	-	-	99,323	50,537
60%-69%	-	-	85,222	45,330
70%+	-	-	316,617	168,231
(Not Computed)	-	-	(108,232)	(50,791)
Mean	-	-	36.7%	37.5%
Median	-	-	28.7%	29.1%
Households in Poverty				
Households Below 100% of Poverty Level	526,146	68,521	457,625	207,344
Households at or Above 100% of Poverty Level	2,511,846	941,848	1,569,998	808,310
(Not Reported)	-	-	-	-
Households Below 125% of Poverty Level	674,660	97,374	577,286	270,527
Households at or Above 125% of Poverty Level	2,363,334	912,996	1,450,338	745,127
(Not Reported)	-	-	-	-
Households Receiving Public Assistance¥	382,920	42,615	340,305	157,627
Households Not Receiving Public Assistance	2,088,551	769,926	1,318,625	662,449
(Do Not Know/Not Reported)	(566,523)	(197,828)	(368,695)	(195,578)
Households Receiving TANF§	134,400	2,902	131,498	52,099
Households Receiving Safety Net	19,781	595	19,186	9,497
Households Receiving SSI	238,722	31,954	206,768	89,451
Households Receiving Other Public Assistance	94,802	10,079	84,723	42,335
Households Receiving Rent Subsidy				
Households Receiving Section 8 Certif./Voucher	-	-	130,921	67,727
Households Receiving Shelter Allowance	-	-	68,885	37,025
Households Receiving SCRIE	-	-	29,044	21,421
Households Receiving Another Federal Housing Subsidy	-	-	28,406	5,179
Households Receiving Another State/City Housing Subsidy	-	-	58,217	25,708

§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**	
							2004 Total Household Income
47,102	17,423	4,149	3,481	19,438	42,628°		Loss, no income or <$5000
66,016	24,262	5,758	10,204	46,799	60,880°		$5000-$9999
122,588	44,574	10,605	13,957	36,303	99,025°		$10,000-$19,999
96,516	40,834	5,122	6,574	25,589	85,268°		$20,000-$29,999
94,204	30,388	4,600	5,786	19,449	82,903°		$30,000-$39,999
74,912	30,654	1,822	4,056	9,574	72,483°		$40,000-$49,999
50,145	22,659	1,686	5,287	4,040	62,449°		$50,000-$59,999
39,338	16,736	3,124	2,479	3,285	50,711°		$60,000-$69,999
32,650	15,403	446	2,265	935	35,094°		$70,000-$79,999
26,835	11,147	1,274	1,513	427	32,671°		$80,000-$89,999
16,874	7,035	1,135	1,052	854	19,481°		$90,000-$99,999
58,889	28,469	3,596	2,289	844	98,579°		$100,000+
-	-	-	-	-	-		(Not Reported)
$44,280	$49,739	$37,059	$33,183	$19,808	$55,600°		Mean
$32,000	$34,840	$22,176	$22,000	$13,902	40,000°		Median
							Contract Rent to Income Ratio
51,976	16,001	6,538	4,173	16,122	42,307°		<10%
162,090	69,095	7,572	10,973	40,695	159,447°		10%-19%
138,243	57,036	6,970	12,248	45,035	155,729°		20%-29%
93,556	32,169	4,210	7,939	22,812	97,948°		30%-39%
57,261	23,339	3,237	3,678	7,769	62,067°		40%-49%
35,462	15,075	3,222	3,508	6,777	35,279°		50%-59%
29,570	15,760	1,822	2,911	4,690	30,469°		60%-69%
121,211	47,020	5,778	11,356	16,073	115,180°		70%+
(36,700)	(14,091)	(3,968)	(2,160)	(7,568)	(43,746)°		(Not Computed)
37.5%	37.7%	32.8%	40.3%	30.9%	36.9%°		Mean
29.2%	28.7%	28.0%	30.8%	26.4%	29.2%°		Median
							Households in Poverty
156,478	50,866	10,913	17,063	80,790	37,755	103,760	Households Below 100% of Poverty Level
569,592	238,718	32,404	41,880	86,749	35,705	564,950	Households at or Above 100% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
204,602	65,925	14,030	21,295	94,257	44,687	132,490	Households Below 125% of Poverty Level
521,468	223,659	29,286	37,649	73,282	28,773	536,221	Households at or Above 125% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
122,221	35,406	4,425	13,065	78,041	31,472	55,675	Households Receiving Public Assistance¥
471,577	190,872	32,169	34,355	76,651	35,806	477,195	Households Not Receiving Public Assistance
(132,272)	(63,306)	(6,723)	(11,524)	(12,847)	(6,182)	(135,841)	(Do Not Know/Not Reported)
44,084	8,015	36,406	1,934	18,568	4,857	17,634	Households Receiving TANF§
7,606	1,891	0	187	3,374	1,345	4,783	Households Receiving Safety Net
67,258	22,193	4,063	9,391	50,186	23,146	30,531	Households Receiving SSI
30,517	11,818	362	3,413	16,965	6,093	15,555	Households Receiving Other Public Assistance
							Households Receiving Rent Subsidy
56,296	11,431	492	11,106	2,897	24,218	24,481	Households Receiving Section 8 Certif./Voucher
29,907	7,118	160	2,119	14,508	2,140	12,933	Households Receiving Shelter Allowance
12,789	8,632	1,943	1,433	1,997	986	1,264	Households Receiving SCRIE
3,546	1,633	0	2,877	11,339	5,298	3,713	Households Receiving Another Federal Housing Subsidy
15,857	9,851	378	1,801	11,637	6,330	12,363	Households Receiving Another State/City Housing Subsidy

° Separate household income and contract rent-to-income ratio figures cannot be run for "Other Regulated" and "Other Rentals" households. The households receiving assistance for these two categories are reported together.

¥ 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
2004 Total Household Income				
Loss, no income or<$5000	5.3%	2.7%	6.6%	6.4%
$5000-$9999	8.1%	3.1%	10.6%	8.9%
$10,000-$19,999	13.7%	8.9%	16.1%	16.5%
$20,000-$29,999	11.2%	8.1%	12.8%	13.5%
$30,000-$39,999	10.3%	7.4%	11.7%	12.3%
$40,000-$49,999	8.7%	7.1%	9.5%	10.4%
$50,000-$59,999	7.6%	8.5%	7.2%	7.2%
$60,000-$69,999	6.2%	7.1%	5.7%	5.5%
$70,000-$79,999	5.1%	6.6%	4.3%	4.7%
$80,000-$89,999	4.4%	5.9%	3.6%	3.7%
$90,000-$99,999	3.1%	4.6%	2.3%	2.4%
$100,000+	16.3%	30.0%	9.5%	8.6%
(Not Reported)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-
Contract Rent to Income Ratio				
<10%	-	-	7.1%	7.0%
10%-19%	-	-	23.4%	24.0%
20%-29%	-	-	21.6%	20.2%
30%-39%	-	-	13.5%	13.0%
40%-49%	-	-	8.2%	8.4%
50%-59%	-	-	5.2%	5.2%
60%-69%	-	-	4.4%	4.7%
70%+	-	-	16.5%	17.4%
(Not Computed)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-
Households in Poverty				
Households Below 100% of Poverty Level	17.3%	6.8%	22.6%	20.4%
Households at or Above 100% of Poverty Level	82.7%	93.2%	77.4%	79.6%
(Not Reported)	-	-	-	-
Households Below 125% of Poverty Level	22.2%	9.6%	28.5%	26.6%
Households at or Above 125% of Poverty Level	77.8%	90.4%	71.5%	73.4%
(Not Reported)	-	-	-	-
Households Receiving Public Assistance[¥]	15.5%	5.2%	20.5%	19.2%
(Not Reported)	-	-	-	-
Households Receiving TANF§	5.4%	0.4%	7.9%	6.4%
Households Receiving Safety Net	0.8%	0.1%	1.2%	1.2%
Households Receiving SSI	9.7%	3.9%	12.5%	10.9%
Households Receiving Other Public Assistance	3.8%	1.2%	5.1%	5.2%
Households Receiving Rent Subsidy				
Households Receiving Section 8 Certif./Voucher	-	-	8.1%	8.3%
Households Receiving Shelter Allowance	-	-	4.3%	4.5%
Households Receiving SCRIE	-	-	8.4%	12.6%
Households Receiving Another Federal Housing Subsidy	-	-	1.8%	0.6%
Households Receiving Another State/City Housing Subsidy	-	-	3.6%	3.2%

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

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
Pre-1947	Post-1946	Controlled	Lama	Housing	Regulated*	Rentals**	
							2004 Total Household Income
6.5%	6.0%	9.6%	5.9%	11.6%	5.7%°		Loss, no income or<$5000
9.1%	8.4%	13.3%	17.3%	27.9%	8.2%°		$5000-$9999
16.9%	15.4%	24.5%	23.7%	21.7%	13.3%°		$10,000-$19,999
13.3%	14.1%	11.8%	11.2%	15.3%	11.5%°		$20,000-$29,999
13.0%	10.5%	10.6%	9.8%	11.6%	11.2%°		$30,000-$39,999
10.3%	10.6%	4.2%	6.9%	5.7%	9.8%°		$40,000-$49,999
6.9%	7.8%	3.9%	9.0%	2.4%	8.4%°		$50,000-$59,999
5.4%	5.8%	7.2%	4.2%	2.0%	6.8%°		$60,000-$69,999
4.5%	5.3%	1.0%	3.8%	0.6%	4.7%°		$70,000-$79,999
3.7%	3.8%	2.9%	2.6%	0.3%	4.4%°		$80,000-$89,999
2.3%	2.4%	2.6%	1.8%	0.5%	2.6%°		$90,000-$99,999
8.1%	9.8%	8.3%	3.9%	0.5%	13.3%°		$100,000+
-	-	-	-	-	-		(Not Reported)
-	-	-	-	-	-		Mean
-	-	-	-	-	-		Median
							Contract Rent to Income Ratio
7.5%	5.8%	16.6%	7.3%	10.1%	6.1%°		<10%
23.5%	25.1%	19.2%	19.3%	25.4%	22.8%°		10%-19%
20.1%	20.7%	17.7%	21.6%	28.2%	22.3%°		20%-29%
13.6%	11.7%	10.7%	14.0%	14.3%	14.0%°		30%-39%
8.3%	8.5%	8.2%	6.5%	4.9%	8.9%°		40%-49%
5.1%	5.5%	8.2%	6.2%	4.2%	5.1%°		50%-59%
4.3%	5.7%	4.6%	5.1%	2.9%	4.4%°		60%-69%
17.6%	17.1%	14.7%	20.0%	10.0%	16.5%°		70%+
-	-	-	-	-	-		(Not Computed)
-	-	-	-	-	-		Mean
-	-	-	-	-	-		Median
							Households in Poverty
21.6%	17.6%	25.2%	28.9%	48.2%	51.4%	15.5%	Households Below 100% of Poverty Level
78.4%	82.4%	74.8%	71.1%	51.8%	48.6%	84.5%	Households at or Above 100% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
28.2%	22.8%	32.4%	36.1%	56.3%	60.8%	19.8%	Households Below 125% of Poverty Level
71.8%	77.2%	67.6%	63.9%	43.7%	39.2%	80.2%	Households at or Above 125% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
20.6%	15.6%	12.1%	27.6%	50.4%	46.8%	10.4%°	Households Receiving Public Assistance¥
-	-	-	-	-	-	-	(Not Reported)
7.4%	3.5%	99.5%	4.1%	12.0%	7.2%	3.3%	Households Receiving TANF§
1.3%	0.8%	0.0%	0.4%	2.2%	2.0%	0.9%	Households Receiving Safety Net
11.3%	9.8%	11.1%	19.8%	32.4%	34.4%	5.7%	Households Receiving SSI
5.1%	5.2%	1.0%	7.2%	11.0%	9.1%	2.9%	Households Receiving Other Public Assistance
							Households Receiving Rent Subsidy
9.5%	5.0%	1.4%	24.7%	2.1%	41.5%	4.7%	Households Receiving Section 8 Certif./Voucher
5.1%	3.1%	0.5%	4.6%	10.2%	3.6%	2.5%	Households Receiving Shelter Allowance
12.8%	12.4%	7.7%	11.8%	4.1%	3.9%	1.9%	Households Receiving SCRIE
0.6%	0.7%	0.0%	6.5%	8.1%	9.1%	0.7%	Households Receiving Another Federal Housing Subsidy
2.7%	4.3%	1.1%	4.0%	8.3%	11.0%	2.4%	Households Receiving Another State/City Housing Subsidy

° Separate household income and contract rent-to-income ratio figures cannot be run for "Other Regulated" and "Other Rentals" households. The households receiving assistance for these two categories are reported together.

¥ 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				
2003-2005	750,607	136,425	614,182	278,822
1999-2002	661,372	181,741	479,631	234,992
1996-1998	301,064	104,260	196,804	102,444
1993-1995	253,360	84,413	168,947	92,097
1990-1992	195,262	79,818	115,444	65,469
1987-1989	120,419	57,390	63,029	32,812
1984-1986	122,049	51,671	70,378	41,278
1981-1983	86,905	35,666	51,239	26,811
1971-1980	312,177	137,862	174,315	109,321
Prior to 1971	234,780	141,124	93,656	31,610
Household Composition				
Married Couples	1,176,422	542,496	633,926	310,671
Children <18 Years of Age	402,632	161662	240,970	117,162
w/o Children <18 Years of Age	178,475	102450	76,025	34,487
Other Household Members	155,662	74647	81,015	37,670
w/o Other Household Members	439,653	203737	235,916	121,352
(Not Reported)	-	-	-	-
Female Householder	1,187,788	305,105	882,683	440,817
Children <18 Years of Age	192,186	21,321	170,865	81,544
w/o Children <18 Years of Age	261,563	76,200	185,363	91,196
Other Household Members	149,766	30,155	119,611	56,361
w/o Other Household Members	584,273	177,429	406,844	211,716
(Not Reported)	-	-	-	-
Male Householder	673,790	162,769	511,021	259,034
Children <18 Years of Age	14,701	3,325	11,376	5,814
w/o Children <18 Years of Age	183,870	43,465	140,405	72,571
Other Household Members	37,585	8,394	29,191	15,474
w/o Other Household Members	437,634	107,585	330,049	165,175
(Not Reported)	-	-	-	-
(Sex Not Reported)	-	-	-	-
Race of Householder				
White, non-Hispanic	1,330,514	579,642	750,872	382,810
Black, non-Hispanic	691,369	201,435	489,934	218,168
Puerto Rican	289,998	46,054	243,944	114,037
Other Spanish/Hispanic	418,452	69,271	349,181	208,597
Asian/Pacific Islander	287,495	108,083	179,412	84,259
American/Aleut/Eskimo	7,629	2,032	5,597	2,254
Two or more races	12,538	3,852	8,686	5,529
(Not Reported)	-	-	-	-
Age of Householder				
Under 25 years	106,869	9,006	97,863	44,568
25-34	545,105	92,973	452,132	223,168
35-44	729,238	211,777	517,461	267,966
45-54	636,021	233,978	402,043	209,659
55-61	347,151	155,122	192,029	98,997
62-64	95,123	39,431	55,692	29,467
65-74	304,923	144,343	160,580	79,816
75-84	201,624	91,192	110,432	47,710
85 or more years	71,944	32,548	39,396	14,304
(Not Reported)	-	-	-	-
Mean	49	54	46	46
Median	46	52	43	43

@ 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**	
							Year Moved Into Current Dwelling
200,624	78,198	1,332	11,461	20,744	14,163	287,660	2003-2005
171,879	63,113	1,991	11,873	33,196	17,382	180,197	1999-2002
74,806	27,638	412	8,010	15,730	7,618	62,590	1996-1999
68,713	23,384	521	6,635	17,154	6,138	46,402	1993-1995
48,079	17,390	442	3,986	12,080	6,072	27,395	1990-1992
25,296	7,516	-	2,527	9,495	3,535	14,660	1987-1989
30,483	10,795	1,427	1,974	8,587	5,468	11,644	1984-1986
18,613	8,198	771	2,661	7,553	5,625	7,818	1981-1983
75,415	33,906	5,847	8,839	24,559	5,473	20,276	1971-1980
12,163	19,447	30,573	978	18,440	1,986	10,069	Prior to 1971
							Household Composition
215,124	95,547	9,321	17,872	26,747	14,434	254,881	Married Couples
83,728	33,434	1,620	5,874	9,016	3,700	103,598	Children <18 Years of Age
25,950	8,537	1,364	2,612	5,010	2,609	29,943	w/o Children <18 Years of Age
28,866	8,804	383	1,605	3,217	1,428	36,712	Other Household Members
76,580	44,772	5,954	7,781	9,504	6,697	84,628	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
316,560	124,257	21,697	30,955	114,480	45,397	229,337	Female Householder
61,800	19,744	390	6,574	31,135	7,778	43,444	Children <18 Years of Age
66,605	24,591	4,543	5,159	19,714	6,234	58,517	w/o Children <18 Years of Age
45,428	10,933	780	4,103	20,744	7,183	30,440	Other Household Members
142,727	68,989	15,984	15,119	42,887	24,202	96,936	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
194,387	69,780	12,299	10,115	26,313	13,632	184,495	Male Householder
3,670	2,144	171	166	523	89	4,613	Children <18 Years of Age
49,583	14,686	1,901	1,690	4,683	2,345	65,517	w/o Children <18 Years of Age
11,470	2,862	373	803	1,739	916	11,028	Other Household Members
129,664	50,088	9,854	7,456	19,368	10,282	103,337	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	(Sex Not Reported)
							Race of Householder
255,044	127,766	28,688	16,394	13,266	12,198	297,516	White, non-Hispanic
152,041	66,127	6,099	23,294	79,245	22,324	140,804	Black, non-Hispanic
87,737	26,300	2,170	8,707	50,405	18,051	50,574	Puerto Rican
167,140	41,457	4,151	6,862	18,597	15,183	95,791	Other Hispanic
58,596	25,663	1,636	3,133	4,752	5,634	79,998	Asian/Pacific Islander
1,288	966	399	380	237	35	2,292	American/Aleut/Eskimo
4,223	1,306	174	174	1,039	35	1,735	Two or more races
-	-	-	-	-	-	-	(Not Reported)
							Age of Householder
36,476	8,092	413	1,448	5,026	1,925	44,483	Under 25 years
167,272	55,896	1,267	8,283	21,328	8,982	189,104	25-34
201,012	66,954	2,843	13,197	35,615	10,284	187,556	35-44
153,195	56,464	2,572	13,097	33,365	14,081	129,269	45-54
70,048	28,949	6,083	7,358	20,931	6,067	52,593	55-61
19,679	9,788	2,436	1,530	7,940	3,731	10,588	62-64
47,705	32,111	11,130	5,542	21,895	13,356	28,841	65-74
24,668	23,042	8,873	6,149	15,989	12,328	19,383	75-84
6,015	8,289	7,701	2,339	5,450	2,707	6,895	85 or more years
-	-	-	-	-	-	-	(Not Reported)
44	49	68	52	52	56	42	Mean
42	46	69	50	50	56	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				
2003-2005	24.7%	13.5%	30.3%	27.5%
1999-2002	21.8%	18.0%	23.7%	23.1%
1996-1998	9.9%	10.3%	9.7%	10.1%
1993-1995	8.3%	8.4%	8.3%	9.1%
1990-1992	6.4%	7.9%	5.7%	6.4%
1987-1989	4.0%	5.7%	3.1%	3.2%
1984-1986	4.0%	5.1%	3.5%	4.1%
1981-1983	2.9%	3.5%	2.5%	2.6%
1971-1980	10.3%	13.6%	8.6%	10.8%
Prior to 1971	7.7%	14.0%	4.6%	3.1%
Household Composition				
Married Couples	38.7%	53.7%	31.3%	30.7%
Children <18 Years of Age	13.3%	16.0%	11.9%	11.6%
w/o Children <18 Years of Age	5.9%	10.1%	3.7%	3.4%
Other Household Members	5.1%	7.4%	4.0%	3.7%
w/o Other Household Members	14.5%	20.2%	11.6%	12.0%
(Not Reported)	-	-	-	-
Female Householder	39.1%	30.2%	43.5%	43.6%
Children <18 Years of Age	6.3%	2.1%	8.4%	8.1%
w/o Children <18 Years of Age	8.6%	7.5%	9.1%	9.0%
Other Household Members	4.9%	3.0%	5.9%	5.6%
w/o Other Household Members	19.2%	17.6%	20.1%	21.0%
(Not Reported)	-	-	-	-
Male Householder	22.2%	16.1%	25.2%	25.6%
Children <18 Years of Age	0.5%	0.3%	0.6%	0.6%
w/o Children <18 Years of Age	6.1%	4.3%	6.9%	7.2%
Other Household Members	1.2%	0.8%	1.4%	1.5%
w/o Other Household Members	14.4%	10.6%	16.3%	16.3%
(Not Reported)	-	-	-	-
(Sex Not Reported)	-	-	-	-
Race of Householder				
White, non-Hispanic	43.8%	57.4%	37.0%	37.7%
Black, non-Hispanic	22.8%	19.9%	24.2%	21.5%
Puerto Rican	9.5%	4.6%	12.0%	11.2%
Other Hispanic	13.8%	6.9%	17.2%	20.5%
Asian/Pacific Islander	9.5%	10.7%	8.8%	8.3%
American/Aleut/Eskimo	0.3%	0.2%	0.3%	0.2%
2 or more races	0.4%	0.4%	0.4%	0.5%
(Not Reported)	-	-	-	-
Age of Householder				
Under 25 years	3.5%	0.9%	4.8%	4.4%
25-34	17.9%	9.2%	22.3%	22.0%
35-44	24.0%	21.0%	25.5%	26.4%
45-54	20.9%	23.2%	19.8%	20.6%
55-61	11.4%	15.4%	9.5%	9.7%
62-64	3.1%	3.9%	2.7%	2.9%
65-74	10.0%	14.3%	7.9%	7.9%
75-84	6.6%	9.0%	5.4%	4.7%
85 or more years	2.4%	3.2%	1.9%	1.4%
(Not Reported)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-

@ All households, including owners and renters. Totals may not add to 100% due to rounding.
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**	
							Year Moved Into Current Dwelling
27.6%	27.0%	3.1%	19.4%	12.4%	19.3%	43.0%	2003-2005
23.7%	21.8%	4.6%	20.1%	19.8%	23.7%	26.9%	1999-2002
10.3%	9.5%	1.0%	13.6%	9.4%	10.4%	9.4%	1996-1998
9.5%	8.1%	1.2%	11.3%	10.2%	8.4%	6.9%	1993-1995
6.6%	6.0%	1.0%	6.8%	7.2%	8.3%	4.1%	1990-1992
3.5%	2.6%	0.0%	4.3%	5.7%	4.8%	2.2%	1987-1989
4.2%	3.7%	3.3%	3.3%	5.1%	7.4%	1.7%	1984-1986
2.6%	2.8%	1.8%	4.5%	4.5%	7.7%	1.2%	1981-1983
10.4%	11.7%	13.5%	15.0%	14.7%	7.5%	3.0%	1971-1980
1.7%	6.7%	70.6%	1.7%	11.0%	2.7%	1.5%	Prior to 1971
							Household Composition
29.6%	33.0%	21.5%	30.3%	16.0%	19.6%	38.1%	Married Couples
11.5%	11.5%	3.7%	10.0%	5.4%	5.0%	15.5%	Children <18 Years of Age
3.6%	2.9%	3.1%	4.4%	3.0%	3.6%	4.5%	w/o Children <18 Years of Age
4.0%	3.0%	0.9%	2.7%	1.9%	1.9%	5.5%	Other Household Members
10.5%	15.5%	13.7%	13.2%	5.7%	9.1%	12.7%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
43.6%	42.9%	50.1%	52.5%	68.3%	61.8%	34.3%	Female Householder
8.5%	6.8%	0.9%	11.2%	18.6%	10.6%	6.5%	Children <18 Years of Age
9.2%	8.5%	10.5%	8.8%	11.8%	8.5%	8.8%	w/o Children <18 Years of Age
6.3%	3.8%	1.8%	7.0%	12.4%	9.8%	4.6%	Other Household Members
19.7%	23.8%	36.9%	25.7%	25.6%	32.9%	14.5%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
26.8%	24.1%	28.4%	17.2%	15.7%	18.6%	27.6%	Male Householder
0.5%	0.7%	0.4%	0.3%	0.3%	0.1%	0.7%	Children <18 Years of Age
6.8%	5.1%	4.4%	2.9%	2.8%	3.2%	9.8%	w/o Children <18 Years of Age
1.6%	1.0%	0.9%	1.4%	1.0%	1.2%	1.6%	Other Household Members
17.9%	17.3%	22.7%	12.6%	11.6%	14.0%	15.5%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	(Sex Not Reported)
							Race of Householder
35.1%	44.1%	66.2%	27.8%	7.9%	16.6%	44.5%	White, non-Hispanic
20.9%	22.8%	14.1%	39.5%	47.3%	30.4%	21.1%	Black, non-Hispanic
12.1%	9.1%	5.0%	14.8%	30.1%	24.6%	7.6%	Puerto Rican
23.0%	14.3%	9.6%	11.6%	11.1%	20.7%	14.3%	Other Hispanic
8.1%	8.9%	3.8%	5.3%	2.8%	7.7%	12.0%	Asian/Pacific Islander
0.2%	0.3%	0.9%	0.6%	0.1%	0.0%	0.3%	American/Aleut/Eskimo
0.6%	0.5%	0.4%	0.3%	0.6%	0.0%	0.3%	2 or more races
-	-	-	-	-	-	-	(Not Reported)
							Age of Householder
5.0%	2.8%	1.0%	2.5%	3.0%	2.6%	6.7%	Under 25 years
23.0%	19.3%	2.9%	14.1%	12.7%	12.2%	28.3%	25-34
27.7%	23.1%	6.6%	22.4%	21.3%	14.0%	28.0%	35-44
21.1%	19.5%	5.9%	22.2%	19.9%	19.2%	19.3%	45-54
9.6%	10.0%	14.0%	12.5%	12.5%	8.3%	7.9%	55-61
2.7%	3.4%	5.6%	2.6%	4.7%	5.1%	1.6%	62-64
6.6%	11.1%	25.7%	9.4%	13.1%	18.2%	4.3%	65-74
3.4%	8.0%	20.5%	10.4%	9.5%	16.8%	2.9%	75-84
0.8%	2.9%	17.8%	4.0%	3.3%	3.7%	1.0%	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.

D.4 Housing / Neighborhood Quality Characteristics

	All Units@	Owner Units	Renter Units	Stabilized
Maintenance Quality				
(Units Experiencing:)				
Additional Heating Required	377,393	61,188	316,205	167,290
Additional Heating Not Required	2,105,915	763,397	1,342,518	662,081
(Not Reported)	(554,688)	(185,785)	(368,903)	(186,284)
Heating Breakdowns	351,404	60,925	290,479	176,871
No Breakdowns	2,112,710	758,832	1,353,878	645,371
(Not Reported)	(573,882)	(190,613)	(383,269)	(193,412)
Broken Plaster/Peeling Paint	387,095	50,477	336,618	211,438
No Broken Plaster/Peeling Paint	2,094,733	772,568	1,322,165	616,491
(Not Reported)	(556,166)	(187,324)	(368,842)	(187,726)
Cracked Interior Walls or Ceilings	300,785	29,979	270,806	167,577
No Cracked Interior Walls or Ceilings	2,195,132	797,593	1,397,539	666,726
(Not Reported)	(542,077)	(182,798)	(359,279)	(181,351)
Holes in Floor	145,076	11,138	133,938	92,166
No Holes in Floor	2,284,618	794,954	1,489,664	717,377
(Not Reported)	(608,303)	(204,278)	(404,025)	(206,112)
Rodent Infestation	536,910	62,389	474,521	297,920
No Infestation	1,950,569	760,873	1,189,696	534,202
(Not Reported)	(550,516)	(187,108)	(363,408)	(183,532)
Toilet Breakdown	263,146	61,921	201,225	108,445
No Toilet Breakdown/No Facilities	2,200,883	754,705	1,446,178	714,832
(Not Reported)	(573,964)	(193,744)	(380,220)	(192,377)
Water Leakage Inside Unit	447,905	84,238	363,667	228,519
No Water Leakage	2,043,135	741,977	1,301,158	603,863
(Not Reported)	(546,956)	(184,155)	(362,801)	(183,272)
Units in Buildings w. No Maintenance Defects	1,207,108	532,587	674,521	278,396
Units in Buildings w. 1 Maintenance Defect	516,707	165,584	351,123	179,047
Units in Buildings w. 2 Maintenance Defects	263,779	53,390	210,389	117,180
Units in Buildings w. 3 Maintenance Defects	148,710	13,983	134,727	81,917
Units in Buildings w. 4 Maintenance Defects	95,479	5,780	89,699	55,032
Units in Buildings w. 5+ Maintenance Defects	78,975	3,447	75,528	52,875
(Not Reported)	(727,239)	(235,599)	(491,640)	(251,209)
Condition of Neighboring Buildings				
Excellent	584,271	301,280	282,991	124,030
Good	1,352,465	443,757	908,708	438,354
Fair	478,544	75,347	403,197	225,162
Poor Quality	84,278	7,575	76,703	47,460
(Not Reported)	(538,435)	(182,411)	(356,024)	(180,649)
Boarded Up Structures in Neighborhood	268,700	72,828	195,872	96,024
Units Not Close to " "	2,253,527	757,397	1,496,130	748,457
(Not Reported)	(515,770)	(180,145)	(335,625)	(171,174)

@ All housing units, including owners and renters.

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
Pre-1947	Post-1946	Controlled	Lama	Housing	Regulated*	Rentals**	
							Maintenance Quality
							(Units Experiencing:)
125,802	41,488	7,293	10,546	33,897	13,812	83,367	Additional Heating Required
474,111	187,970	29,089	37,303	111,911	50,904	451,230	Additional Heating Not Required
(126,158)	(60,126)	(6,935)	(11,095)	(21,731)	(8,745)	(134,113)	(Not Reported)
139,868	37,003	6,470	7,212	27,469	9,489	62,968	Heating Breakdowns
454,547	190,824	28,640	40,607	115,752	53,901	469,607	No Breakdowns
(131,655)	(61,757)	(8,207)	(11,125)	(24,319)	(10,070)	(136,136)	(Not Reported)
168,188	43,250	9,938	5,426	42,907	7,509	59,400	Broken Plaster/Peeling Paint
429,521	186,970	26,603	42,588	102,662	56,510	477,311	No Broken Plaster/Peeling Paint
(128,362)	(59,364)	(6,775)	(10,930)	(21,970)	(9,442)	(131,999)	(Not Reported)
138,457	29,120	7,897	5,037	25,193	10,362	54,740	Cracked Interior Walls or Ceilings
464,608	202,118	28,645	43,191	121,516	54,570	482,891	No Cracked Interior Walls or Ceilings
(123,005)	(58,346)	(6,775)	(10,715)	(20,830)	(8,528)	(131,080)	(Not Reported)
82,320	9,846	2,833	2,004	7,500	6,511	22,924	Holes in Floor
504,090	213,287	31,947	45,114	136,659	56,360	502,207	No Holes in Floor
(139,660)	(66,452)	(8,537)	(11,826)	(23,381)	(10,589)	(143,580)	(Not Reported)
238,983	58,937	7,484	14,023	38,658	26,123	90,313	Rodent Infestation
363,278	170,924	29,057	33,733	107,654	39,049	446,001	No Infestation
(123,809)	(59,723)	(6,775)	(11,188)	(21,228)	(8,288)	(132,397)	(Not Reported)
81,445	27,000	4,086	5,295	21,136	8,585	53,678	Toilet Breakdown
514,453	200,379	31,682	43,090	123,962	54,899	477,713	No Toilet Breakdown/No Facilities
(130,172)	(62,205)	(7,548)	(10,558)	(22,441)	(9,976)	(137,320)	(Not Reported)
184,613	43,906	8,892	8,677	28,739	15,915	72,925	Water Leakage Inside Unit
416,776	187,087	27,650	39,741	117,941	49,002	462,961	No Water Leakage
(124,681)	(58,591)	(6,775)	(10,526)	(20,859)	(8,544)	(132,825)	(Not Reported)
181,006	97,390	14,127	20,480	50,414	22,727	288,377	Units in Buildings w. No Maintenance Defects
129,048	49,999	7,407	10,264	30,792	13,934	109,679	Units in Buildings w. 1 Maintenance Defect
88,677	28,503	4,741	6,137	23,115	9,496	49,720	Units in Buildings w. 2 Maintenance Defects
63,919	17,998	2,940	3,994	14,609	5,475	25,792	Units in Buildings w. 3 Maintenance Defects
45,500	9,532	2,750	2,954	9,500	3,551	15,912	Units in Buildings w. 4 Maintenance Defects
45,590	7,285	975	1,253	4,980	3,662	11,783	Units in Buildings w. 5+ Maintenance Defects
(172,331)	(78,878)	(10,377)	(13,862)	(34,129)	(14,616)	(167,447)	(Not Reported)
							Condition of Neighboring Buildings
82,290	41,740	8,905	7,195	9,726	7,740	125,395	Excellent
306,868	131,486	19,214	26,654	71,094	34,649	318,743	Good
174,816	50,346	8,075	12,149	53,006	19,035	85,770	Fair
39,143	8,317	619	2,631	12,666	3,448	9,879	Poor Quality
(122,953)	(57,696)	(6,503)	(10,314)	(21,046)	(8,589)	(128,923)	(Not Reported)
79,054	16,970	2,188	4,205	15,726	8,141	69,588	Boarded Up Structures in Neighborhood
532,775	215,682	34,773	44,240	132,743	57,115	478,802	Units Not Close to " "
(114,241)	(56,933)	(6,356)	(10,498)	(19,071)	(8,205)	(120,321)	(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	15.2%	7.4%	19.1%	20.2%
Additional Heating Not Required	84.8%	92.6%	80.9%	79.8%
(Not Reported)	-	-	-	-
Heating Breakdowns	14.3%	7.4%	17.7%	21.5%
No Breakdowns	85.7%	92.6%	82.3%	78.5%
(Not Reported)	-	-	-	-
Broken Plaster/Peeling Paint	15.6%	6.1%	20.3%	25.5%
No Broken Plaster/Peeling Paint	84.4%	93.9%	79.7%	74.5%
(Not Reported)	-	-	-	-
Cracked Interior Walls or Ceilings	12.1%	3.6%	16.2%	20.1%
No Cracked Interior Walls or Ceilings	87.9%	96.4%	83.8%	79.9%
(Not Reported)	-	-	-	-
Holes in Floor	6.0%	1.4%	8.2%	11.4%
No Holes in Floor	94.0%	98.6%	91.8%	88.6%
(Not Reported)	-	-	-	-
Rodent Infestation	21.6%	7.6%	28.5%	35.8%
No Infestation	78.4%	92.4%	71.5%	64.2%
(Not Reported)	-	-	-	-
Toilet Breakdown	10.7%	7.6%	12.2%	13.2%
No Toilet Breakdown	89.3%	92.4%	87.8%	86.8%
(Not Reported)	-	-	-	-
Water Leakage Inside Unit	18.0%	10.2%	21.8%	27.5%
No Water Leakage	82.0%	89.8%	78.2%	72.5%
(Not Reported)	-	-	-	-
Units in Buildings w. No Maintenance Defects	52.2%	68.7%	43.9%	36.4%
Units in Buildings w. 1 Maintenance Defect	22.4%	21.4%	22.9%	23.4%
Units in Buildings w. 2 Maintenance Defects	11.4%	6.9%	13.7%	15.3%
Units in Buildings w. 3 Maintenance Defects	6.4%	1.8%	8.8%	10.7%
Units in Buildings w. 4 Maintenance Defects	4.1%	0.7%	5.8%	7.2%
Units in Buildings w. 5+ Maintenance Defects	3.4%	0.4%	4.9%	6.9%
(Not Reported)	-	-	-	-
Condition of Neighboring Buildings				
Excellent	23.4%	36.4%	16.9%	14.9%
Good	54.1%	53.6%	54.4%	52.5%
Fair	19.1%	9.1%	24.1%	27.0%
Poor Quality	3.4%	0.9%	4.6%	5.7%
(Not Reported)	-	-	-	-
Boarded Up Structures in Neighborhood	10.7%	8.8%	11.6%	11.4%
Units Not Close to " "	89.3%	91.2%	88.4%	88.6%
(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:)
21.0%	18.1%	20.0%	22.0%	23.2%	21.3%	15.6%	Additional Heating Required
79.0%	81.9%	80.0%	78.0%	76.8%	78.7%	84.4%	Additional Heating Not Required
-	-	-	-	-	-	-	(Not Reported)
23.5%	16.2%	18.4%	15.1%	19.2%	15.0%	11.8%	Heating Breakdowns
76.5%	83.8%	81.6%	84.9%	80.8%	85.0%	88.2%	No Breakdowns
-	-	-	-	-	-	-	(Not Reported)
28.1%	18.8%	27.2%	11.3%	29.5%	11.7%	11.1%	Broken Plaster/Peeling Paint
71.9%	81.2%	72.8%	88.7%	70.5%	88.3%	88.9%	No Broken Plaster/Peeling Paint
-	-	-	-	-	-	-	(Not Reported)
23.0%	12.6%	21.6%	10.4%	17.2%	16.0%	10.2%	Cracked Interior Walls or Ceilings
77.0%	87.4%	78.4%	89.6%	82.8%	84.0%	89.8%	No Cracked Interior Walls or Ceilings
-	-	-	-	-	-	-	(Not Reported)
14.0%	4.4%	8.1%	4.3%	5.2%	10.4%	4.4%	Holes in Floor
86.0%	95.6%	91.9%	95.7%	94.8%	89.6%	95.6%	No Holes in Floor
-	-	-	-	-	-	-	(Not Reported)
39.7%	25.6%	20.5%	29.4%	26.4%	40.1%	16.8%	Rodent Infestation
60.3%	74.4%	79.5%	70.6%	73.6%	59.9%	83.2%	No Infestation
-	-	-	-	-	-	-	(Not Reported)
13.7%	11.9%	11.4%	10.9%	14.6%	13.5%	10.1%	Toilet Breakdown
86.3%	88.1%	88.6%	89.1%	85.4%	86.5%	89.9%	No Toilet Breakdown
-	-	-	-	-	-	-	(Not Reported)
30.7%	19.0%	24.3%	17.9%	19.6%	24.5%	13.6%	Water Leakage Inside Unit
69.3%	81.0%	75.7%	82.1%	80.4%	75.5%	86.4%	No Water Leakage
-	-	-	-	-	-	-	(Not Reported)
32.7%	46.2%	42.9%	45.4%	37.8%	38.6%	57.5%	Units in Buildings w. No Maintenance Defects
23.3%	23.7%	22.5%	22.8%	23.1%	23.7%	21.9%	Units in Buildings w. 1 Maintenance Defect
16.0%	13.5%	14.4%	13.6%	17.3%	16.1%	9.9%	Units in Buildings w. 2 Maintenance Defects
11.5%	8.5%	8.9%	8.9%	11.0%	9.3%	5.1%	Units in Buildings w. 3 Maintenance Defects
8.2%	4.5%	8.3%	6.6%	7.1%	6.0%	3.2%	Units in Buildings w. 4 Maintenance Defects
8.2%	3.5%	3.0%	2.8%	3.7%	6.2%	2.4%	Units in Buildings w. 5+ Maintenance Defects
-	-	-	-	-	-	-	(Not Reported)
							Condition of Neighboring Buildings
13.6%	18.0%	24.2%	14.8%	6.6%	11.9%	23.2%	Excellent
50.9%	56.7%	52.2%	54.8%	48.5%	53.4%	59.0%	Good
29.0%	21.7%	21.9%	25.0%	36.2%	29.3%	15.9%	Fair
6.5%	3.6%	1.7%	5.4%	8.6%	5.3%	1.8%	Poor Quality
-	-	-	-	-	-	-	(Not Reported)
12.9%	7.3%	5.9%	8.7%	10.6%	12.5%	12.7%	Boarded Up Structures in Neighborhood
87.1%	92.7%	94.1%	91.3%	89.4%	87.5%	87.3%	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.

E.1 Interest Rates and Terms for New and Refinanced Mortgages, 2008

	New Mortgages					Refinanced Mortgages				
Institution	Rate (%)	Points	Term (yrs)	Type	Volume	Rate (%)	Points	Term (yrs)	Type	Volume
7	6.00%	0.50	5-10 yrs; 15-20 yrs π	fixed	11	6.25%	0.00	5-10 yrs; 15-20 yrs π	fixed	9
8	5.63%	0.50	5-15 yrs; 15-30 π	adj	10	5.63%	0.50	5-15 yrs; 15-30 π	adj	25
11	6.25%	0.00	30 & 25 yr π	adj	NR	6.25%	0.00	30 & 25 yr π	adj	NR
14	5.63%	0.00	5 & 5	adj	NR	5.63%	0.00	5 & 5	adj	275
15	NR	0.50	5/7/10/15/20/25/30	both	NR	NR	0.50	5/7/10/15/20/25/30	both	NR
16	5.75%	0.00	5+5/30	adj	100	5.75%	0.00	5+5/30	adj	100
18	5.85%	0.00	5 yr fxd/30 yr ±	fixed	300	5.85%	0.00	5 yr fxd/30 yr ±	fixed	300
28	5.75%	1.00	10 yrs	fixed	40	5.75%	1.00	10 yrs	fixed	30
30	6.25%	1.00	30 yr	fixed	20	6.25%	1.00	30 yr	fixed	5
33	6.00%	0.00	5	fixed	90	6.00%	0.00	5	fixed	20
35	6.50%	0.50	15 yrs	fixed	19	6.50%	0.50	15 yrs	fixed	7
36	6.02%	1.00	10/9.5/30	fixed	4	6.02%	1.00	10/9.5/30	fixed	4
37	8.00%	1.00	120/180/240	fixed	6	7.75%	1.00	120/180/240	fixed	6
106	2.00%	1.00	30	fixed	NR	1.00%	1.00	30	fixed	15
117	6.00%	NR	5	fixed	140	6.00%	NR	5	fixed	120
209	6.00%	0.00	5+5/25	adj	35	6.00%	0.00	5+5/25	adj	53
301	6.00%	0.50	10 yr	fixed	2	6.00%	0.50	10 yrs	fixed	NR
AVERAGE	**5.85%**	**0.47**	**†**	**†**	**60**	**5.79%**	**0.44**	**†**	**†**	**69**

π Amortization
† No average computed
± Balloon

Fxd = fixed rate mortgage
Adj = adjustable rate mortgage
NR = no response to this question

Note: The average for interest rates and points is calculated by using the midpoint when a range of values is given by the lending institution.

Source: 2008 Rent Guidelines Board Mortgage Survey

E.2 Typical Characteristics of Rent Stabilized Buildings, 2008

Lending Institution	Maximum Loan-to-Value Standard	Debt Service Coverage	Vacancy & Collection Losses	Typical Building Size	Average Monthly O&M Cost/Unit	Average Monthly Rent/Unit
7	75.0%	1.25	5.0%	50-99	$787	$1,249
8	NR	NR	2.0%	20-49	NR	$850
11	75.0%	1.30	1.0%	1-10	NR	NR
14	80.0%	1.15	3.0%	20-49	NR	$1,100
15	80.0%	1.20	5.0%	50-99	$700	$1,400
16	80.0%	1.20	5.0%	20-49	NR	$725
18	75.0%	1.20	5.0%	20-49	NR	$900
28	80.0%	1.20	4.0%	100+	NR	$1,000
30	80.0%	1.25	5.0%	20-49	$420	$800
33	75.0%	1.25	5.0%	11-19	$700	$1,200
35	65.0%	1.15	4.0%	11-19	$475	$785
36	80.0%	1.15	5.0%	100+	$700	$1,150
37	70.0%	1.20	2.0%	1-10	$250	$500
106	NR	1.15	5.0%	11-19	$475	$750
117	75.0%	1.20	4.0%	50-99	$500	$875
209	80.0%	1.25	2.0%	1-10	$300	$800
301	80.0%	1.15	2.0%	20-49	$600	$850
AVERAGE	**76.7%**	**1.20**	**3.8%**	**†**	**$537**	**$933**

NR indicates no response to this question.

† No average computed.

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: 2008 Rent Guidelines Board Mortgage Survey

E.3 Interest Rates and Terms for New Financing, Longitudinal Study, 2007-2008

	Interest Rates		Points		Term		Type	
Lending Inst.	2008	2007	2008	2007	2008	2007	2008	2007
7	6.00%	6.50%	0.50	0.50	5-10 yrs; 15-20 yrs π	10 yrs/30 yrs π	fixed	both
8	5.63%	6.00%	0.50	0.50	5-15 yrs; 15-30 π	5 to 15 years	adj	both
14	5.63%	6.00%	0.00	0.00	5 & 5	5&5	adj	adj
15	NR	varies	0.50	0.50	5/7/10/15/20/25/30	5/7/10/15/20/25/30	both	fixed
16	5.75%	6.13%	0.00	0.00	5+5/30	5+5/30	adj	adj
18	5.85%	6.40%	0.00	0.00	5 yr Fxd/30 yr ±	10/30	fixed	both
28	5.75%	5.50%	1.00	0.50	10 yrs	5-30 yrs	fixed	both
30	6.25%	7.00%	1.00	1.00	30 yr	30 yr π	fixed	fixed
33	6.00%	6.25%	0.00	0.00	5	15	fixed	adj
35	6.50%	7.00%	0.50	0.50	15 yrs	15 yrs	fixed	fixed
36	6.02%	5.75%	1.00	varies	10/9.5/30	10 yr term/30 yr π	fixed	fixed
37	8.00%	8.20%	1.00	1.50	120/180/240	120/180/240	fixed	fixed
106	2.00%	2.00%	1.00	0.00	30	25-30	fixed	fixed
117	6.00%	6.00%	NR	0.00	5	5 yrs	fixed	fixed
209	6.00%	6.25%	0.00	0.50	5+5/25	10 yrs	adj	adj
301	6.00%	6.75%	0.50	0.50	10 yr	5 yrs	fixed	fixed
AVERAGE	**5.82%**	**6.12%**	**0.50**	**0.40**	†	†	†	†

NR indicates no response to this question. † No average computed π Amortization ± Balloon
Fxd = fixed rate mortgage **Adj** = adjustable rate mortgage

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: 2007 and 2008 Rent Guidelines Board Mortgage Surveys

E.4 Interest Rates and Terms for Refinanced Loans, Longitudinal Study, 2007-2008

	Interest Rates		Points		Term		Type	
Lending Inst.	2008	2007	2008	2007	2008	2007	2008	2007
7	6.25%	6.50%	0.00	0.50	5-10 yrs; 15-20 yrs π	10 years/30 yrs π	fixed	both
8	5.63%	6.00%	0.50	0.50	5-15 yrs; 15-30 π	5 to 15 years	adj	both
14	5.63%	6.00%	0.00	0.00	5 & 5	5&5	adj	adj
15	NR	varies	0.50	0.50	5/7/10/15/20/25/30	5/7/10/15/20/25/30	both	fixed
16	5.75%	6.13%	0.00	0.00	5+5/30	5+5/30	adj	adj
18	5.85%	6.40%	0.00	0.00	5 yr fixed/30 yr ±	10/30	fixed	both
28	5.75%	5.50%	1.00	0.50	10 yrs	5-30 years	fixed	both
30	6.25%	7.00%	1.00	1.00	30 yr	30 yr π	fixed	fixed
33	6.00%	6.25%	0.00	0.00	5	15	fixed	adj
35	6.50%	7.00%	0.50	0.50	15 yrs	15 yrs	fixed	fixed
36	6.02%	5.85%	1.00	varies	10/9.5/30	10 yr term/30 yr π	fixed	fixed
37	7.75%	7.95%	1.00	1.50	120/180/240	120/180/240	fixed	fixed
106	1.00%	1.00%	1.00	0.00	30	30	fixed	fixed
117	6.00%	6.00%	NR	0.00	5	5 yrs	fixed	fixed
209	6.00%	6.25%	0.00	0.50	5+5/25	10 yrs	adj	adj
301	6.00%	6.75%	0.50	0.50	10 yrs	5 yrs	fixed	fixed
AVERAGE	**5.76%**	**6.04%**	**0.47**	**0.40**	†	†	†	†

NR indicates no response to this question. † No average computed π Amortization ± Balloon
Fxd = fixed rate mortgage **Adj** = adjustable rate mortgage

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: 2007 and 2008 Rent Guidelines Board Mortgage Surveys

E.5 Lending Standards and Relinquished Rental Income, Longitudinal Study, 2007-2008

	Max Loan-to-Value		Debt Service Coverage		V&C Losses	
Lending Inst.	2008	2007	2008	2007	2008	2007
7	75.0%	75.0%	1.25	1.25	5.0%	5.0%
8	NR	75.0%	NR	1.25	2.0%	3.0%
14	80.0%	75.0%	1.15	1.25	3.0%	3.0%
15	80.0%	80.0%	1.20	1.20	5.0%	5.0%
16	80.0%	80.0%	1.20	1.20	5.0%	4.0%
18	75.0%	80.0%	1.20	1.15	5.0%	3.0%
28	80.0%	80.0%	1.20	1.20	4.0%	2.0%
30	80.0%	80.0%	1.25	1.25	5.0%	3.0%
33	75.0%	75.0%	1.25	1.25	5.0%	3.0%
35	65.0%	65.0%	1.15	1.15	4.0%	4.0%
36	80.0%	80.0%	1.15	1.20	5.0%	3.0%
37	70.0%	70.0%	1.20	1.20	2.0%	2.0%
106	NR	100.0%	1.15	1.15	5.0%	5.0%
117	75.0%	75.0%	1.20	1.25	4.0%	5.0%
209	80.0%	75.0%	1.25	1.25	2.0%	4.0%
301	80.0%	80.0%	1.15	1.20	2.0%	2.0%
AVERAGE	**76.8%**	**77.8%**	**1.20**	**1.21**	**3.9%**	**3.5%**

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: 2007 and 2008 Rent Guidelines Board Mortgage Surveys

E.6 Retrospective of New York City's Housing Market, 1982-2008

Year	Interest Rates for New Mortgages	Permits for New Housing Units in NYC and northern suburbs	Permits for New Housing Units in NYC only
1982	16.3%	11,598 b	7,649
1983	13.0%	17,249 b	11,795
1984	13.5%	15,961	11,566
1985	12.9%	25,504	20,332
1986	10.5%	15,298	9,782
1987	10.2%	18,659	13,764
1988	10.8%	13,486	9,897
1989	12.0%	13,896	11,546
1990	11.2%	9,076	6,858
1991	10.7%	6,406	4,699
1992	10.1%	5,694	3,882
1993	9.2%	7,314	5,173
1994	8.6%	6,553	4,010
1995	10.1%	7,296	5,135
1996	8.6%	11,457	8,652
1997	8.8%	11,619	8,987
1998	8.5%	13,532	10,387
1999	7.8%	15,326	12,421
2000	8.7%	18,077	15,050
2001	8.4%	19,636	16,856
2002	7.4%	21,423	18,500
2003	6.2%	23,778	21,218
2004	5.8%	27,695	25,208
2005	5.5%	33,606	31,599
2006	6.3%	32,609	30,927
2007	6.3%	34,484 Ø	31,902 Ø
2008	5.9%	•	•

b Prior to 1984, Bergen Co., NJ permit figures are included. **Ø** Figures are preliminary.
Notes: Interest rate data was collected in January-February and represents a 12-month average of the preceding year. Permit data is for the entire 12-month period of the shown year. 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.

E.7 2008 Survey of Mortgage Financing for Multifamily Properties

I. Financing Availability and Terms for Multifamily Buildings

1a. Do you currently offer **new permanent financing** (*i.e.*, loans secured by a property not previously mortgaged by your institution) for *rent stabilized buildings*?

❑ **Yes.** (*Indicate typical terms and conditions at right.*)

❑ **No.** (*Please inform our office that you do not offer primary financing at this time.*)

Interest rate : ________ % (current) ________ % (12 mo. average for 2007)
Points : ________
Terms : ________
Type: Fixed / Adjustable (circle one)
Special conditions: ________________

1b. How many loans were made by your institution in 2007 for new permanent financing of *rent stabilized buildings*?

Number of loans: ________________

2a. Do you currently offer **refinancing** of mortgages on *rent stabilized buildings*?

❑ **Yes.** (*Indicate typical terms and conditions at right.*)

❑ **No.** (*Skip to question 4a if you do not offer refinancing.*)

Interest rate : ________ % (current) ________ % (12 mo. average for 2007)
Points : ________
Terms : ________
Type: Fixed / Adjustable (circle one)
Special conditions: ________________ (if any)

2b. How many loans did your institution refinance in 2007 for *rent stabilized buildings*?

Number of loans: ________________

3a. In the past year, has the total **volume of new and refinanced loans** underwritten by your institution changed significantly (by at least 5%)?

❑ Yes, we have experienced a significant ________ (increase / decrease) of about ______ %.

❑ No, it is about the same. *(Please skip Question 3b).*

3b. If loan volume has changed significantly, is the change attributable to:

(Please check and fill in all applicable choices.)

❑ A significant ____________ (increase / decrease) in the volume of loan **applications** of about ______ %.

❑ A significant ____________ (increase / decrease) in the rate of application **approvals** of about ______ %.

Are there any trends related to financing availability and terms on which you wish to comment?

____
____
____
____

CONFIDENTIAL 1

II. Underwriting Criteria for Rent Stabilized Buildings

4a. What **standards** does your institution employ when assessing loan applications for *rent stabilized buildings*?

*(Provide the **maximum** criteria.)*

	N.A.
Loan-to-Value Ratio: ____________	❑
Debt Service Coverage: ____________	❑
Appraised Value of Building: ____________	❑

4b. Please provide any **other standards** your institution employs when assessing loan applications. If you do not employ the standard given, place an "X" in the "N.A." column.

*(Indicate an **average, minimum, or maximum** criteria.)*

	N.A.
Number of Units in Building: ________	❑
Building Age: ____________	❑
Borrower Lives in Building: ________	❑
Overall Building Maintenance: ________	❑
Co-op / Condo Conversion Potential: ________	❑
Other *(Please Specify)*: ____________	❑

5. Did your institution change its **underwriting practices** for financing or refinancing *rent stabilized buildings* over the past year?

❑ Yes.

❑ No. (*If no, please skip to Question 7*).

6. Yes, we changed our underwriting practices for *rent stabilized buildings* to:

(Please check and fill in all applicable choices.)

❑ Use ________ (more / less) stringent approvals.

❑ Require ________ (higher / lower) fees (i.e., points or fees).

❑ ____________ (Increase / Decrease) loan-to-value ratio.

❑ ____________ (Increase / Decrease) monitoring requirements.

❑ ____________ (Discontinue / Reduce / Expand) lending to rent stabilized buildings.

❑ Other : ________________________

III. Additional Mortgage Questions

7. How many **dwelling units** are contained in the average *rent stabilized building* financed by your institution? *(Please check only one.)*

❑ 1 -10 ❑ 11 - 19 ❑ 20 - 49
❑ 50 - 99 ❑ 100 or more

8. Which of the following best describes the average **vacancy and collection loss** for *rent stabilized buildings* during the past year? *(Please check only one.)*

❑ < 1% ❑ 1% ❑ 2%
❑ 3% ❑ 4% ❑ 5%
❑ 6% ❑ 7% ❑ > 7%

9. Approximately what percentage of your loans to *rent stabilized buildings* are currently **non-performing**?

❑ None
❑ Approximately ______ %.

CONFIDENTIAL 2

10. Approximately what percentage of your loans to *rent stabilized buildings* are currently in **foreclosure**?

❑ None
❑ Approximately ______ %.

11a. Does your institution retain the mortgages you offer or do you sell any to secondary markets?

❑ We retain all the mortgages sold. *(If so, please skip to question 12.)*
❑ We sell all our mortgages to secondary markets.
❑ We sell _____% of our mortgages to secondary markets.

11b. To whom do you sell your mortgages? *(Please check and fill in all applicable choices.)*

❑ Fannie Mae
❑ Freddie Mac
❑ Other: ________________________

12. In your sector, who are your major competitors in multi-family lending?

____
____

13. Do the mortgages offered to *rent stabilized buildings* include any commercial space?

❑ No
❑ Yes. Approximately what percentage of buildings in your portfolio have commercial space? ______%

14. What is your best estimate of average **operating and maintenance costs** per unit per month in the *rent stabilized buildings* financed by your institution?

$ ____________ ***per unit per month***

(Include the following operating and maintenance costs in your estimate: Real Estate & Other Taxes, Labor, Fuel, Utilities, Contractor Services, Administration — including Legal, Management and other costs — Insurance, Parts & Supplies, and Replacement Costs.)

15. What is your best estimate of average **rent** per unit per month in the *rent stabilized buildings* financed by your institution?

$ ____________ ***per unit per month***

16. Do any of your lending or underwriting standards differ for *rent stabilized buildings* as opposed to non-stabilized multifamily properties? *(Please check all that apply)*

New Financing Rates:	❑ Higher	❑ Lower	❑ Same
Refinancing Rates:	❑ Higher	❑ Lower	❑ Same
Loan-to-Value Ratio:	❑ Higher	❑ Lower	❑ Same
Debt Service Coverage:	❑ Higher	❑ Lower	❑ Same

17. On average, how does your portfolio of *rent stabilized buildings* perform as compared with expectations at the time of the initial loan originations? *(Please check all that apply)*

Net Operating Income:	❑ Better	❑ Worse	❑ Same
Debt Service Coverage:	❑ Better	❑ Worse	❑ Same
O&M Expenses:	❑ Better	❑ Worse	❑ Same

CONFIDENTIAL 3

18. Please estimate, *on average*, what percentage of Net Operating Income goes towards payment of debt service?

__________%.

19. Please estimate the *average* mortgage loan payment per unit per month for a *typical* building in your portfolio:

__________.

20. Has the nationwide mortgage-related credit crunch impacted your rent stabilized mortgage lending in any way? If so, how? Are there any additional trends relating to underwriting criteria, non-performing loans & foreclosure, or the mortgage market in general on which you wish to comment?

____
____
____
____

Thank you for taking the time to complete the survey.

CONFIDENTIAL 4

E.8 Rent Stabilized Building Sales Data by Year, Borough and Building Size – Median Sales Prices and Change Over Time, 2003-2007

6-10 Units

	2003	2004	2005	2006	2007	Change from 03-07
Citywide						
Median	$450,000	$540,000	$640,000	$750,000	$800,000	
Change		20%	19%	17%	7%	78%
Manhattan						
Median	$1,672,500	$1,617,500	$2,240,000	$2,662,041	$3,500,000	
Change		-3%	38%	19%	31%	109%
Brooklyn						
Median	$388,020	$480,000	$550,000	$675,000	$700,000	
Change		24%	15%	23%	4%	80%
Bronx						
Median	$400,000	$475,000	$660,000	$685,000	$700,000	
Change		19%	39%	4%	2%	75%
Queens						
Median	$478,000	$582,500	$635,000	$695,000	$834,000	
Change		22%	9%	9%	20%	74%

11-19 Units

Citywide						
Median	$1,063,000	$1,500,000	$1,725,000	$1,914,000	$2,090,000	
Change		41%	15%	11%	9%	97%
Manhattan						
Median	$1,775,000	$2,650,000	$2,740,665	$3,250,000	$3,942,500	
Change		49%	3%	19%	21%	122%
Brooklyn						
Median	$843,693	$900,000	$1,316,052	$1,257,095	$1,606,250	
Change		7%	46%	-4%	28%	90%
Bronx						
Median	$720,000	$925,000	$1,040,000	$1,425,000	$1,005,000	
Change		28%	12%	37%	-29%	40%
Queens						
Median	$1,150,000	$1,385,000	$1,537,500	$1,540,000	$2,030,000	
Change		20%	11%	0%	32%	77%

Source: NYC Department of Finance
Note: Staten Island data, as well as 100+ unit buildings, are excluded due to the small number of buildings sold.

E.8 Rent Stabilized Building Sales Data by Year, Borough and Building Size - Median Sales Prices and Change Over Time, 2003-2007 (continued)

20-99 Units

	2003	2004	2005	2006	2007	Change from 03-07
Citywide						
Median	$2,175,000	$3,000,000	$3,500,000	$4,000,000	$4,200,000	
Change		38%	17%	14%	5%	93%
Manhattan						
Median	$2,357,000	$3,500,000	$4,050,000	$5,087,500	$5,733,793	
Change		48%	16%	26%	13%	143%
Brooklyn						
Median	$1,945,000	$2,175,000	$3,550,000	$3,999,580	$4,215,000	
Change		12%	63%	13%	5%	117%
Bronx						
Median	$2,050,000	$2,558,791	$2,775,000	$3,075,300	$3,456,424	
Change		25%	8%	11%	12%	69%
Queens						
Median	$2,320,000	$3,300,000	$3,362,500	$6,128,313	$5,010,000	
Change		42%	2%	82%	-18%	116%

Source: NYC Department of Finance
Note: Staten Island data, as well as 100+ unit buildings, are excluded due to the small number of buildings sold.

F.1 Average Annual Employment Statistics by Area, 1996-2007

Unemployment Rate	1996	1997	1998	1999	2000	2001	2002	2003α	2004α	2005α	2006	2007
Bronx	10.6%	11.7%	9.9%	8.2%	7.2%	7.4%	9.8%	10.5%	9.2%	7.5%	6.7%	6.9%
Brooklyn	10.0%	10.7%	9.3%	8.0%	6.4%	6.6%	8.7%	9.0%	7.6%	6.2%	5.4%	5.5%
Manhattan	7.4%	7.8%	6.7%	5.9%	5.1%	5.7%	7.7%	7.4%	6.2%	5.0%	4.3%	4.4%
Queens	8.1%	8.5%	6.9%	6.1%	5.3%	5.4%	7.2%	7.3%	6.3%	5.2%	4.5%	4.5%
Staten Island	7.8%	8.4%	6.9%	5.8%	5.1%	5.2%	7.0%	7.4%	6.4%	5.2%	4.5%	4.6%
NYC	**8.8%**	**9.4%**	**7.9%**	**6.9%**	**5.8%**	**6.1%**	**8.0%**	**8.3%**	**7.1%**	**5.8%**	**5.0%**	**5.0%**
U.S.	**5.4%**	**4.9%**	**4.5%**	**4.2%**	**4.0%**	**4.7%**	**5.8%**	**6.0%**	**5.5%**	**5.1%**	**4.6%**	**4.6%**
Labor Force Participation Rate												
NYC Δ	56.7%	58.6%	58.7%	59.0%	59.0%	58.7%	59.3%	58.8%	58.5%	58.7%	59.0%	59.5%
U.S.	66.8%	67.1%	67.1%	67.1%	67.1%	66.8%	66.6%	66.2%	66.0%	66.0%	66.2%	66.0%
Employment-Population Ratio												
NYC Δ	51.7%	53.1%	54.0%	54.9%	55.6%	55.2%	54.6%	54.0%	54.3%	55.3%	56.1%	56.5%
U.S.	63.2%	63.8%	64.1%	64.3%	64.4%	63.7%	62.7%	62.3%	62.3%	62.7%	63.1%	63.0%
Gross City Product (NYC)												
(billions, in 2000 $)	351.5	370.3	394.7	415.3	437.8	431.8	415.4	405.3	415.9	431.3	446.8	460.4
% Change	5.08%	5.35%	6.59%	5.22%	5.42%	-1.37%	-3.80%	-2.43%	2.62%	3.70%	3.59%	3.04%
Gross Domestic Product (U.S.)												
(billions, in 2000 $)	8,328.9	8,703.5	9,066.9	9,470.3	9,817.0	9,890.7	10,048.8	10,301.0	10,675.8	11,003.4	11,319.4	11,566.8
% Change	3.70%	4.50%	4.17%	4.45%	3.66%	0.75%	1.60%	2.51%	3.64%	3.1%	2.9%	2.2%

Notes: The New York City Comptroller's Office revises the Gross City Product periodically. The GCP & GDP 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; U.S. Bureau of Economic Analysis, U.S. Dept. of Commerce; NYS Dept. of Labor; NYC Comptroller's Office.

α Unemployment data from 2003-2005 is currently being revised by the NYS Dept. of Labor and will be released through the Spring. Data presented here is current as of March 2008.

Δ Unpublished data from the Bureau of Labor Statistics. These figures are revised periodically.

F.2 Average Payroll Employment by Industry for NYC, 1998-2007 (in thousands)

Industry Employment	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2006-2007 Change
Manufacturing	195.9	186.8	176.8	155.5	139.4	126.6	120.8	113.9	106.1	101.0	-4.8%
Construction, Natural Resources & Mining Δ	101.3	112.5	120.5	122.1	115.8	112.7	111.8	113.3	118.5	127.1	7.26%
Trade, Transport & Utilities	542.0	556.3	569.6	557.4	536.5	533.6	539.3	547.5	558.3	570.6	2.2%
Leisure & Hospitality	235.8	243.7	256.7	260.1	255.3	260.3	270.1	276.7	284.9	297.0	4.2%
Financial Activities	477.3	481.0	488.8	473.6	445.1	433.6	435.5	445.1	458.3	467.9	2.1%
Information	166.5	172.8	187.3	200.4	176.9	163.9	160.2	162.8	164.6	165.9	0.8%
Management of Companies	58.5	57.3	52.6	54.7	58.4	58.9	56.9	57.6	58.6	59.1	0.9%
Professional & Business Svcs.	525.2	552.9	586.5	581.9	550.4	536.6	541.5	555.3	571.3	591.4	3.5%
Educational & Health Svcs.	588.7	604.4	615.2	627.1	646.0	658.2	665.3	678.8	694.7	707.0	1.8%
Other Services	133.9	141.5	147.4	148.7	149.7	149.1	150.5	153.2	154.3	158.1	2.5%
Total Private Sector	2,966.5	3,051.9	3,148.8	3,126.7	3,015.0	2,974.5	2,994.9	3,046.6	3,111.0	3,185.8	2.4%
Government α	560.4	567.0	568.9	562.4	566.2	556.6	554.4	555.6	555.2	559.2	0.7%
City of New York	448.1	453.3	451.8	450.8	456.2	448.3	447.9	449.8	450.4	454.2	0.8%
Total	**3,526.9**	**3,618.8**	**3,717.7**	**3,689.1**	**3,581.1**	**3,531.1**	**3,549.3**	**3,602.2**	**3,666.2**	**3,745.0**	**2.1%**

Notes: Totals may not add up due to rounding. Categories and figures have been revised from prior years due to new classification system used by the US Bureau of Labor Statistics and the NYS Department of Labor. Total excludes farm employment but includes unclassified jobs.

Δ Beginning in 2005, Construction and Natural Resources & Mining are no longer two separate employment sectors. Prior year figures reflect that change.

α Government includes federal, state, and local (City of New York) jobs located in New York City. Local government figures have been revised from prior years to include those employed by the City of New York as well as city-based public corporations such as the HHC (Health and Hospitals Corporation) and the MTA.

Source: NYS Department of Labor

F.3 Average Real Wage Rates by Industry for NYC, 2000-2006 (2006 dollars)

	SIC CLASSIFICATION SYSTEM		NAICS CLASSIFICATION SYSTEM							
Industry	2000	2001	2000	2001	2002	2003	2004	2005	2006	2005-06 % Change
Construction	$55,955	$58,001	$63,078	$65,301	$64,502	$64,262	$61,633	$60,507	$61,073	0.9%
Manufacturing	$63,155	$64,990	$43,189	$45,015	$46,454	$47,671	$48,560	$50,133	$48,464	-3.3%
Transportation	$58,472	$59,129	$46,770	$48,102	$48,333	$47,233	$46,126	$44,362	$44,169	-0.4%
Trade	$37,681	$37,465	$46,722	$46,934	$46,746	$46,505	$46,179	$46,258	$46,285	0.1%
FIRE	$159,020	$161,388	$172,672	$175,366	$155,717	$150,937	$169,162	$173,988	$195,245	12.2%
Services	$50,268	$50,000	$51,885	$51,592	$50,620	$50,823	$51,414	$51,560	$52,080	1.0%
Information	Ω	Ω	$90,908	$92,786	$90,053	$94,079	$95,849	$96,500	$97,963	1.5%
Management of Co.'s	Ω	Ω	$179,796	$174,243	$180,988	$156,026	$161,028	$163,318	$164,356	0.6%
Private Sector	$66,717	$67,306	$74,441	$75,098	$70,990	$69,719	$72,575	$73,498	$77,056	4.8%
Government	$49,254	$49,240	$54,956	$54,940	$54,722	$54,880	$55,441	$53,676	$52,275	-2.6%
Total Industries	**$63,458**	**$72,009**	**$71,474**	**$72,008**	**$68,385**	**$67,354**	**$69,867**	**$70,410**	**$73,268**	**4.1%**

Note: The New York State Department of Labor revises the statistics annually. Real wages reflect 2006 dollars and differ from those found in this table in prior years.

Ω Statistic not available. These categories were created when the NYS Dept. of Labor began tracking wages with the NAICS Classification System in 2000.

Source: New York State Department of Labor, Research and Statistics Division.

F.4 Average Nominal Wage Rates by Industry for NYC, 2000-2006

	SIC CLASSIFICATION SYSTEM		NAICS CLASSIFICATION SYSTEM							
Industry	2000	2001	2000	2001	2002	2003	2004	2005	2006	2005-06 % Change
Construction	$51,627	$54,863	$52,160	$55,359	$56,085	$57,594	$57,193	$58,314	$61,073	4.7%
Manufacturing	$58,270	$61,474	$35,714	$38,162	$40,392	$42,725	$45,062	$48,316	$48,464	0.3%
Transportation	$53,949	$55,930	$38,675	$40,779	$42,026	$42,332	$42,803	$42,754	$44,169	3.3%
Trade	$34,767	$35,438	$38,635	$39,789	$40,646	$41,680	$42,852	$44,581	$46,285	3.8%
FIRE	$146,720	$152,658	$142,785	$148,668	$135,397	$135,275	$156,975	$167,681	$195,245	16.4%
Services	$46,380	$47,295	$42,904	$43,738	$44,014	$45,549	$47,710	$49,691	$52,080	4.8%
Information	Ω	Ω	$75,173	$78,660	$78,302	$84,317	$88,944	$93,002	$97,963	5.3%
Management of Co.'s	Ω	Ω	$148,676	$147,716	$157,370	$139,837	$149,427	$157,398	$164,356	4.4%
Private Sector	$61,556	$63,665	$61,556	$63,665	$61,726	$62,485	$67,346	$70,834	$77,056	8.8%
Government	$45,444	$46,576	$45,444	$46,576	$47,581	$49,186	$51,447	$51,730	$52,275	1.1%
Total Industries	**$59,103**	**$61,046**	**$59,103**	**$61,046**	**$59,461**	**$60,365**	**$64,834**	**$67,858**	**$73,268**	**8.0%**

Note: The New York State Department of Labor revises the statistics annually.

Ω Statistic not available. These categories were created when the NYS Dept. of Labor began tracking wages with the NAICS Classification System in 2000.

Source: New York State Department of Labor, Research and Statistics Division.

F.5 New York City Population Statistics, 1900-2007

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Citywide	Citywide Change from Prior Decade
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%
2000	1,334,381	2,466,952	1,539,610	2,231,845	445,562	8,018,350	9.5%
2007	**1,373,659**	**2,528,050**	**1,620,867**	**2,270,338**	**481,613**	**8,274,527**	**3.2%**$^{\Delta}$

Note: 1900-1990 figures as of April 1 of each year. 2000-2007 figures is of July 1 of that year. Percent population change between 1990 and 2000 has not been adjusted to take into account the increased number of households surveyed for the 2000 Census.

Δ Percentage change is from 2000-2007. *Source: U.S. Census Bureau, Population Division*

F.6 Consumer Price Index for All Urban Consumers, NY-Northeastern NJ, 1997-2007

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
March	170.7	173.0	175.5	181.5	186.4	191.1	197.1	203.4	212.4	218.2	224.6
June	170.3	173.1	176.8	182.0	188.3	191.5	196.9	206.0	210.7	222.6	228.3
September	171.7	174.4	178.2	184.4	188.0	193.3	199.6	205.9	215.8	222.9	228.3
December	171.9	174.7	178.6	184.2	187.3	193.1	199.3	206.8	214.2	221.3	229.4
Quarterly Average	171.2	173.8	177.3	183.0	187.5	192.3	198.2	205.5	213.3	221.3	227.6
Yearly Average	**170.8**	**173.6**	**177.0**	**182.5**	**187.1**	**191.9**	**197.8**	**204.8**	**212.7**	**220.7**	**226.9**

12-month percentage change in the CPI

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
March	2.52%	1.35%	1.45%	3.42%	2.70%	2.52%	3.14%	3.20%	4.42%	2.73%	2.91%
June	2.28%	1.64%	2.14%	2.94%	3.46%	1.70%	2.82%	4.62%	2.28%	5.65%	2.54%
September	2.08%	1.57%	2.18%	3.48%	1.95%	2.82%	3.26%	3.16%	4.81%	3.29%	2.43%
December	2.02%	1.63%	2.23%	3.14%	1.68%	3.10%	3.21%	3.76%	3.58%	3.31%	3.66%
Quarterly Average	2.22%	1.55%	2.00%	3.24%	2.45%	2.53%	3.11%	3.68%	3.77%	3.74%	2.88%
Yearly Average	**2.34%**	**1.64%**	**1.96%**	**3.11%**	**2.52%**	**2.57%**	**3.07%**	**3.54%**	**3.86%**	**3.76%**	**2.83%**

Source: U.S. Bureau of Labor Statistics; Base Period: 1982-1984=100

F.7 Housing Court Actions, 1986-2007

Year	Filings	Calendared	Evictions & Possessions	Year	Filings	Calendared	Evictions & Possessions
1986	312,000	81,000	23,318	1997	274,000	111,000	24,995
1987	301,000	77,000	25,761	1998	278,156	127,851	23,454
1988	299,000	92,000	24,230	1999	276,142	123,399	22,676
1989	299,000	99,000	25,188	2000	276,159	125,787	23,830
1990	297,000	101,000	23,578	2001	277,440	130,897	21,369*
1991	302,000	114,000	20,432	2002	331,309	132,148	23,697
1992	289,000	122,000	22,098	2003	318,077	133,074	23,236
1993	295,000	124,000	21,937	2004	261,085	121,999	22,010
1994	294,000	123,000	23,970	2005	261,457	119,265	21,945
1995	266,000	112,000	22,806	2006	256,747	122,379	23,669
1996	278,000	113,000	24,370	**2007**	**251,390**	**121,793**	**24,696**

Note: "Filings" reflect non-payment proceedings initiated by rental property owners, while "Calendared" reflect those non-payment proceedings resulting in a court appearance. "Filings" and "Calendared" figures prior to 1998 were rounded to the nearest thousand. *Note: 2001 Evictions and Possessions data is incomplete as it excludes the work of one city marshal who died in May 2001 and whose statistics are unavailable.

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

F.8 Housing and Vacancy Survey Data, Rent Stabilized Apartments, 2002 and 2005

	2002[1]		2005[2]	
	Number	Percent	Number	Percent
Household Income				
<$5,000/Loss/No Income	67,300	6.8%	64,525	6.4%
$5,000 to $9,999	97,566	9.9%	90,279	8.9%
$10,000 to $14,999	85,967	8.7%	85,943	8.5%
$15,000 to $19,999	73,660	7.5%	81,219	8.0%
$20,000 to $24,999	66,351	6.7%	76,142	7.5%
$25,000 to $29,999	61,318	6.2%	61,208	6.0%
$30,000 to $34,999	73,339	7.4%	70,502	6.9%
$35,000 to $39,999	49,839	5.0%	54,090	5.3%
$40,000 to $49,999	96,910	9.8%	105,567	10.4%
$50,000 to $59,999	72,176	7.3%	72,804	7.2%
$60,000 to $69,999	58,873	6.0%	56,074	5.5%
$70,000 to $79,999	51,325	5.2%	48,053	4.7%
$80,000 to $89,999	32,650	3.3%	37,982	3.7%
$90,000 to $99,999	19,470	2.0%	23,909	2.4%
$100,000 to $124,999	34,549	3.5%	35,698	3.5%
$125,000 or More	47,098	4.8%	51,660	5.1%
Median	$32,000	-	32,000	-
Mean	$46,439	-	45,836	-
Contract Rent				
<$100	616	0.1%	1,801	0.2%
$100 to $199	16,462	1.7%	11,648	1.2%
$200 to $299	19,921	2.1%	16,542	1.7%
$300 to $399	29,516	3.0%	17,631	1.8%
$400 to $499	72,267	7.4%	38,865	3.9%
$500 to $599	144,249	14.9%	88,030	8.8%
$600 to $699	170,874	17.6%	128,376	12.8%
$700 to $799	151,395	15.6%	129,635	13.0%
$800 to $899	106,687	11.0%	143,463	14.4%
$900 to $999	69,461	7.2%	112,047	11.2%
$1,000 to $1,249	88,748	9.1%	155,349	15.5%
$1,250 to $1,499	40,722	4.2%	70,229	7.0%
$1,500 to $1,749	32,254	3.3%	45,334	4.5%
$1,750 or More	27,865	2.9%	40,734	4.1%
No Cash Rent	17,357	-	15,970	-
Median	$700	-	$844	-
Mean	$795	-	$908	-
Contract-Rent-to-Income Ratio				
<10%	80,260	8.6%	67,976	7.0%
10% to 14%	130,654	14.0%	115,289	11.9%
15% to 19%	128,000	13.7%	115,896	12.0%
20% to 24%	113,914	12.2%	107,210	11.1%
25% to 29%	85,680	9.2%	88,068	9.1%
30% to 34%	65,009	6.9%	70,089	7.3%
35% to 39%	45,101	4.8%	55,636	5.8%
40% to 49%	67,087	7.2%	80,600	8.4%
50% to 59%	42,190	4.5%	50,537	5.2%
60% to 69%	35,925	3.8%	45,330	4.7%
70% to 79%	24,776	2.6%	27,339	2.8%
80% or More	117,341	12.5%	140,892	14.6%
Not Computed	52,456	-	50,791	-
Median	25.7%	-	29.1%	-
Mean	34.3%	-	37.5%	-

1. 2002 HVS reflects 2001 incomes.
2. 2005 HVS reflects 2004 incomes.

Note: 2002 and 2005 data values are imputed.
Source: 2002 and 2005 New York City Housing and Vacancy Survey, U.S. Bureau of the Census.

G.1 Permits Issued For Housing Units in New York City, 1960-2008

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	1,646	2,904	5,110	2,723	2,667	**15,050**
2001	2,216	2,973	6,109	3,264	2,294	**16,856**
2002	2,626	5,247	5,407	3,464	1,756	**18,500**
2003	2,935	6,054	5,232	4,399	2,598	**21,218**
2004	4,924	6,825	4,555	6,853	2,051	**25,208**
2005	4,937	9,028	8,493	7,269	1,872	**31,599**
2006	4,658	9,191	8,790	7,252	1,036	**30,927**
2007	**3,088**	**10,930**	**9,520**	**7,625**	**739**	**31,902**
2008 (1st Qtr)Ω	862 (1,037)	1,603 (2,621)	485 (1,551)	705 (1,864)	238 (191)	**3,893 (7,264)**

Ω First three months of 2008. The number of permits issued in the first three months of 2007 is in parenthesis.

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

G.2 Permits Issued by Building Size & Borough (In Percentages), 1999-2007

Year/Borough	1-Family	2-Family	3/4 Family	5 or More-Family	Total Buildings
1999					
Bronx	6.4%	44.5%	48.1%	1.0%	393
Brooklyn	31.7%	37.0%	21.2%	10.1%	783
Manhattan	0.0%	4.4%	4.4%	91.1%	45
Queens	13.4%	62.4%	19.1%	5.1%	681
Staten Island	63.4%	36.4%	0.0%	0.2%	1,738
Citywide	*40.3%*	*41.9%*	*13.4%*	*4.5%*	*3,640*
2000					
Bronx	7.7%	67.8%	22.5%	1.9%	466
Brooklyn	15.9%	50.7%	23.5%	9.9%	837
Manhattan	0.0%	13.8%	43.1%	43.1%	109
Queens	10.9%	58.4%	25.0%	5.7%	801
Staten Island	71.8%	27.9%	0.0%	0.3%	1,895
Citywide	*39.4%*	*42.6%*	*13.4%*	*4.6%*	*4,108*
2001					
Bronx	3.7%	59.7%	31.9%	4.8%	543
Brooklyn	22.3%	44.6%	24.1%	9.0%	1,028
Manhattan	2.8%	3.5%	56.3%	37.3%	142
Queens	14.1%	58.8%	23.5%	3.6%	1,007
Staten Island	72.6%	27.3%	0.1%	0.0%	1,799
Citywide	*37.6%*	*41.4%*	*16.4%*	*4.6%*	*4,519*
2002					
Bronx	2.7%	57.4%	35.4%	4.6%	676
Brooklyn	15.8%	41.9%	27.5%	14.8%	1,197
Manhattan	4.1%	4.1%	24.3%	67.6%	74
Queens	17.7%	53.8%	23.8%	4.7%	1,210
Staten Island	69.3%	29.4%	1.1%	0.2%	1,317
Citywide	29.9%	43.2%	19.9%	7.1%	4,474
2003					
Bronx	9.2%	50.3%	30.5%	9.9%	596
Brooklyn	8.2%	46.1%	31.5%	14.2%	1,446
Manhattan	1.3%	8.8%	2.5%	87.5%	80
Queens	12.1%	54.2%	28.6%	5.2%	1,335
Staten Island	64.8%	34.6%	0.5%	0.1%	1,887
Citywide	*29.1%*	*44.0%*	*19.3%*	*7.6%*	*5,344*
2004					
Bronx	4.1%	40.2%	46.9%	8.9%	813
Brooklyn	8.0%	31.3%	43.6%	17.1%	1,407
Manhattan	1.1%	3.3%	16.7%	78.9%	90
Queens	13.3%	55.5%	25.9%	5.2%	1,986
Staten Island	46.2%	53.3%	0.2%	0.3%	1,308
Citywide	*18.1%*	*45.9%*	*27.3%*	*8.7%*	*5,604*
2005					
Bronx	3.5%	29.9%	54.9%	11.6%	825
Brooklyn	6.4%	28.3%	45.3%	20.0%	1,638
Manhattan	2.6%	0.9%	6.1%	90.4%	115
Queens	17.5%	47.5%	27.1%	7.8%	1,912
Staten Island	63.9%	34.6%	1.0%	0.5%	1,297
Citywide	22.5%	35.8%	30.0%	11.8%	5,787
2006					
Bronx	7.7%	33.6%	51.4%	7.3%	959
Brooklyn	8.1%	23.2%	45.7%	23.0%	1,389
Manhattan	1.8%	3.5%	5.3%	89.4%	113
Queens	14.3%	49.7%	29.0%	7.1%	2,014
Staten Island	62.7%	36.2%	0.0%	1.1%	697
Citywide	17.7%	36.7%	33.2%	12.4%	5,172
2007					
Bronx	**6.8%**	**43.7%**	**41.7%**	**7.8%**	**643**
Brooklyn	**0.0%**	**18.3%**	**51.7%**	**30.0%**	**1,079**
Manhattan	**5.0%**	**1.7%**	**5.8%**	**87.6%**	**121**
Queens	**17.1%**	**53.1%**	**21.3%**	**8.6%**	**1,562**
Staten Island	**60.7%**	**38.6%**	**0.2%**	**0.6%**	**511**
Citywide	**16.0%**	**38.5%**	**29.8%**	**15.8%**	**3,916**

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

G.3 New Dwelling Units Completed in New York City, 1960-2007

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	7,260	2,327	1,384	**12,772**
1991	656	764	2,608	1,956	1,627	**7,611**
1992	802	1,337	3,750	1,498	1,136	**8,523**
1993	886	616	1,810	801	1,466	**5,579**
1994	891	1,035	1,927	1,527	1,573	**6,953**
1995	1,166	1,647	2,798	1,013	1,268	**7,892**
1996	1,075	1,583	1,582	1,152	1,726	**7,118**
1997	1,391	1,369	816	1,578	1,791	**6,945**
1998	575	1,333	5,175	1,263	1,751	**10,097**
1999	1,228	1,025	2,341	2,119	2,264	**8,977**
2000	1,385	1,353	6,064	2,096	1,896	**12,794**
2001	1,617	2,404	6,036	1,225	2,198	**13,480**
2002	1,220	2,248	8,326	1,981	2,453	**16,228**
2003	1,473	2,575	3,798	2,344	2,589	**12,779**
2004 π	3,326	4,512	6,150	3,087	2,291	**19,366**
2005 π	3,012	5,007	5,006	4,526	1,942	**19,493**
2006 π	4,311	6,418	5,199	5,940	1,900	**23,768**
2007 π	**4,436**	**7,123**	**6,584**	**5,918**	**1,449**	**25,510**

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.

π Data from 2004-2007 now includes Final Certificates of Occupancies (as with all other years) as well as Temporary Certificates of Occupancy data for the first time. Data will be updated every year to reflect the most current estimates.

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

G.4 Number of Residential Co-op and Condo Plans Accepted for Filing By the NYS Attorney General's Office, 2002-2007

	2002	2003	2004	2005	2006	2007
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
Private Plans						
New Construction	136 (2,576)	190 (4,870)	268 (6,018)	361 (12,210)	644 (19,780)	573 (19,511)
Rehabilitation	20 (348)	18 (418)	18 (334)	6 (223)	0	8 (71)
Conversion (Non-Eviction)	14 (1,974)	10 (639)	16 (1,550)	24 (2,356)	53 (6,331)	66 (5,441)
Conversion (Eviction)	0	0	0	0	0	0
Private Total	**170 (4,898)**	**218 (5,927)**	**302 (7,902)**	**391 (14,789)**	**697 (26,201)**	**647 (25,023)**
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
HPD Sponsored Plans						
New Construction	0	0	0	0	0	0
Rehabilitation	0	0	0	0	0	0
Conversion (Non-Eviction)	0	0	0	0	0	0
Conversion (Eviction)	15 (260)	0	15 (274)	18 (269)	13 (273)	16 (248)
HPD Total	**15 (260)**	**0**	**15 (274)**	**18 (269)**	**13 (273)**	**16 (248)**
Grand Total	**185 (5,158)**	**218 (5,927)**	**317 (8,176)**	**409 (15,058)**	**710 (26,474)**	**663 (25,271)**

Note: Figures exclude "Homeowner" and "Commercial" plans/units.
Source: New York State Attorney General's Office, Real Estate Financing Bureau.

G.5 Number of Units in Co-op and Condo Plans Accepted for Filing By the NYS Attorney General's Office, 1981-2007

Year	New Construction	Conversion Eviction	Conversion Non-Eviction	Rehabilitation	Total New Construction Conversion & Rehab	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	807	**1,659**	901
1995	614	426	201	1,258	**2,499**	935
1996	21	0	149	271	**441**	0
1997	1,417	26	131	852	**2,426**	533
1998	3,225	0	386	826	**4,437**	190
1999	1,123	343	359	1,029	**2,854**	295
2000	1,911	203	738	220	**3,072**	179
2001	3,833	22	1,053	124	**5,032**	22
2002	2,576	260	1,974	348	**5,158**	260
2003	4,870	0	639	418	**5,927**	0
2004	6,018	274	1,550	334	**8,176**	274
2005	12,210	269	2,356	223	**15,058**	269
2006	19,870	273	6,331	0	**26,474**	273
2007	**19,511**	**248**	**5,441**	**71**	**25,271**	**248**

Note: Rehabilitated units were tabulated separately beginning in 1994. HPD Plans are a subset of all plans. Some numbers were revised from prior years.

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

G.6 Tax Incentive Programs, 2005-2007

Buildings Receiving Certificates for 421-a Exemptions, 2005-2007

	2005		2006		2007	
	Certificates	Units	Certificates	Units	Certificates	Units
Bronx	7	183	10	114	24	1,020
Brooklyn	89	1,185	57	736	50	825
Manhattan	30	2,890	32	2,375	24	1,939
Queens	38	772	52	650	44	428
Staten Island	1	32	0	0	0	0
TOTAL	**165**	**5,062**	**151**	**3,875**	**142**	**4,212**

Buildings Receiving J-51 Tax Abatements and Exemptions, 2005-2007

	2005			2006			2007		
	Buildings	Units	Certified Cost ($1,000s)	Buildings	Units	Certified Cost ($1,000s)	Buildings	Units	Certified Cost ($1,000s)
Bronx	469	20,289	48,982	279	13,766	35,979	153	7,381	16,757
Brooklyn	210	12,828	14,437	249	13,167	28,300	283	12,470	24,575
Manhattan	269	13,387	36,131	271	21,884	27,969	208	12,348	24,302
Queens	510	19,757	16,854	287	17,106	12,600	309	23,148	15,487
Staten Island	1	109	112	4	87	43	4	334	158
TOTAL	**1,459**	**66,370**	**116,516**	**1,090**	**66,010**	**104,891**	**957**	**55,681**	**81,278**

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

G.7 Tax Incentive Programs – Units Receiving Initial Benefits, 1981-2007

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
2000	2,828	83,925
2001	4,870	81,321
2002	4,953	70,145
2003	3,782	74,005
2004	6,738	117,503
2005	5,062	66,370
2006	3,875	66,010
2007	**4,212**	**55,681**

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

G.8 City-Owned Properties, Fiscal Years 1987-2007

	Central Management				Alternative Management		Vestings		Buildings Sold
Fiscal Year	Occupied Units	Occupied Buildings	Vacant Units	Vacant Buildings	Units	Buildings	Units	Buildings	Buildings
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
2001	8,299	1,203	4,979	633	7,973	504	0	0	321
2002	5,715	919	3,762	524	7,756	477	0	0	302
2003	4,049	610	2,370	367	7,064	441	0	0	184
2004	1,970	373	1,806	275	7,348	466	0	0	217
2005	1,114	235	1,294	221	6,516	451	0	0	169
2006	727	175	826	155	5,582	373	0	0	171
2007	**466**	**133**	**517**	**92**	**5,039**	**316**	**0**	**0**	**105**

Note: HPD could not confirm vestings data prior to FY 1990.
Source: NYC Office of Operations, Fiscal 2007 *Mayor's Management Report*; NYC Department of Housing Preservation and Development.

G.9 Building Demolitions in New York City, 1987-2007

	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**
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**
2000	--	64	--	499	--	101	--	529	--	307	**--**	**1,500**
2001	--	96	--	421	--	160	--	519	--	291	**--**	**1,487**
2002	--	126	--	500	--	89	--	600	--	456	**--**	**1,771**
2003	--	161	--	560	--	100	--	865	--	564	--	**2,250**
2004	--	238	--	691	--	141	--	1128	--	547	--	**2,745**
2005	--	245	--	1,080	--	145	--	1,545	--	477	--	**3,492**
2006	--	334	--	1,109	--	259	--	1,485	--	381	**--**	**3,568**
2007	**--**	**302**	**--**	**984**	**--**	**282**	**--**	**1,407**	**--**	**308**	**--**	**3,283**

Note: The Census Bureau discontinued collecting demolition statistics in December, 1995. The New York City Department of Buildings began supplying the total number of buildings demolished from 1996 forward, and cannot specify whether buildings are residential, nor if they have 5+ units. Demolition statistics from 1985 though 1995 are solely residential buildings.

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

H.1 Additions to the Stabilized Housing Stock, 1994-2007

Year	421-a	J-51	Mitchell-Lama Buyouts State	Mitchell-Lama Buyouts City	Lofts	421-g	420-c	Formerly Controlled	Total
1994	-	114	0	0	-	-	-	-	114
1995	-	88	306	0	-	-	-	-	394
1996	-	8	0	0	-	-	-	-	8
1997	-	38	323	0	-	-	-	-	361
1998	-	135	574	1,263	64	-	-	-	2,036
1999	-	33	286	0	71	-	-	-	390
2000	-	224	0	0	96	-	-	-	320
2001	-	494	0	0	56	-	-	-	550
2002	-	260	0	232	16	-	-	-	508
1994-2002	*20,240*	*1,394*	*1,489*	*1,495*	*303*	*865*	*5,500*	*31,159*	*62,445*
2003	1,929	171	0	279	20	41	1,781	916	5,137
2004	4,941	142	0	229	129	188	1,973	706	8,308
2005	3,380	25	251	481	66	79	1,664	721	6,667
2006	2,264	130	285	2,755	81	5	1,798	634	7,952
2007	2,838	135	2,227	290	35	441	2,558	592	9,116
Total	**35,592**	**1,997**	**4,252**	**5,529**	**634**	**1,619**	**15,274**	**34,728**	**99,625**

421-a Notes: Between 1994-2002, a count of 26,987 421-a units includes co-op and condo units that were created under the 421-a program. Analysis of the RPAD database shows that on average from 1994 to 2002, 25% of 421-a units were owner units and 75% were rental units. Therefore an estimated 20,240 units were added to the rent stabilized stock. In 2003, 51% of 421-a units were rental units, therefore, of the 3,782 units created under the 421-a program in 2003, 1,929 were rentals that are rent stabilized. In 2004, 72% of 421-a units were rental units, therefore, of the 6,862 units created under the 421-a program in 2004, 4,941 were rentals that are rent stabilized. In 2005, 67% of new 421-a units were rentals, 3,380 of a total of 5,062 units. In 2006, 58% of new 421-a units were rentals, 2,264 of a total of 3,875. In 2007, 67% of new 421-a units were rentals, 2,838 of a total of 4,212.

J-51 Notes: The numbers represent units that were not rent stabilized prior to entering the J-51 Program. Most units participating in the J-51 Program were rent stabilized prior to their J-51 status and therefore are not considered additions to the rent stabilized stock.

Loft Notes: Loft conversion counts are not available from 1994 to 1997.

421-g, 420-c and Rent Controlled Notes: Counts for each year between 1994 and 2002 are not available; only an aggregate is available.

Sources: Department of Housing Preservation and Development (HPD), Tax Incentive Programs and Division of Housing Supervision (Mitchell-Lama Developments); NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data, and Office of Housing Operations; and NYC Loft Board.

H.2 Additions to the Stabilized Housing Stock by Borough, 2007

	Bronx	Brooklyn	Manhattan	Queens	S.I.	Total
421-a	677	809	638	708	6	2,838
421-g	0	0	441	0	0	441
420-c	449	468	1,457	184	0	2,558
J-51	0	135	0	0	0	135
Mitchell-Lama Buyouts (City & State)	2,025	0	492	0	0	2,517
Lofts	0	0	35	0	0	35
Formerly Controlled	60	160	278	92	2	592
Total	**3,211**	**1,572**	**3,341**	**984**	**8**	**9,116**

Sources: Department of Housing Preservation and Development (HPD), Tax Incentive Programs and Division of Housing Supervision (Mitchell-Lama Developments); NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data, and Office of Housing Operations; and NYC Loft Board.

H.3 Subtractions from the Stabilized Housing Stock Due to High Rent/High Income Decontrol by Borough, 1994-2007

Year	Bronx	Brooklyn	Manhattan	Queens	S.I.	Total
1994	0	0	904	0	0	904
1995	0	0	346	0	0	346
1996	1	0	180	4	0	185
1997	1	0	157	2	0	160
1998	3	0	366	3	0	372
1999	2	1	279	1	0	283
2000	2	1	227	0	0	230
2001	3	0	209	2	0	214
2002	1	1	258	2	0	262
2003	2	13	177	6	0	198
2004	0	13	173	8	0	194
2005	4	30	220	11	0	265
2006	8	28	244	21	0	301
2007	9	45	241	14	0	309
Total	**36**	**132**	**3,981**	**74**	**0**	**4,223**

Source: NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data, grants by year of filing petition cycle.

H.4 Subtractions from the Stabilized Housing Stock Due to High Rent/Vacancy Decontrol by Borough, 1994-2007

Year	Bronx	Brooklyn	Manhattan	Queens	S.I.	Total
1994	3	9	544	9	0	565
1995	1	111	927	8	0	1,047
1996	10	106	1,203	6	0	1,325
1997	6	77	1,121	0	0	1,204
1998	7	116	2,247	14	0	2,384
1999	11	151	3,586	37	0	3,785
2000	7	279	2,586	62	0	2,934
2001	53	294	4,490	145	0	4,982
2002	64	391	5,431	251	7	6,144
2003	83	640	7,048	416	17	8,204
2004	101	758	7,271	697	29	8,856
2005	184	852	7,303	904	29	9,272
2006	217	1,408	7,187	1,106	65	9,983
2007	375	1,409	7,114	1,380	64	10,342
Total	**1,122**	**6,601**	**58,058**	**5,035**	**211**	**71,027**

Note: Registration of deregulated units with DHCR was voluntary and not required from 1994-2000. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years. The NYC City Council required proof of registration with DHCR of the unit as exempt to be sent to the tenant beginning in March 2000 (see Endnote 6).

Source: NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data.

H.5 Subtractions from the Stabilized Housing Stock, 1994-2007

Year	High Income Decontrol	High Rent/ Vacancy Decontrol	High Rent/ Co-op/Condo Conversion	421-a Expiration	J-51 Expiration	Substantial Rehab	Commercial/ Professional Conversion	Other	Total
1994	904	565	5,584	2,005	1,345	332	139	1,904	12,778
1995	346	1,047	4,784	990	1,440	334	113	1,670	10,724
1996	185	1,325	4,733	693	1,393	601	117	1,341	10,388
1997	160	1,204	3,723	1,483	1,340	368	109	1,365	9,752
1998	372	2,384	3,940	2,150	1,412	713	78	1,916	12,965
1999	283	3,785	2,822	3,514	1,227	760	110	1,335	13,836
2000	230	2,934	3,147	3,030	884	476	729	1,372	12,802
2001	214	4,982	2,153	770	1,066	399	88	1,083	10,755
2002	262	6,144	1,774	653	1,081	508	45	954	11,421
2003	198	8,204	1,474	651	854	340	59	912	12,692
2004	194	8,856	1,564	493	609	268	79	954	13,017
2005	265	9,272	1,692	451	545	692	111	1,017	14,045
2006	301	9,983	1,567	263	236	350	135	1,139	13,974
2007	309	10,342	1,455	161	270	297	66	1,304	14,204
Total	**4,223**	**71,027**	**40,412**	**17,307**	**13,702**	**6,438**	**1,978**	**18,266**	**173,353**

Co-op/Condo Note: Subtractions from the stabilized stock in co-ops and condos are due to two factors: (1) stabilized tenants vacating rental units in previously converted buildings and (2) new conversions of stabilized rental units to ownership.

High Rent/Vacancy Decontrol Note: See Appendix 4 note.

Source: NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data.

H.6 Subtractions from the Stabilized Housing Stock by Borough, 2007

	Bronx	Brooklyn	Manhattan	Queens	S.I.	Total
High Rent/High Income Decontrol	9	45	241	14	0	309
High Rent/Vacancy Decontrol	375	1,409	7,114	1,380	64	10,342
Co-op/Condo Conversion	72	207	678	438	60	1,455
421-a Expirations	6	17	68	70	0	161
J-51 Expirations	0	105	164	1	0	270
Substantial Rehabilitation	13	139	138	7	0	297
Commercial/Professional Conversion	0	27	29	10	0	66
Other	135	371	605	193	0	1,304
Total	**610**	**2,320**	**9,037**	**2,113**	**124**	**14,204**

Source: NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data.

Glossary & Index

Glossary of Rent Regulation

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 income for shelter.

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.

Class A Multiple Dwelling: As defined under the Multiple Dwelling Law, a multiple dwelling building which is generally occupied as a permanent residence. The class includes such buildings as apartment houses, apartment hotels, maisonette apartments, and all other multiple dwellings except Class B dwellings.

Class B Multiple Dwelling: A multiple dwelling which is occupied, as a rule, transiently, as the more or less temporary abode of individuals or families. This class includes such buildings as hotels, lodging houses, rooming houses, boarding schools, furnished room houses, college and school dormitories.

Condominium: A form of property ownership in which units are individually owned and the owners acquire shares in an association that owns and cares for common areas.

Cooperative: A form of property ownership in which a building or complex is owned by a corporation. Shares in the corporation are allocated per apartment and the owners of those shares, who are called proprietary lessees, may either live in the apartment for which the shares are allocated or rent that apartment to a sub-tenant.

Core Manhattan: The area of Manhattan south of 96th Street on the East Side and 110th Street on the West Side. See also “Upper Manhattan.”

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.

Decontrol: See "Deregulation."

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. (Also see DHCR)

Deregulation: Also known as “Decontrol” or “Destabilization.” Deregulation occurs by action of the owner when an apartment under either rent control or rent stabilization legally meets the criteria for leaving regulation. When an apartment is deregulated, the rent may be set at ‘market rate.’ There are two types of deregulation, commonly referred to as Luxury Decontrol (a.k.a. High-Income High-Rent Decontrol) and Vacancy Decontrol (a.k.a High-Rent Decontrol). See these terms for details.

Destabilization: See "Deregulation."

DHCR: See "Division of Housing and Community Renewal."

Disability Rent Increase Exemption (DRIE): A program which freezes the rent of a New York City tenant or tenant’s spouse who is disabled (defined as receiving either Federal Supplemental Security Income, Federal

Social Security Disability Insurance, US Department of Veterans Affairs disability pension or compensation, or Disability-related Medicaid) and living in a rent regulated apartment. To qualify for this benefit, a single person household must make no more than $18,396 per year and a two- or more-person household must make a combined household income no more than $26,460 per year, as well as paying at least 1/3 of their income toward their rent,

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.

Emergency Tenant Protection Act of 1974 (ETPA): Chapter 576 Laws of 1974: In Nassau, Rockland and Westchester counties, rent stabilization applies to non-rent controlled apartments in buildings of six or more units built before January 1, 1974 in localities that have declared an emergency and adopted ETPA. In order for rents to be placed under regulation, there has to be a rental vacancy rate of less than 5% for all or any class or classes of rental housing accommodations. Some municipalities limit ETPA to buildings of a specific size, for instance, buildings with 20 or more units. Each municipality declaring an emergency and adopting local legislation pays the cost of administering ETPA (in either Nassau, Rockland or Westchester County). In turn, each municipality can charge the owners of subject housing accommodations a fee (up to $10 per unit per year).

Eviction: An action by a building owner in a court of competent jurisdiction to obtain possession of a tenant's housing accommodation.

Fair Market Rents (FMR): In New York City, when a tenant voluntarily vacates a rent controlled apartment, the apartment becomes decontrolled. If that apartment is in a building containing six or more units, the apartment becomes rent stabilized. The owner may charge the first stabilized tenant a fair market rent. All future rent increases are subject to limitations under the Rent Stabilization Law, whether the same tenant renews the lease or the apartment is rented to another tenant. The Rent Stabilization Law permits the first stabilized tenant after decontrol to challenge the first rent charged after decontrol, through a Fair Market Rent Appeal, if the tenant believes that the rent set by the owner exceeds the fair market rent for the apartment. The Appeal is decided taking into consideration the Fair Market Rent Special Guideline and rents for comparable apartments.

Family Assistance Program (FAP): NY State's TANF program. See "Temporary Assistance to Needy Families."

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 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.

Fuel Cost Adjustment: The New York City Rent Control Law allows separate adjustments based on the changes, up or down, in the price of various types of heating fuels. The adjustment will be based on fuel price changes between the beginning and end of the prior year. Only tenants in rent controlled apartments located in New York City are subject to this fuel cost adjustment. Early rent stabilized New York City Rent Guidelines Board orders also contained supplementary guidelines adjustments denominating fuel cost adjustments.

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

Guideline Rent Increases: The percentage increase of the Legal Regulated Rent that is allowed when a new or renewal lease is signed. This percentage is determined by the New York City Rent Guidelines Board for renewal leases signed between October 1 of the current year and September 30 of the following year. The percentage increase allowed is dependent on the term of the lease and whether the lease is a renewal or vacancy lease (see 'Vacancy Allowance'). Although in the past the RGB customarily set increases for vacancy leases, it has not done so since the passage of the Rent Regulation Reform Act of 1997, which established statutory vacancy increases. Sometimes additional factors, such as the amount of the rent, whether or not electricity is included in the rent and the past rental history, have also resulted in varying adjustments.

Home Relief: See "Safety Net Assistance."

Hotel: Under rent stabilization, a multiple dwelling that provides all of the following services included in the rent:
(1) Maid service, consisting of general house cleaning at a frequency of at least once a week;
(2) Linen service, consisting of providing clean linens at a frequency of at least once a week;
(3) Furniture and furnishings, including at a minimum a bed, lamp, storage facilities for clothing, chair and mirror in a bedroom; such furniture to be maintained by the hotel owner in reasonable condition; and
(4) Lobby staffed 24 hours a day, seven days a week by at least one employee.

Housing Maintenance Code: The code, enforced by the New York City Department of Housing Preservation and Development, provides for protection of the health and safety of apartment dwellers by setting standards for the operation, preservation and condition of buildings.

Housing and Vacancy Survey (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, RGB, 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 and 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"): An increase in rent based on increased services, new equipment, or improvements. This increase is a NYS policy and is in addition to the regular annual Rent Guidelines Board increases for rent stabilized apartments and Maximum Base Rent increases for rent controlled apartments. If owners add new services, improvements, or new equipment to an occupied rent regulated apartment, 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 excluding finance charges. 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. The 1/40th increase remains permanently in the monthly rent, even after the cost of the improvement is recouped. Owners must get the tenant's written consent to pay the increase and an order from DHCR is not required. If any apartment is vacant, the owner does not have to get written consent of a tenant to make the improvement and pass-on the 1/40th increase.

Initial Legal Registered Rent: Under rent stabilization, the lawful rent for the use and occupancy of housing accommodations under the Rent Stabilization Law or the Emergency Tenant Protection Act, as first registered with the DHCR, which has not been challenged pursuant to regulation, or if challenged, has been determined by the DHCR.

In Rem: *In Rem* units include those located in structures owned by the City of New York as a result of an *in rem* proceeding initiated by the City after the owner failed to pay tax on the property for one or more years. Though many of these units in multiple dwellings had previously been subject to either rent control or rent stabilization, they are exempt from both regulatory systems during the period of city ownership.

J-51 Tax Incentive Program: A New York City program under which, in order to encourage development and rehabilitation, property tax abatements and exemptions are granted. In consideration of receiving these tax abatements, and at least for the duration of the abatements, the owner of these buildings agree to place under rent stabilization those apartments which would not otherwise be subject to rent stabilization This program provides real estate tax exemptions and abatements to existing residential buildings that are renovated or rehabilitated in ways that conform to the requirements of the statute. It also provides these benefits to residential buildings that were converted from commercial structures.

Legal Rent: The maximum rent level that a landlord is entitled to charge a tenant for a rent regulated unit. The landlord of a rent stabilized unit must annually register that legal rent with DHCR.

Legislature: The New York State Legislature.

Loft Board: A New York City agency that regulates lofts. Lofts are governed by Article 7-C of the Multiple Dwelling Law, and are not (until brought up to Code) within DHCR's rent regulatory jurisdiction.

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 2007 to the same data in 2006.

Low Rent Supplement: See "Supplemental Adjustment."

Luxury Decontrol (High-Rent/High-Income 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 in two or more consecutive years, and (2) the apartment's monthly rent is $2,000 or greater.

Major Capital Improvements (MCI): When owners make improvements or installations to a building subject to the rent stabilization or rent control laws, they may be permitted to increase the building's rent based on the actual, verified cost of the improvement. To be eligible for a rent increase, the MCI must be a new installation and not a repair to old equipment. For example, an owner may receive an MCI increase for a new boiler or a new roof but not for a repaired or rebuilt one. Other building-wide work may qualify as MCIs as well, such as "pointing and water-proofing" a complete building where necessary. The Rent Stabilization Code also stipulates that applications for MCI rent increases must be filed within two years of completion of the installation. MCI rent increases must be approved by DHCR.

Maximum Base Rent Program (MBR): The Maximum Base Rent Program is the mechanism for authorizing rent increases for New York City apartments subject to rent control so as to ensure adequate income for their operation and maintenance. New York City Local Law 30 (1970) stipulates that MBRs be established for rent controlled apartments according to a formula calculated to reflect real estate taxes, water and sewer charges, operating and maintenance expenses, return on capital value and vacancy and collection loss allowance. The MBR is updated every two years by a factor that incorporates changes in these operating costs.

Maximum Collectible Rent (MCR): The rent that rent controlled tenants actually pay or are obligated to pay to the owner. In any one calendar year, the collectible rent shall be increased by no more than 7.5% until the MBR is reached. Other increases not associated with the MBR system are possible in the same year, in addition to the 7.5%, such as fuel cost adjustments and approved increases for individual apartment improvements and/or major capital improvements. The MCR generally is less than the MBR. For example, if a tenant's rent (MCR) on 12/31/87 was $200, and his/her MBR was $233, then on 1/1/88 (effective date of MBR) his/her rent (MCR) would rise 7.5% to $215 and the MBR ceiling would rise by 16.4% (1988/89 MBR factor) to $271.22. On 1/1/89, the MBR would remain the same (since MBRs cover a two year period), but the MCR would rise by another 7.5% to $231.12.

Mean and Median Averages: The "mean" is an arithmetic average of numbers. Numbers at the extreme of a range can have a potentially distorting effect on the mean. 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, because it is the 50th percentile of the numbers under analysis, or the number in the middle.

Net Operating Income (NOI): 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.

New Law Tenement: A "Class A" multiple dwelling constructed between 1901 and 1929 and subject to the regulations of the Tenement House Law. Distinguished from the old law tenement in terms of reduction of hazardous conditions and improved access to light and air.

New York City Housing Authority (NYCHA): The New York City agency that administers public housing and rental assistance programs.

New York City Rent Guidelines Board: See "Rent Guidelines Board."

Nominal Dollars: Dollars not adjusted to take inflation into account. See also "Real Dollars."

Old Law Tenement: A "Class A" multiple dwelling constructed before 1901 and subject to the regulations of the Tenement House Law.

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&M expenses, 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.

Orders: See "Rent Guideline Orders."

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. The major research instrument performed by the RGB staff to determine the annual change in prices for a market basket of goods and services used by owners to operate and maintain rent stabilized buildings.

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 generally stabilized.

Preferential Rent: A rent charged by an owner to a tenant that is less than the established legal regulated rent. Owners are not necessarily required to base renewal lease increases on the preferential rent.

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

Real Dollars: Dollars adjusted to take inflation into account. Real dollar figures offer a comparison between years that are pegged to the value of a dollar in a given year. See also "Nominal Dollars."

Registration: Owners are required to register all rent stabilized apartments with DHCR by filing an Annual Apartment Registration Form which lists rents and tenancy information as of April 1st of each year.

Renewal Lease: The lease of a tenant in occupancy renewing the terms of a prior lease entered into between the tenant and owner for an additional term. Tenants in rent stabilized apartments have the right to select a lease renewal for a one- or two-year term. The renewal lease must be on the same terms and conditions as the expiring lease unless a change is necessary to comply with a specific law or regulation or is otherwise authorized by the rent regulation. The owner may charge the tenant a Rent Guidelines Board authorized increase based on the length of the renewal lease term selected by the tenant. The law permits the owner to raise the rent during the lease term if the Rent Guidelines rate was not finalized when the tenant signed the lease renewal offer. A renewal lease should go into effect on or after the date that it is signed and returned to the tenant as well as on the day following expiration of the prior lease. In general, the lease and any rent increase may not begin retroactively. Penalties may be imposed when an owner does not timely offer the tenant a renewal lease or timely return to the tenant an executed copy thereof.

Rent Control: The rent regulation program which generally applies to residential buildings constructed before February, 1947 in municipalities for which an end to the postwar rental housing emergency has not been declared. For an apartment to be under rent control, the tenant must generally have been living there continuously since before July 1, 1971 or for less time as a successor to a rent controlled tenant. When a rent controlled apartment becomes vacant, it either becomes rent stabilized or is removed from regulation, generally becoming stabilized if the building has six or more units and if the community has adopted Emergency Tenant Protection Act. Formerly controlled apartments may have been decontrolled on various other grounds. Rent control limits the rent an owner may charge for an apartment and restricts the right of an owner to evict tenants. It also obligates the owner to provide essential services and equipment. In New York City, rent increases are governed by the MBR system.

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. The Board is appointed by the Mayor and consists of two members who represent tenants, two members who represent the real estate industry and five public members.

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

RGB: See "Rent Guidelines Board."

Rent Guideline Orders: Rent guideline orders are issued by the rent guidelines boards annually, usually before July 1. For the most part, they establish the percentage increases that may be given to rent stabilized/ETPA apartments upon lease renewal and for new leases. These increases are based on the review of operating expenses and other cost of living data.

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 $40,000 or less, or exclusively residential cooperatives or condominiums are exempt from filing. RPIE forms are also known as I&E forms.

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.'

Rent Stabilization: In New York City, rent stabilized apartments are generally those apartments in buildings of six or more units built between February 1, 1947 and January 1, 1974. Tenants in buildings built before February 1, 1947, who moved in after June 30, 1971 are also covered by rent stabilization. A third category of rent stabilized apartments covers buildings subject to regulation by virtue of various governmental supervision or tax benefit programs. Generally, these buildings are stabilized only while the tax benefits or governmental suspension continues. In some cases, a building with as few as three units may be stabilized. Similar to rent control, stabilization provides other protections to tenants besides regulation of rental amounts. Tenants are entitled to receive required services, to have their leases renewed, and not to be evicted except on grounds allowed by law. Leases may be entered into and renewed for one or two year terms, at the tenant's choice.

Rent Stabilization Code: The Rent Stabilization Code is the body of regulations used by DHCR to implement the Rent Stabilization Law and Emergency Tenant Protection Act in New York City. These regulations affect nearly 1 million rent stabilized apartments in New York City. Chapter 888 of the Laws of 1985 authorized DHCR to amend the Rent Stabilization Code for New York City. The current Rent Stabilization Code became effective on May 1, 1987, with subsequent revision in 2000. A pending revision was also proposed in 2008.

Rental Vacancy Rate: The percentage of the total rental units in an area that are vacant and available for occupancy. The vacancy rate for New York City is determined every three years by the Housing and Vacancy Survey.

Rooming House: Under rent regulation, in addition to its customary usage, a building or portion of a building, other than an apartment rented for single-room occupancy, in which housing accommodations are rented, on a short-term basis of daily, weekly or monthly occupancy, to more than two occupants for whom rent is paid, not members of the landlord's immediate family. The term shall include boarding houses, dormitories, trailers not a part of a motor court, residence clubs, tourist homes and all other establishments of a similar nature, except a hotel or a motor court.

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% of the family's adjusted income. The family has to pay at least 10% 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% 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% of the monthly adjusted family income, 10% of gross monthly family income, or the portion of welfare assistance designated for the monthly housing cost of the family.

Senior Citizens' Rent Increase Exemption (SCRIE): If a New York City tenant or tenant's spouse is 62 years of age or over (living in a rent regulated apartment), and the combined household income is $28,000 per year or less (rising to $29,000 after 7/1/09) and they are paying at least 1/3 of their income toward their rent, the tenant may apply for the Senior Citizen Rent Increase Exemption (SCRIE). In New York City, the Department for the Aging (DFTA) administers the SCRIE program. Outside of New York City, Senior Citizen Rent Increase Exemption is a local option, and communities have different income eligibility limits and regulations. If a New York City tenant qualifies for this program, the tenant is exempt from future rent guidelines increases, Maximum Base Rent increases, fuel cost adjustments, MCI increases, and increases based on the owner's economic hardship. New York City senior citizen tenants may also carry this exemption from one apartment to another upon moving, upon the proper application being made to DFTA.

Shelter Allowance: A rental grant provided to households receiving public assistance under the Temporary Assistance to Needy Families (TANF) program.

Single-Room Occupancy Housing (SRO): Residential properties in which some or all dwelling units do not contain bathroom or kitchen facilities. Under rent regulation, the occupancy by one or two persons of a single room, or of two or more rooms which are joined together, separated from all other rooms within an apartment in a multiple dwelling, so that the occupant or occupants thereof reside separately and independently of the other occupant or occupants of the same apartment.

Special Guideline: The New York City Rent Guidelines Board is obligated to promulgate special guidelines to aid the State Division of Housing and Community Renewal in its determination of initial legal regulated rents for housing accommodations previously subject to rent control. This is determined each year by the RGB as applicable to the determination of Fair Market Rent Appeals.

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."

Sublet: The temporary transfer of a tenant's legal interest in an apartment to another person. A tenant who sublets an apartment to another person is the prime tenant. The person to whom the apartment is sublet is the subtenant. In a sublet situation, the prime tenant must abide by the rent stabilization rules that govern the building owner.

Supplemental Adjustment: A rent increase that has been allowed in certain years in addition to a regular Guideline Rent increases for apartments. The supplementary adjustment amount is established for that guideline year by the New York City or County Rent Guidelines Boards based upon the date the lease was signed, the term of the lease and the county. Also known as the "Low Rent Supplement."

Surcharge: An added charge which is paid by the tenant but not included in the legal regulated rent and is not compounded by guidelines adjustments. Examples of surcharges are: the $5.00 a month charge for an air conditioner that protrudes beyond the window line; the electrical charge for air conditioners in electrical inclusion buildings; and for the installation of window guards.

Tax Commission Income and Expense Form (TCIE): An application by building owners to appeal their tax assessments.

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. The New York State's TANF program is called the Family Assistance Program (FAP).

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.

Transient Occupancy: Among the criteria that must be met for hotel rooms, tourist homes, and motor courts to be exempt from rent regulation is that they are used for transient occupancy. Whether occupancy is transient depends on a number of factors, including whether rates are charged by the day, week, or month, and the proportions of occupants who stay for various lengths of time.

Upper Manhattan: The area of Manhattan north of 96th Street on the East Side and 110th Street on the West Side. See also "Core Manhattan."

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 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.") For the 2008-2009 guideline period, the one-year vacancy guideline is 16% and the two-year guideline is 20%.

Vacancy Bonus: An additional rental increase allowed for units that 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 0.6% 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 0.6%) for a total increase of 26% over the legal rent which had been paid by the departing tenant.

Vacancy Decontrol (High-Rent Vacancy Decontrol): A process by which a rent regulated unit becomes deregulated if at the time it next becomes vacant, 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, MCIs or a vacancy bonus.

Vacancy Lease: When a person rents a rent stabilized apartment for the first time, or, when a new name (not the spouse or domestic partner) is added to an existing lease, this is a vacancy lease. This written lease is a contract between the owner and the tenant which includes the terms and conditions of the lease, the length of the lease and the rights and responsibilities of the tenant and the owner. The Rent Stabilization Law gives the new tenant (also called the vacancy tenant) the choice of a one- or two-year lease term. The rent the owner can charge may not be more than the last legal regulated rent plus all increases authorized by the Rent Stabilization Code, including increases for improvements to the vacant apartment.

Warranty of Habitability: Real Property Law Section 235-b entitles tenants to a livable, safe and sanitary apartment and building and remedies are specified when these conditions are not met.

Index

A

B

C

D

E

F

G

H

I

J

L

M

N

O

P

Q

R

S

T

U

V

W

Housing NYC: Rents, Markets, and Trends 2008

New York City Rent Guidelines Board

Chair
Marvin Markus

Research and Reports
Andrew McLaughlin
Brian Hoberman
Danielle Burger

Design and Layout
Danielle Burger

51 Chambers Street, Suite 202
New York, NY 10007
212-385-2934
www.housingnyc.com