
HOUSING NYC:
RENTS, MARKETS
& TRENDS 2015
NYC RENT GUIDELINES BOARD

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Housing NYC: Rents, Markets & Trends 2015

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Chair's Acknowledgements

New York City continues to suffer from vacancy levels (3.45% city-wide for all rentals and 2.12% for rent stabilized units) that constitute a "housing emergency," requiring the Rent Guidelines Board (RGB), rather than the market, to set annual renewal lease adjustments for nearly one million rent stabilized apartments, lofts and hotel units. Our role is to determine lease adjustments that are responsive to the costs of operating rental housing, but cognizant of the economic conditions faced by tenants.

While our renewal lease adjustment rates this year for apartments may have been unprecedented, our process was not. We followed the long-established practice of prior Boards of relying upon the carefully gathered data provided by the RGB staff and outlined in the *2014 Housing and Vacancy Survey*. The reports contained in this edition of *Housing NYC: Rents, Markets and Trends 2015* set the foundation for the Board's deliberations and our decision this year.

Every member of the Board is grateful to the RGB staff for their hard work, careful analysis, and clear presentation of data. This staff conducts impeccable research that is invaluable to the Board as well as the many outside of this Board who participate in the public discussion. These reports provide a thorough analysis of the New York City housing market and the broader economy, including a broad array of data concerning the costs of operating residential buildings; owner income; housing availability; tenant income; and changes to the housing stock.

This book is critical not only for those who are concerned about the Board's decisions for a particular year. Indeed, this book is part of a series of books produced by the RGB staff that provides a rich data set and analysis for use by housing professionals, government officials, housing advocates, academics, and all members of the public who care about the quality and affordability of NYC rental housing.

Our decision was rooted in the data compiled in this book, but the Board is also reliant upon the hundreds of people who testified at this year's public hearings for the human faces and individual stories they shared. We are grateful for the perspectives offered by elected officials, representatives of tenant and owner groups, and the many members of the public for their insights and perspectives as tenants and owners of rent stabilized units.

I am honored to have been part of this Board. We are given a weighty task and each member of the Board commits hard work, careful consideration, and deep engagement to the process. I thank each member of the Board for their participation in a critically important endeavor.

Rachel D. Godsil
Chair of the Board

Executive Director's Acknowledgements

Each year the NYC Rent Guidelines Board (RGB) publishes its primary research reports in a publication entitled *Housing NYC: Rents, Markets and Trends*. The 2015 edition reflects data collected by the RGB research staff which was used by the Board in its deliberation of annual renewal lease guidelines for rent stabilized dwelling units in New York City. The research contained in this compendium not only represents efforts by the RGB staff, but contributions by many other housing professionals and government agencies.

The RGB research staff produces six reports annually. The primary researcher for three of the reports contained within these pages is our skillful Research Director Brian Hoberman. He authored the *2015 Income and Expense Study*, *2015 Mortgage Survey Report* and *Changes to the Rent Stabilized Housing Stock in New York City in 2014*. Brian continues to use his talents maintain and contribute content to the Board's website, nycrgb.org, and head's the Board's IT department. Senior Research Associate Danielle Burger authored both the *2015 Income and Affordability Study* and the *2015 Housing Supply Report* and was an integral contributor to the *2015 Price Index of Operating Costs*. She continues to be a vital member of the research staff, contributing her many talents to maintaining the Board's website and compiling this annual compendium. The RGB is fortunate to have such experienced and dedicated professionals and it is my pleasure to work with both of them.

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 their time and energy to this report, collecting and analyzing data throughout the year. In addition to the permanent staff, the RGB hires temporary survey workers who collect prices for insurance, non-union labor, contractors, building supplies, and replacement items. My thanks go out to our team of data collectors: Michael Taylor, Thomas O'Rourke and Keila Espinosa. Their dedication and hard work on this project was greatly appreciated. Finally, I would like to extend my gratitude to long-time PIOC consultant James Hudson for his thorough review of the PIOC and his work in implementing updated PIOC weights. His Price Index expertise ensures that the numbers presented to the Board are accurate.

I would like to take this opportunity to acknowledge the efforts of the members of the Rent Guidelines Board in setting renewal-lease adjustments for over million rent stabilized units in NYC. They are a dedicated and hard working group, bringing a strong sense of civic duty to their task. In particular, I'd like to thank Rachel Godsil for her continued support of the RGB staff and its executive director.

It is with great sadness that I announce the passing of our Office Manager, Leon Klein. Joining the RGB staff in 1984, Leon worked for over thirty years balancing the Board's books, paying our bills and making sure that we all got paid. He cared deeply about the RGB, was honest as the day is long, and rarely missed a day of work. We appreciate his many years of service to the RGB and he will be missed as both a coworker and friend. The RGB will not be the same without him.

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 White at the Department of Buildings, for City-wide demolition data; Floralba Paulino at the Bureau of City Marshals, for information on evictions and possessions; Juanita France at the NYS Attorney General's Office, for coop and condo plans; Eddy Valdez at the NYC Civil Court, for data on housing court proceedings; Deborah Fremder and Althea Bender at the NYC Loft Board, for data concerning loft conversions to rent stabilization; Randi Rosenblum and Alicia Jackson at the Department of Homeless Services, for help with homeless statistics; Emre Edev at the City Council's Finance Division for tax levy data; Elan Parra of the Mayor's Office of Special Enforcement for illegal hotel violations data; and Geoffrey Propheter of the Independent Budget Office (IBO), for lending his expertise on real estate tax projections. At the Division of

Housing and Community Renewal (DHCR), which is a division of New York State Homes and Community Renewal (HCR), we would like to thank Deputy Commissioner Woody Pascal, as well as Michael Berrios and Tracey Stock, for their assistance and expertise regarding owner registration data and Robert Damico for his assistance with Mitchell-Lama data. In addition, our thanks goes out to the following staff members of the NYC Department of Housing Preservation and Development (HPD): Elyzabeth Gaumer, Acting Assistant Commissioner for Research and Evaluation, for facilitating the collection of additional City-sponsored housing construction and sales data; Norma Gomez for information regarding cooperative and condominium developments; Elaine R. Toribio of the Tax Incentives Program, who provided data on tax benefit programs; and Julie Walpert, Assistant Commissioner, Office of Housing Operations, who provides information regarding Mitchell-Lama units. We would like to thank the staff of NYC Department of Finance, in particular, Andreen McDonald, for providing summary data from the Real Property Income and Expense (RPIE) filings; as well as John Blaskovich and Joseph Bilotta, for providing updated annualized building sales data.

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; U.S. Bankruptcy Court; 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; New York State Homes and Community Renewal, the Division of Housing and Community Renewal; the Bureau of Data Management and Analysis of the Office of Temporary and Disability Assistance; and the Department of Labor's Research and Statistics Division. Local level sources include: Civil Court of the City of New York; the Department of Finance; the Department of Buildings; the Department of City Planning; the Department of Homeless Services; the Human Resources Administration; the Comptroller's Office; Corporation Counsel; the Bureau of City Marshals; the NYC Loft Board; the Office of the Mayor; and the Department of Housing Preservation and Development.

This past year has seen the continuation of a long and cooperative relationship with HPD. We would like to thank Commissioner Vicki Been, Elyzabeth Gaumer, and Sheree West for their efforts on behalf of the RGB. Their support and hard work are truly appreciated.

Finally, we give special thanks to those who testified at RGB meetings this year: Dr. James F. Hudson; from HPD, Elyzabeth Gaumer, Acting Assistant Commissioner for Research and Evaluation, and Daniel Hernandez, Deputy Commissioner for Neighborhood Strategies; and Max Weselcouch, Director of the Moelis Institute for Affordable Housing Policy.

Andrew McLaughlin
Executive Director

Income & Expense

2015 Price Index Of Operating Costs

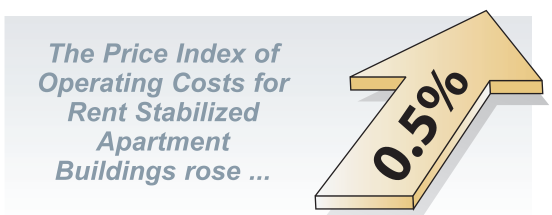
What's New

- ✔ The Price Index of Operating Costs (PIOC) for Rent Stabilized Apartment Buildings increased 0.5% this year.
- ✔ The apartment PIOC expenditure weights were updated using RPIE data.
- ✔ Costs in natural-gas heated buildings increased 1.7% and costs in fuel-oil heated buildings declined 0.4%.
- ✔ 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 3.6% this year.
- ✔ Fuel costs decreased 21.0%.
- ✔ Real estate taxes increased 4.2% due to a rise in assessments for Class Two properties.
- ✔ The Utilities component increased by 1.2%, due to an increase in water and sewer rates.
- ✔ Insurance Costs increased by 7.2%.
- ✔ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings is projected to increase 4.2% next year.

Introduction

The NYC Rent Guidelines Board's (RGB) *Price Index of Operating Costs (PIOC)* gathers prices for a market basket of goods and services used in the operation and maintenance of rent stabilized buildings in NYC and uses these prices to estimate cost/price changes from one year to the next. 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. This is the same approach used by the Consumer Price Index (CPI) and other similar indices, but the PIOC specifically analyzes the goods and services typically purchased by owners of buildings containing rent stabilized units.

The PIOC has historically been made up of nine cost components, and within each of these components, individual expense items. Components are the categories of good and services, such as Taxes and Labor Costs, which comprise the market basket of goods of the Price Index. Each component is then comprised of items that represent individual goods and services within a component. For example the Labor Costs component contains items for union and non-union wages; social security and unemployment insurance; and health and welfare benefits. (See Appendix B.2 for all components and items used in the *2015 PIOC*.)



Every PIOC over the last 30 years has been based on a survey of expenditure patterns of owners dating from 1983. This survey asked owners, in detail, about their specific operating expenses. From this data, weights were allocated to specific cost components (such as taxes, labor, etc.), as well as to specific items within each of these components (as explained above). Although these expenditure weights were revised each year (based on the findings of the prior year's survey), and there had been some minor changes to expenditure items since 1983, staff determined over the past few years that the PIOC was no longer representative of expenditure patterns that are prevalent today.[1]

In order to reflect current expenditure patterns, the RGB staff, for the first time, used the expenditure patterns presented in the *2015 Income and Expense (I&E) Study* to update the component weights for the apartment *2015 PIOC*. The I&E provides an analysis of expenses as reported by owners in the Real Property Income and Expense (RPIE) statements (as required by Local Law 63, enacted in 1986). These statements are submitted annually to the NYC

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, March 2014 to March 2015

Taxes	4.2%
Labor Costs	3.8%
Fuel	-21.0%
Utilities	1.2%
Maintenance	3.0%
Administrative Costs	3.9%
Insurance Costs	7.2%
All Costs	**0.5%**

Department of Finance and represent reported expenses by building owners with stabilized units, based on the most recent completed calendar year at the time of filing. Going forward, RGB staff will use this annual data to update the PIOC expenditure weights each year, ensuring that future indices will contain current expenditure patterns.[2]

As a result of updating the owners' expenditure patterns, it is important to note that the PIOC now contains seven expense components, instead of the traditional nine components presented in previous PIOCs. However, the individual items priced in this year's PIOC are the same items that were included in last year's price index. Where appropriate, they have simply been allocated to new components. Taxes, Labor Costs and Insurance Costs are the only components that contain the same items as in previous PIOCs, and therefore the only components that can be directly compared to previous price indices. A detailed breakdown of the items in each component is contained in the Methodology section of this report and can be found in Appendix B.2.

It is also important to note that the update to expenditure patterns is only for the Apartment PIOC. Since staff was unable to obtain sufficient I&E data to update either the PIOC for Lofts or the PIOC for Hotels, the methodology used to calculate the loft and hotel indices is the same as in previous PIOCs. However, in order to maintain symmetry between indices, the expense items were aligned to the seven components now used in the Apartments PIOC.

As always, the importance of each index component is shown by its "expenditure weight" (see Appendix B.2). The measured 2014-15 price changes in each index component are also presented in this appendix. The expenditure weights and the 2014-15 price changes are then combined to provide the overall change in the PIOC over the period from 2014-15.

Overview

This year, the PIOC for all rent stabilized apartment buildings increased by 0.5%. Increases occurred in all PIOC components except Fuel, which declined by 21.0%. The largest increase in any component was seen in Insurance Costs (7.2%). More moderate increases occurred in Taxes (4.2%), Administrative Costs (3.9%), Labor Costs (3.8%), Maintenance (3.0%) and Utilities (1.2%). The growth in the Consumer Price Index (CPI) during this same time period was higher than the PIOC, rising 1.0%.[3] See the adjacent table and Appendix B.2 for changes in costs and prices for all rent stabilized apartment buildings from 2014-15.

The "core" PIOC, which excludes erratic changes in fuel oil, natural gas, and electricity costs used for heating buildings, is useful for analyzing long-term inflationary trends. The core PIOC rose by 3.6% this year and was higher than the overall PIOC due to the exclusion of the costs in the Fuel component, which declined 21.0%.

As previously noted, this year staff updated the expenditure patterns used in the Apartment PIOC with data from RPIE statements. This resulted in an overall PIOC of 0.5%. Had the PIOC not been reweighted to reflect current expenditure patterns, the PIOC would have been –1.1%, 1.6 percentage points lower, primarily because the cost of fuel oil went down 23.4% and it accounted for a larger share of overall expenses in the previous PIOC methodology.

Price Index Components

Taxes

The Taxes component of the PIOC is based entirely on real estate taxes and accounts for over one-quarter of the overall price index. The change in tax cost is estimated by comparing aggregate taxes levied on rent stabilized apartment buildings in Fiscal Year (FY) 2014 and FY 2015.

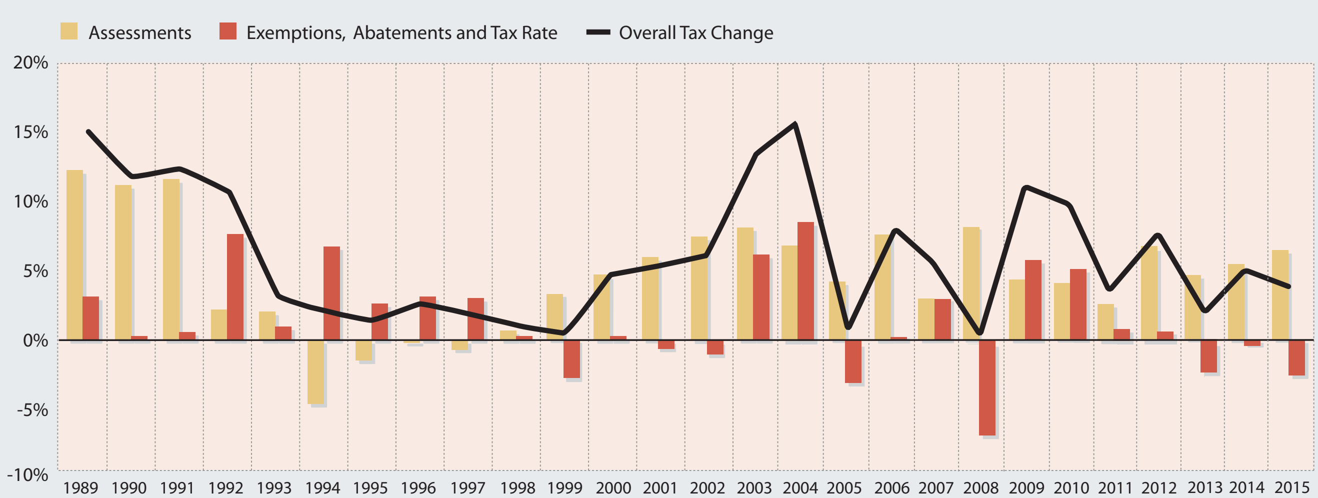
Real estate taxes rose this year by 4.2%. The growth in taxes was due to a 6.5% rise in assessments. While assessments rose, tax rates declined 2.1%, and combined with an increase in the total value of exemptions had the effect of dampening the growth in real estate taxes in FY 2015.

Tax Levy — The total tax levy for all properties in the City (commercial and residential) increased by 6.1% from FY 2014 to FY 2015. The Class Two property levy rose at a slower pace than that of the City as a whole, at a rate of 4.5%. The distribution of the levy among property classes tends to shift from year to year. From FY 2014 to FY 2015, the levy share for Class Two properties decreased by 0.6 percentage points, from 36.8% to 36.2% of the total tax burden. Although the Class Two levy share declined, it is still significantly higher than the 26.3% share that was established at the inception of the four-class tax system in 1983.

Tax Rate — The average annual FY 2014 Class Two tax rate of 13.145 decreased by 2.2%, resulting in a new annualized rate of 12.855 for FY 2015. This is the third consecutive year that the Class Two tax rate declined. For a historical perspective of changes in

Percent Change in Taxes due to Assessments and Exemptions/Abatements/Tax Rate 1989-2015

Assessments Rise and Tax Rate Declines in 2015



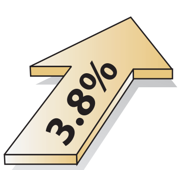
Source: New York City Department of Finance the tax rate, see the red bars on the graph on the previous page.

Assessments — Assessed valuations of properties containing rent stabilized units rose by 6.5% citywide in FY 2015. Assessments rose in all five boroughs, with Brooklyn witnessing the highest growth at 7.0%, followed closely by Manhattan at 6.7%. More moderate increases were seen in Queens (5.7%), Staten Island (5.0%) and the Bronx (4.9%). Buildings in Manhattan generally drive much of the change in assessed value Citywide. This was true in FY 2015, with 64% of all valuations emanating from this borough. For a historical perspective of changes in tax assessments, see the tan bars on the graph on the previous page.

Abatements and Exemptions — This year, the number of rent stabilized buildings with tax abatements doubled. But the average benefit value of the typical tax abatement decreased, by 24.4%, from FY 2014 to FY 2015. The net impact of the increase in the number of abatements and the decrease in the average abatement value was a negligible decline in the tax liability for rent stabilized buildings of 0.03%.

In FY 2015, 2.2% fewer rent stabilized buildings benefited from tax exemptions, but the value of the average tax exemption increased by 2.7%. This combination of an increase in the average value of tax exemptions and a decline in the number of buildings receiving exemptions resulted in owners' tax bills decreasing by 0.1%. (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 two-thirds of the Labor Costs component. The entire Labor Costs component comprises 16% of the overall Price Index.

Labor Costs rose 3.8%. The rise in Labor Costs was due to increases in union and non-union wages, as well as rises in healthcare and pension contributions.

Wages comprise three-quarters of the Labor Costs component. Non-union pay increased by 4.0%, 1.1 percentage points higher than the increase seen in the *2014 PIOC* (2.9%). Unionized wages also rose, rising by 2.7%, a 0.3 percentage point increase from last year.

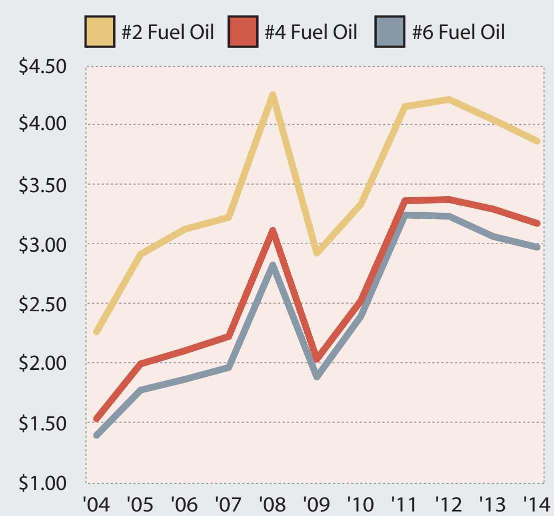
Fuel

The Fuel component comprises 12.6% of this year's Price Index. In prior years, this component only tracked the change in the cost of heating multi-family buildings in NYC by fuel oil. However, this component now contains heating costs by fuel oil, natural gas, and steam. The change in cost measured in this component considers both the change in weather and the change in prices for all these types of heating fuel.[4]

This year the Fuel component declined 21.0%. The cost for heating buildings by fuel oil makes up over three-quarters of this component. Fuel oil costs

Average Inflation-Adjusted Fuel Oil Prices per Gallon, 2004-2014

Average Fuel Oil Prices Have Risen Over the Past Ten Years



Note: Prices are in constant 2014 dollars.
Source: NYC RGB Price Indices of Operating Costs, 2004-2015

Fuel Oil Cost Relatives vs. Change in Fuel Prices, 2006-2015

PIOC Year	*Fuel Oil Cost Relative**	*Change in Fuel Oil Price***
2015	-23.4%	-22.5%
2014	7.8%	0.3%
2013	20.0%	2.9%
2012	1.6%	20.8%
2011	23.1%	20.3%
2010	0.5%	6.7%
2009	-10.1%	-16.9%
2008	37.4%	38.4%
2007	0.5%	-3.0%
2006	22.8%	28.2%

* The Fuel Oil Cost Relative factors in the effect of weather on total fuel oil consumption. In months that are colder than the prior, the weather factor will put upward pressure on the fuel oil relative. In months that are warmer than the prior, downward pressure is placed on the Fuel Oil component.

** Weighted change in #2, #4 and #6 fuel oil prices.

Source: NYC RGB Price Indices of Operating Costs, 2006-2015

declined 23.4%. Natural gas costs, which account for 22% of this component, also declined, falling 14.2%. Steam costs rose 0.3%, but these costs only account for roughly two percent of the Fuel component.

As stated above, the fuel oil cost items carry the most weight in the Fuel component. The PIOC measured fuel oil prices from April to March and then compared them to the same months from the previous year. Over the past 12 months, fuel oil prices, which do not take weather into account, decreased by 22.5%. The price for #2 oil, which comprises about half of this component, fell by 18.6%. Prices for #4 and #6 heating oil also declined, falling 25.4% and 27.8%, respectively.

Even though there was a significant decline in fuel oil prices this year, over the past ten years the average price per gallon for all fuel grades, which are pure prices that do not factor in weather, has risen substantially. The average price for all grades of fuel oil in calendar year 2014 was $3.55 a gallon. Adjusted for inflation, the average price in 2004 was $2.03. This is an annual rate of increase in the price of fuel oil of 5.9 percentage points above the general rate of inflation.

Adjusted for inflation, the price of #2 Fuel Oil (the most commonly used fuel oil) fell by 4.5% in 2015, following a decrease of 4.0% in 2014. (See graph on the facing page.)

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 a large majority of the fuel is burned. Since the weather this year was virtually the same as last year, the decline in fuel oil costs was due to the drop in fuel oil prices. In some years weather had a larger impact on fuel oil cost. For instance in 2013, fuel oil prices increased 2.9%, but colder weather resulted in an increase of fuel oil cost of 20.0%. See the table on this page for a comparison of the past ten years of fuel oil cost relatives to fuel oil prices.

Utilities

The Utilities component consists of non-heating natural gas and electricity costs, as well as water and sewer charges, and it comprises 11% of this year's Price Index. In the case of the gas and electricity items, changes in costs are measured using the PIOC specifications (e.g., the quantity of electricity and gas being purchased) and the changes in rate schedules. Water and sewer costs are based on rate adjustments set by the NYC Water Board and they account for over 70% of the Utilities component.

This year Utilities increased 1.2%. The growth in this component was driven upwards because of an increase in water and sewer charges of 3.35%. Electricity costs, which account for over a quarter of the weight in this component, declined by 4.1%, while gas costs, which account for less than one percent of the Utilities component, fell 7.3%.

Maintenance

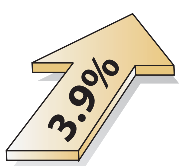
The Maintenance component combines the expense items from the Contractor Services; Parts and Supplies; and Replacement Costs components used in previous PIOCs.

This component accounts for 16.3% of this year's Price Index.

The Maintenance component rose 3.0%. Of the 39 expense items contained in this component, just three items account for more than half of its expenditure weight: Repainting, Plumbing (faucet), and Plumbing (stoppage). This year, painters' rates rose 3.9%. Combined plumbing rates increased at a slower pace, rising 1.5%. 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.

Other price increases of note were boiler repairs (3.8%), elevator contracts (2.4%) and roof repair (1.7%), which represent a total of six expense items and account for 23% of this component. See Appendix B.2 for all Maintenance item's price relatives and expenditure weights.

Administrative Costs



Fees paid to management companies, accountants, and attorneys make up nearly this entire component. A new expense item, Communications, was added to the component this year and it tracks the change in costs for internet, cell phone, and landline telephone services.[5] This year, Administrative Costs rose 3.9%.

A large portion of the growth in the Administrative Costs component can be attributed to a rise in management company fees (4.2%) that comprise nearly three-quarters of this component. Management fees are often tied to apartment buildings' rental income and are affected by changes in rents and vacancies. This year's growth is higher than last year's (2.4%), indicating that management companies increased their fees and/or rents increased at a faster pace than last year. A rise in management fees may also indicate that vacancies and/or collection losses in the buildings they manage decreased compared to the previous year.

Accounting fees increased in this year's PIOC by 3.1%, higher than last year's rise of 2.7%. Attorney fees rose 4.0%, 0.7 percentage points higher than last year's growth of 3.3%.

Communications, which accounts for just under 2% of the Administrative Costs component, increased 0.2%. (See Appendix B.2)

Insurance Costs

For the fourth consecutive year there was an increase in the Insurance Costs component, rising 7.2%, compared to last year's increase of 9.3%.

Changes in insurance costs for owners varied by the amount of the policy. Policies that cost more than $5,900, which represent half of all verified insurance quotes, saw an average increase in cost of 6.6% upon renewal. Meanwhile, buildings with policies of $5,900 or less saw an increase of 10.5%.

PIOC by Building Type

The 1983 Expenditure Study provided a basis for calculating separate sets of expenditure weights for different types of buildings that contain rent stabilized units. With the switch to the use of expenditure weights from the RPIE data, separate indices for four of the five subcategories of rent stabilized buildings were able to be maintained. In addition to the price index for apartments, the PIOC still includes separate indices for buildings constructed before 1947 (pre-1947) and for buildings constructed in 1947 or later (post-1946), as well as gas-heated and oil-heated buildings. However, due to the lack of available data from the RPIE filings, this and future reports will not include a separate apartment PIOC for master-metered buildings. Although the expenditure weights for all rent stabilized buildings and for each of the four subcategories of buildings differ, the price changes are the same for each of the five indices. (See Appendices B.2 and B.3)

Typically, buildings constructed before 1947 incur a lower percentage of operating and maintenance costs for property taxes and labor costs than post-1946 buildings, which rose 4.2% and 3.8%, respectively. However, their fuel costs for heating, which decreased by 21.0%, represent a significantly higher percentage of total operating and maintenance costs. As a result, costs in Pre-1947 buildings declined slightly, with a PIOC of -0.1%, while cost rose in Post-1946 buildings, by 1.2%.

Indices were also calculated for different types of heating systems. These heating system indices differ from the price index for apartments because the expenditure weight for the Fuel component differs from index to index. Buildings heated with fuel oil witnessed a decline in overall costs, resulting in an Oil-Heated PIOC of -0.4%, primarily because cost of fuel oil dropped 23.4%. Similarly, Gas-heated buildings witnessed a significant decrease in natural gas costs of 14.2%, but the Fuel component carries less weight in the Gas-Heated index (10.6%) than the Oil-Heated index (15.0%). As a result the price index for Gas-Heated buildings witnessed a moderate increase of 1.7%.

Comparison of the Old and New Expenditure Weights

This year, the expenditure weights in the 2015 Apartment Price Index components were updated using data from the NYC Department of Finance Real Property Income and Expense (RPIE) filings from 2014. Because RPIE statements are submitted annually, they reflect current expenditure patterns for owners, and also reflect more accurately how owners react during a recession, or in the face of energy saving or technological improvements. For instance, RPIE filings show that over the years heating costs have become proportionally lower for owners, resulting in a lower weight in the 2015 PIOC for the Fuel component compared to previous PIOCs. Had the PIOC not been reweighted to reflect current expenditure patterns, the PIOC would have been –1.1%, 1.6 percentage points lower, primarily because the cost of fuel oil went down 23.4% and it accounted for a larger share of overall expenses in the previous PIOC methodology.

Similar to the PIOC, the I&E data is organized into expense components, comprised of individual expense items. However, the I&E is categorized into eight components (one of which is not being used in the PIOC), while the PIOC has traditionally contained nine. As a result, there are now seven expense components that make up the PIOC.[6]

In order to compare expenditure patterns from the reweighted price index to the old approach used in previous price indices, the old PIOC weights were distributed to fit the seven components contained in the *2015 Price Index*. As illustrated on the table on the this page, Fuel, Taxes and Insurance Costs, the three

Comparison of the Component Expenditure Weights, New Method vs. Old Method, for 2015 PIOC Year

Fuel, Taxes and Insurance Costs Carried More Weight Using Prior PIOC Methodology

Components	2015 New Expenditure Weights	2015 Old Expenditure Weights	Percentage Point Difference
Taxes	26.1%	28.5%	-2.4
Labor Costs	16.0%	12.2%	3.8
Fuel	12.6%	20.0%	-7.4
Utilities	11.1%	12.0%	-0.9
Maintenance	16.3%	13.4%	2.9
Administrative Costs	13.0%	6.8%	6.2
Insurance Costs	4.9%	7.1%	-2.2
Total	**100%**	**100%**	**0**

Source: NYC RGB 2015 Price Index of Operating Costs

Hotels

Change In Costs for Rent Stabilized Hotel Buildings, March 2014 to March 2015

Taxes	8.7%
Labor Costs	4.2%
Fuel	-19.9%
Utilities	1.2%
Maintenance	3.1%
Administrative Costs	2.9%
Insurance Costs	7.2%
All Costs	**-0.2%**

Lofts

Change In Costs for Rent Stabilized Loft Buildings, March 2014 to March 2015

Taxes	4.2%
Labor Costs	4.0%
Fuel	-23.5%
Utilities	2.4%
Maintenance	2.7%
Admin Costs-Legal	4.0%
Admin Costs-Other	3.9%
Insurance Costs	7.2%
All Costs	**0.4%**

most volatile components, had higher weights in the old method as compared the new expenditure weights. As a result, in prior PIOCs, significant swings in cost changes from year to year had the effect of over- or understating changes in owner expenses. Updating the expenditure weights each year with current RPIE data should eliminate these errors, resulting in a more reliable PIOC. See Appendix B.9 for a comparison of component and item expenditure weights using both the current and previous methodologies.

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 a front desk, maid or linen services; 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 reside separately and independently of other occupants in a single room.

The Price Index for all stabilized Hotels declined 0.2% this year, a 6.6 percentage point drop from the 6.4% rise in 2014. It is important to note that the Hotel PIOC was not re-weighted using the RPIE data. However, in order to maintain symmetry between indices, the expense items were aligned to the seven components now used in the Apartments PIOC. The realignment of the hotel expenditure items had no impact on the change in the overall PIOC, and would have still been -0.2% if the old components were used. As a result, the 2015 Hotel PIOC can be compared to previous price indices.

This year, the Hotel Fuel component declined 19.9%, due to significant declines in the cost of fuel oil and natural gas costs used for heating hotel buildings in NYC. The Fuel component accounts for nearly a quarter of the entire Hotel Index. The remaining six components witnessed cost increases, with Taxes having the highest rise of 8.7%, followed by Insurance at 7.2%. More moderate increases were seen in Labor Costs (4.2%), Maintenance (3.1%), Administrative Costs (2.9%) and Utilities (1.2%). See the table on this page for changes in costs and prices for all rent stabilized hotels from 2014-2015.

Among the different categories of Hotels, the index for "traditional" hotels increased 3.2%, while Rooming Houses and SROs witnessed declines in costs of 1.2% and 3.9%, respectively. (See Appendices B.4 and B.7)

Rent Stabilized Lofts

Similar to the Hotel Index, the Loft PIOC expenditure component weights were not reweighted using the RPIE data. However, the Loft expenditure items were placed into the seven components used in the Apartment PIOC, except for the Attorney Fees expense item, which has traditionally been its own, separate expense component. Therefore, the Loft Index now has eight components, instead of the ten traditionally used in this Index. Because these items were not reweighted, just moved, the overall change in the Loft PIOC can be compared historically to past indices.

The increase in the Loft Index this year was 0.4%, 5.3 percentage points lower than the 5.7% increase in 2014. Increases in costs were seen in seven of the eight components that make up this index. Insurance Costs witnessed the highest rise, increasing 7.2%. More moderate increases were seen in Taxes (4.2%), Utilities (2.4%) and Maintenance (2.7%). Labor Costs and Administrative Costs-Legal both increased by 4.0% and Administrative Costs-Other by 3.9%. These increases were offset by a decline in the Fuel component of 23.5%. See the table on the previous page and Appendix B.8 for changes in costs and prices for all rent stabilized lofts from 2014-15.

The Core PIOC

The Core PIOC, which measures long-term local trends by factoring out shifts in fuel costs for heating rent stabilized buildings in NYC, rose 3.6% in 2015. The rise in the 2015 Core was 3.1 percentage points higher than the Apartment Index (0.5%). The Core PIOC rose at a higher pace than the overall PIOC because fuel costs, which were not used to calculate the Core, declined 21%.

The Core PIOC, like the Apartment PIOC, was calculated using the new expenditure weights from the 2014 RPIE data and should not be compared historically with other Core price indices.

PIOC Projections for 2016

Section 26-510 of the Rent Stabilization Law requires the Board to consider prevailing and projected operating and maintenance costs for buildings containing rent stabilized apartments. Projections for 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 the PIOC projection for 2016 was calculated using the new expenditure weights from the 2014 RPIE data and should not be compared historically with previous apartment price indices or projected indices. Furthermore, changes in costs and prices after March 2015, 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 Adjustments" 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 represent about one-eighth of the market basket of operating costs measured in the index — have become increasingly volatile. Unpredictable geo-political events, recession and changing weather patterns are

2016 Projections

Projected Change In Costs for Rent Stabilized Apartment Buildings, March 2015 to March 2016

Taxes	7.7%
Labor Costs	3.7%
Fuel	0.0%
Utilities	2.6%
Maintenance	3.4%
Administrative Costs	2.9%
Insurance Costs	7.9%
All Projected Costs	**4.2%**

some of the forces behind large changes in fuel-related costs (heating fuel oil, electricity, gas and steam) that have in turn hindered the accuracy of the PIOC projections in recent studies. The tax component, which accounts for roughly a quarter of the entire Price Index, has also become harder to project due to changes in tax policy, such as tax rate reductions and changes to the City's tentative assessment roll, after the period covered in this Price Index.

Overall, the PIOC is expected to grow by 4.2% from 2015 to 2016. Costs are predicted to rise in each component except Fuel, where costs are anticipated to be flat. The largest growth, of 7.9%, is projected to be in Insurance Costs. Taxes, the component that carries the most weight in the Index, is projected to increase 7.7%. More moderate increases are projected in Labor Costs (3.7%), Maintenance (3.4%), Administrative Costs (2.9%) and Utilities (2.6%). The table on the previous page shows predicted changes in PIOC components for 2016. The core PIOC is projected to rise 4.8%, 0.6 percentage points more than the overall projected Apartment PIOC.

Commensurate Rent Adjustments

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 owners' 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 owners' 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 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 0.5% increase in the PIOC is 0% for a one-year lease and 1.5% for a two-year lease. Using this formula, and adding assumptions for the impact of vacancy increases on revenues when apartments experience turnover, result in guidelines of -2.0% for one-year leases and -1.0% 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) costs and NOI constant. This is commonly called the "CPI-Adjusted NOI" formula. A guideline that would preserve NOI in the face of the 1.0% increase in the Consumer Price Index (see Endnote 3) and the 0.5% increase in the PIOC is 0.75% for a one-year lease and 2.0% for a two-year lease. Guidelines using this formula and adding the estimated impact of vacancy increases are -1.5% for one-year leases and -0.5% for two-year leases.[7]

The "traditional" commensurate adjustment is the formula that has been in use since the inception of the Rent Guidelines Board. The "traditional" commensurate yields 0.3% for a one-year lease and 1.7% for a two-year lease. This reflects the increase in operating costs of 0.5% found in the 2015 PIOC and the projection of a 4.2% increase next year.[8]

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 owners' 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 owners for O&M cost changes.

A second flaw of the "traditional" commensurate formula is that it does not consider the erosion of owners' 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.[9]

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 owners' income. The "Net Revenue" formula does not attempt to adjust NOI based on changes in interest rates or deflation of owner 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 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 (0.5%). 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 (4.2%). 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 *Income and Affordability Study* and the *Income and Expense Study*) and testimony to the Board can be used to modify the various estimates depending on these other considerations.

Commensurates

"Net Revenue" Commensurate Adjustment

1-Year Lease	2-Year Lease
0.0%	1.5%

"Net Revenue" Commensurate Adjustment with Vacancy Increase

1-Year Lease	2-Year Lease
-2.0%	-1.0%

"CPI-Adjusted NOI" Commensurate Adjustment

1-Year Lease	2-Year Lease
0.75%	2.0%

"CPI-Adjusted NOI" Commensurate Adjustment with Vacancy Increase

1-Year Lease	2-Year Lease
-1.5%	-0.5%

"Traditional" Commensurate Adjustment

1-Year Lease	2-Year Lease
0.3%	1.7%

Methodology

As discuss in the Introduction, the expenditure weights for each component in the 2015 Apartment PIOC were updated using data from the NYC Department of Finance Real Property Income and Expense (RPIE) filings, as presented in the RGB's *2015 Income and Expense Study*. In order to update the PIOC component weights, the individual items in the PIOC needed to be allocated to the corresponding I&E components. Using the Expense Categories Chart of items in the RPIE 2014 Worksheet, PIOC expense items were allocated to the corresponding I&E expense categories. For example, the Fuel component in the I&E includes natural gas costs, fuel oil, and steam, while the PIOC Fuel component has traditionally only included the cost of fuel oil. Therefore, in addition to the cost of fuel oil, the gas and steam heating items from the PIOC Utilities component were consolidated with fuel oil into one component, labeled Fuel.

This same procedure was used with other PIOC items and I&E expense components. There were no items priced in the PIOC that fit into the I&E expense category of Miscellaneous, so that component is not included in the PIOC. Therefore, the PIOC now consists of seven components, as compared to the original nine. (See Endnote 6) Once the items were redistributed within the seven components, each apartment component was reweighted to reflect the weights seen in the I&E Report. Note that the update to expenditure patterns is only for the apartment PIOC. Since staff was unable to obtain sufficient I&E data to update either the PIOC for Lofts or the PIOC for Hotels, the methodology used to calculate the loft and hotel indices is the same as in previous PIOCs.

The I&E data provides separate costs for pre-1947 buildings, post-1946 buildings, and all apartments. The expenditure weights for the pre-1947 and post-1946 components were derived directly from those I&E reports. The 2012 Owner Survey showed that owners of oil-heated buildings spent approximately 22% more on heat per unit than the average, and owners of gas-heated buildings spent approximately 30% less than the average. These factors were applied to the costs shown in the *2015 I&E study* to develop Fuel component weights for those two types of buildings.

As always, prices for the PIOC were obtained in a variety of ways, including owner and vendor surveys, labor union contracts, utility rate schedules, and Dept. of Finance tax data. The specific method of collecting this data is outlined below, in each component's section, starting with a longer overview of the methodology of conducting the Owner Survey.

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. And for the fourth consecutive year, owners could complete the survey online. 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.[10]

The sample frame for the Owner Survey included over 41,000 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 nearly proportional to the share of stabilized buildings in that borough. Three successive mailings were sent at timed intervals to the owner or managing agent of each property selected in the survey sample.

Roughly 8.9% of the questionnaires mailed out were returned to the RGB, a lower rate than last year (11.8%). A total of 387 returned surveys contained usable information, from which quotes of owners' annual insurance costs (328), non-union labor quotes (121) and management fees (71) were validated. The number of verified prices in 2014 and 2015 for the Owner Survey is shown in Appendix B.1.

Taxes

The sample of buildings used to compute the 2015 tax price relative was drawn by providing a list of rent stabilized properties registered with DHCR to the NYC Department of Finance. Finance "matched" this list against its records to provide data on assessed value, tax exemptions, and tax abatements for over 39,000 buildings in FY 2014 and FY 2015. This data was used to compute a tax bill for each stabilized building in each of these fiscal years. The change computed for the PIOC is simply the percentage difference in aggregate tax bills for these buildings from FY 2014 to FY 2015. This component remains unchanged in methodology from previous PIOCs.

Labor Costs

Approximately two-thirds of the Labor Costs component consists of the cost of unionized labor.

Rate increases for unionized labor, including wage increases and health benefits, come directly from the contracts of unions that represent workers in rent stabilized apartment buildings and hotels. The cost of Social Security and unemployment insurance is obtained from the NYS Department of Labor and the Internal Revenue Service (IRS). Wage increases for non-union labor is obtained from the Owner Survey (see methodology above). This component remains unchanged in methodology from previous PIOCs.

Fuel

The Fuel component consists of all types of fuel used for heating buildings, including oil, natural gas, electricity and steam.

Over three-quarters of this component is the cost of fuel oil, with the methodology for obtaining fuel oil prices unchanged from prior years. Fuel oil price information is gathered on a monthly basis via a telephone survey. A monthly survey makes it possible to keep in touch with fuel oil 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 oil quotes gathered this year is 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 4) is a measure of heating requirements.

In previous year's PIOCs, the Fuel Oil component was comprised solely of the cost of oil. It now includes the cost to heat buildings with natural gas, electricity and steam. The methodology for collecting prices changes for natural gas, electricity and steam remain the same as in previous years, but the weight for these items has been moved from the Utilities component to the Fuel component. RGB staff calculates a hypothetical monthly bill for utilities based in part on supply rates, fuel adjustments, delivery charges, taxes, and other surcharges and fees. Bills are calculated based on typical usage in a multi-family building in New York City, an amount that remains constant from year to year. Because these items represent prices to heat buildings, monthly price data is adjusted to account for changes in weather. The price relatives for all items in the Fuel component were calculated by comparing the most recent 12-month period from April-March with the prior April-March period.

Utilities

The Utilities component consists of costs for non-heating electricity and natural gas, as well as water and sewer charges. RGB staff calculates a hypothetical monthly bill for electricity and natural gas based in part on supply rates, fuel adjustments, delivery charges, taxes, and other surcharges and fees. Bills are calculated based on typical usage in a multi-family building in New York City, an amount that remains constant from year to year. The price relatives for electricity and natural gas items in the Utilities component were calculated by comparing the most recent 12-month period from April-March with the prior April-March period.

Water and sewer price changes are based on annual rate adjustments set by the NYC Water Board. The Utilities component no longer includes the cost of telephone service or utilities used for heating purposes.[11]

Maintenance

The Maintenance component combines the expense items from the Contractor Services; Parts and Supplies; and Replacement Costs components used in previous PIOCs. All prices for items in this component are obtained via a vendor survey. This survey is used to gather price quotes for what was previously known as Contractor Services (e.g., painting); 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. Vendor quotes were obtained over the telephone and for non-service based items from both the telephone and websites that carry items in the

PIOC's market basket of goods. A total of 553 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.

Administrative Costs

The Administrative Costs component remains largely unchanged from previous PIOCs, except that it now includes an expense item for communication services (internet, cell phone, and landline telephone service). Management fees are obtained directly from building owners and managers, via the Owner Survey (see methodology above). Other expense items, such as accountant and attorney fees, are obtained via the Vendor Survey (see "Maintenance" section, above). Because there are so many variations in types of plans for internet and phone service, staff relied on the national Consumer Price Index to obtain price changes for these items. Monthly price changes were obtained from the Bureau of Labor Statistics website and were calculated by comparing the most recent 12-month period from April-March with the prior April-March period. For a list of all the expense items contained in the Administrative Costs component, see Appendix B.1. (See Endnote 11)

Insurance Costs

The Owner Survey (discussed above) asks owners to provide information about their current and prior year's insurance policies. Temporary workers call the relevant insurance agents/brokers to verify this information. Only verified insurance costs are included in the PIOC. The methodology for obtaining the change in prices for insurance costs remains unchanged from prior PIOCs.

Price Index Projections

The PIOC Projections are estimated by using data from federal, state and local agencies; estimates from industry experts; and trend forecasting using three-year or long-term averages. This year projections are based on the time period from April 2015 to March 2016.

Taxes were projected by using data from the Department of Finance's tentative assessment roll for FY 2016 along with estimates of how the final PIOC tax index has compared to the change in the tentative assessment roll over the last decade. These estimates produce a projected tax cost for the owners of rental properties. Labor costs are projected by calculating the average wage increase of the most recent labor contracts for apartment workers union Local 32-BJ and a ten-year geometric average of all other Labor items. Fuel oil 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.[12]

The other components — Administrative Costs, Insurance Costs, and Maintenance — are projected by using three-year geometric averages of the component price relatives.

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Endnotes

1. The I&E data provides a more current estimate of changes in O&M costs for all stabilized units than the PIOC does, with the PIOC diverging more from the I&E data over time. Evidence suggests that a major cause is old baseline data on expenditures. For a complete analysis, see *Comparing the Price Index of Operating Costs (PIOC) and the RGB Income and Expense Study* by Dr. James F. Hudson, dated March 21, 2014 at http://nycrgb.org/html/research/cresearch.html

2. As with any data collection effort, there are some concerns with data quality and accuracy. However, these reported expenses are close to the actual O&M costs for the reporting buildings, and are more representative of owner expenditure patterns than the pattern used in the previous PIOCs, which were based on a survey conducted in 1983. In general, the I&E data is representative of actual expense changes from 2013, at least for the buildings with 11 or more units, which must submit full RPIE reports annually.

3. The average CPI for All Urban Consumers, New York-Northeastern New Jersey for the year from March 2013 to February 2014 (257.5) compared to the average for the year from March 2014 to February 2015 (260.1) rose by 1.0%. 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 March, monthly cost-weighted figures from April to March, or the two most recent fiscal year bills.

4. The cost-weight relatives are calculated on an April to March time period. The April 2014 to March 2015 time period was 0.5% colder than the previous April to March period. "Normal" weather refers to the typical number of Heating Degree Days measured at Central Park, New York City, over the 30-year period from 1981-2010. 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.

5. Spec 409 Communications was formerly called "Telephone" and only tracked the change in cost for landline telephone service. It was part of the Utilities component.

6. The eligible Miscellaneous expenses listed in the RPIE 2014 Worksheet include petty cash, lease buy-out, special assessments and sundry, which averaged a total of $35 per unit per month, or about 3% of total income and expense Operating Costs. The current PIOC methodology does not include these expense items. As a result, a Miscellaneous component could not be included in the 2015 PIOC. Therefore, the reweighting of the expense components resulted in seven expenditure components, instead of eight.

7. The following assumptions were used in the computation of the commensurates: (1) the required change in owner revenue is 66.1% of the 2015 PIOC increase of 0.5%, or 0.3%. The 66.1% 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 33.9% times the latest 12-month increase in the CPI ending February 2015 (1.0%), or 0.35%; (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 2011 Housing and Vacancy Survey; (5) for the commensurate formulae, including a vacancy assumption, the 8.7% median increase in vacancy leases found in the rent stabilized apartments that reported a vacancy lease in the 2014 apartment registration file from the Division of Housing and Community Renewal was used; and (6) the collectability of these commensurate adjustments are assumed.

8. Calculating the "traditional" commensurate rent adjustment requires an assumption about next year's PIOC. In this case, the 4.2% PIOC projection for 2016 is used.

9. 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.

10. In an attempt to update the PIOC, this year an expenditure survey for Administrative Costs was in included in the Owner Survey. The results of this survey were not used to reweight the expense items in the Administrative Costs this year but should be incorporated in next year's PIOC. Each year staff will try to update a different PIOC expense component via the Owner Survey.

11. Spec 409 Telephones is now an expense item in the Administrative Costs component and has been renamed Communications, containing change in costs for internet, cell and landline phone services. Data extracted from http://www.bls.gov/data/ on March 25, 2015 using the Items from Consumer Price Index, All Urban Consumers, Internet services and electronic information providers and Land-line telephone services

12. Source: "Short-Term Energy Outlook," March 2015. U.S. Energy Information Administration, Department of Energy.

2015 Income and Expense Study

What's New

From 2012 to 2013, Net Operating Income (revenue remaining after operating expenses are paid) grew **3.4%**. This is the **ninth** consecutive year that net operating income has increased.

On average, in stabilized buildings, from 2012-2013:

- ✔ Rental income increased by **4.5%**.
- ✔ Total income rose by **4.5%**.
- ✔ Operating costs increased by **5.0%**.
- ✔ Net operating income (NOI) grew by **3.4%.**

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 revenue 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 2013, the year for which the most recent data is available, and also the extent by which these conditions changed from 2012.

Local Law 63

The income and expense data for stabilized properties originates from Local Law 63, enacted in 1986. This statute requires owners of apartment buildings and other properties to file RPIE statements with the NYC 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 NYC 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 and this year includes 14,564 properties containing 660,083 units.

Cross-Sectional Study

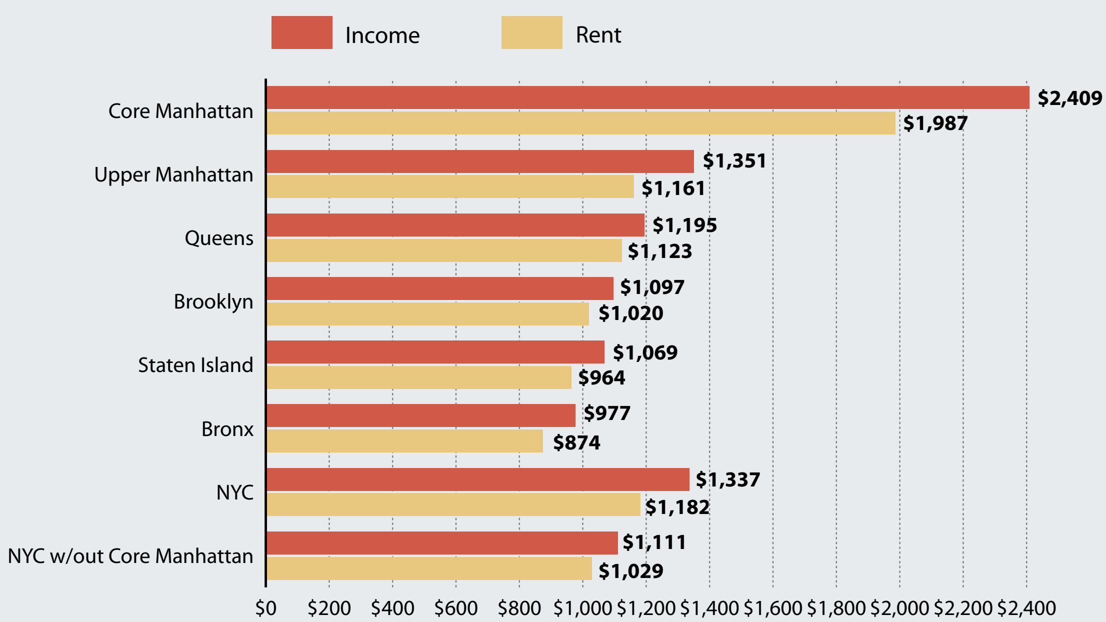
Rents and Income[1]

In 2013, rent stabilized property owners collected monthly rent averaging $1,182 per unit. Similar to prior years, units in pre-war buildings rented for less on average ($1,120 per month) than those in post-war buildings ($1,351 per month).[2] At the borough level, the average monthly rents in stabilized buildings were $1,638 in Manhattan ($1,987 in Core Manhattan and $1,161 in Upper Manhattan); $1,123 in Queens; $1,020 in Brooklyn; $964 in Staten Island; and $874 in the Bronx. Average monthly rent per unit in the City, excluding Core Manhattan, was $1,029. Looking at *median* figures, the median rent Citywide was $1,038. At the borough level, median monthly rent was $1,410 in Manhattan; $1,091 in Queens; $970 in Brooklyn; $883 in Staten Island; and $859 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 $1,337 per unit in 2013, with pre-war buildings earning $1,272 per unit and those in post-war properties earning $1,517 per unit. Gross income was highest in Core Manhattan, at $2,409 per unit per month, and lowest in the Bronx, at $977. Monthly income per unit in the City, excluding Core Manhattan, was $1,111. 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 an 11.6% share of the total income earned by building owners in 2013, down from 11.9% the prior year. By borough, income earned from the sale of services was 16.5% in Manhattan (17.5% in Core Manhattan and 14.0% in Upper Manhattan); 10.5% in the Bronx; 9.9% in Staten Island; 7.0% in Brooklyn; and 6.0% in Queens. The graph on this page shows the average rent and income collected in 2013 by borough, and for the City as a whole.

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

Rent and Income Were Highest in Manhattan in 2013



* 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, 2013 RPIE Data

Median Citywide income for owners in 2013 was $1,127. At the borough level, Manhattan had the highest median income, at $1,633; followed by Queens at $1,126; Staten Island at $1,041; Brooklyn at $1,024; and the Bronx at $944. (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 both vacancies and preferential rents.

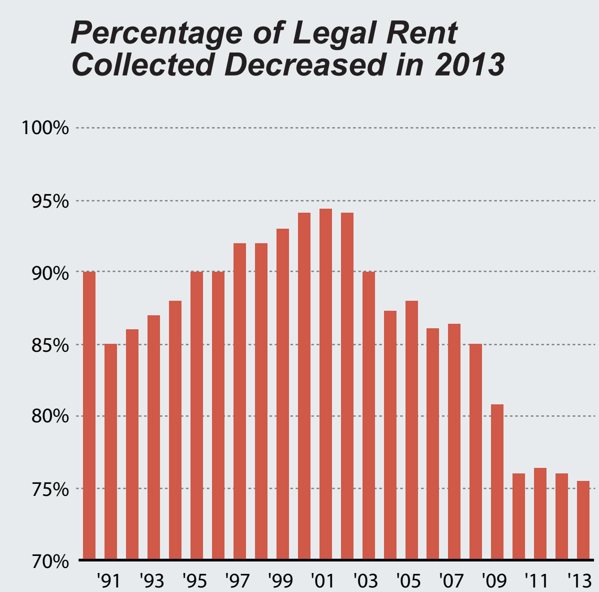
Rents included in RPIE filings are different than DHCR figures primarily because of differences in how average rents are computed. RPIE data reflects actual rent collections that account for vacancies or non-payment of rent. By contrast, DHCR data consists of legal rents registered annually with the agency. Since DHCR rent data does not include preferential rents or vacancy and collection losses, in most years these rents are higher than RPIE rent collection 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, 2013. In sum, despite the anomalies between the two rent indicators, the difference between RPIE rents and DHCR rents reflects preferential rents as well as vacancy and collection losses incurred by building owners.

In comparing annual RPIE and DHCR average rents from 1991 to 2004, 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, from 2002 until the current year, 2013, the gap grew almost every year, including the most recent data year, 2013, when the gap increased to a current difference of 24.5%, as indicated by the average I&E rent of $1,182 and DHCR's average stabilized rent of $1,566. The increase in the gap between collected and legal rent indicates that building owners are collecting a lower proportion of their legal rent rolls in 2013 (see graph on this page).

At the borough level, the gap between collected and legal rent varies widely. In 2013, Manhattan property owners collected an average rent ($1,638) that was 23.7% below DHCR's average legal rent for the borough ($2,147), while owners in the other boroughs collected average rents that were 22.4% lower than legal rents in Queens; 24.0% lower in Brooklyn; 26.0% lower in the Bronx; and 29.7% lower in Staten Island. 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 next page shows, average RPIE rent growth was higher than

Average Monthly Citywide Collected Rents as a Share of Average Monthly DHCR Legal Registered Rents, 1990-2013



Source: DHCR Annual Rent Registrations;
NYC Department of Finance, 1990-2013 RPIE Data
Note: 2012 Data revised from last year.

the renewal lease increases allowed by the RGB's guidelines for a third consecutive year. RPIE rent growth, up 4.5%, was greater than the increase in the RGB rent index, which was up 4.1%, between 2012 and 2013 (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; raising preferential rents; and through individual apartment and building-wide improvements.

An extended view of the three indices illustrates that overall, DHCR legal rents have grown faster than both collected rents and RGB rent guidelines from 1990 to 2013. During that period, DHCR adjusted legal rents increased 177.7%; RPIE collected rents increased 158.1%; and the RGB Rent Index increased 151.7% (these figures are not adjusted for inflation).[6]

Rent Comparisons, 1990-2013

2012-13 DHCR Legal Rents Grew Faster Than RPIE Collected Rents and RGB Rent Index

	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%	7.2%	4.3%
06-07	6.5%	6.0%	4.2%
07-08	5.8%	5.9%	4.7%
08-09	1.2%	5.4%	7.5%
09-10	0.7%	5.4%	5.2%
10-11	4.4%	5.7%^	3.7%
11-12	5.0%	5.8%	4.4%
12-13	4.5%	5.4%	4.1%
1990 to 2013*‡	158.1%	177.7%	151.7%

* Not adjusted for inflation
§ See endnote 3 Ø See endnote 5
‡ See endnote 6 ^ Revised from last year
Sources: NYS DHCR Annual Rent Registrations; NYC Department of Finance, 1990-2013 RPIE Data

Operating Costs

Rent stabilized apartment buildings regularly incur several types of expenses. RPIE filings include data on eight categories of operating and maintenance (O&M) costs: taxes; labor; utilities; fuel; insurance; maintenance; administrative; and miscellaneous costs. Costs do not include debt service. 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.

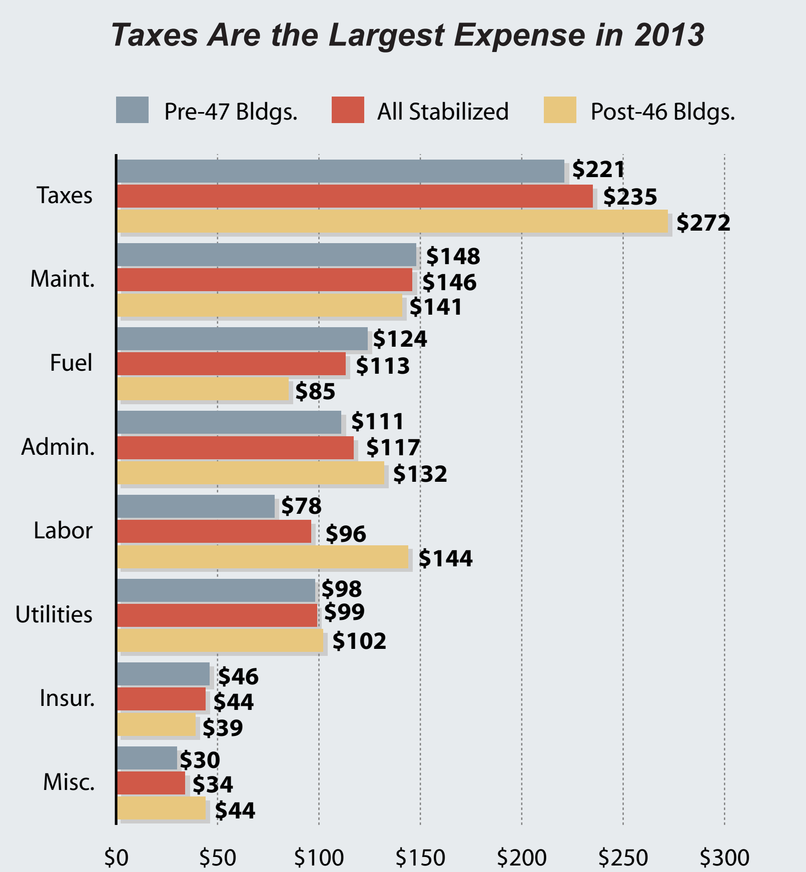
The average monthly operating cost for units in stabilized buildings was $884 in 2013. Costs were lower in units in pre-war structures ($856), and higher among post-war buildings ($959). Geographically, average costs were lowest in Brooklyn ($713); the Bronx ($718); Staten Island ($727); and Queens ($787), and highest in Manhattan ($1,244). Looking more closely at Manhattan buildings, costs for units located in Core Manhattan averaged $1,453 a month, while the costs in Upper Manhattan were $959. The average monthly operating costs for stabilized building owners in New York City, excluding Core Manhattan, reduces the City average to $750. The graph on the next page details average monthly expenses by cost category and building age for 2013. As the graph illustrates, taxes make up the largest share of expenses, averaging 26.6% of all costs.

Median Citywide expenses in 2013 were $787. By borough, Manhattan had the highest median costs, at $1,046; followed by Queens at $734; the Bronx at $703; Brooklyn at $668; and Staten Island at $655. (Appendices C.1, C.2 and C.3 break down average costs by borough and building age; Appendix C.4 details *median* costs; and Appendix C.6 details distribution of costs.)

In 1992, the NYC 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 inflated by about 8%. Costs tended to be less accurate in small (11-19 units) properties and more precise for large (100+ units) buildings. However, these results are somewhat inconclusive since several owners of large stabilized properties refused to cooperate with the NYC Dept. of Finance's assessors. Adjustment of the 2013 RPIE O&M cost ($884) by the results of the 1992 audit results in an average monthly O&M cost of $812 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. In 2013, unaudited average O&M costs for "residential-only" buildings were $815 per month and average audited O&M costs for these buildings were $749 per month.

Average Monthly Expense per Dwelling Unit per Month



Source: NYC Department of Finance, 2013 RPIE Data

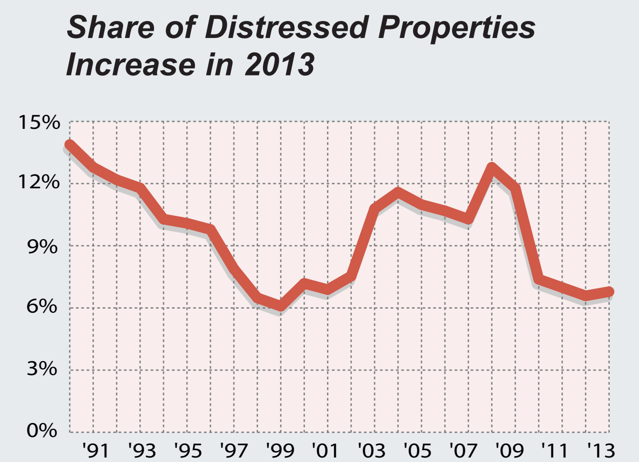
"Distressed" Buildings

For the purposes of this study, buildings that have operating and maintenance costs greater than gross income are considered distressed. Among the properties that filed RPIEs for 2013, 991 buildings, or 6.8% of the cross-sectional sample, had O&M costs in excess of gross income, compared to 6.6% found the prior year. In 2013, only 63 (6.4%) of these distressed buildings were built after 1946. Since 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%. From 1999 until 2004, the proportion generally increased, but has declined for seven of the last nine years, and in 2012 reached its lowest level in thirteen years (see graph on the next page). Most distressed stabilized properties (59%) contain 20 to 99 units. Further, almost half (48%) of the buildings are located in Manhattan; while virtually all the remaining are in the Bronx (27%); Brooklyn (16%) and Queens (8%). (See Appendix C.7 for a complete breakdown of distressed buildings by borough, building size and building age.)

Net Operating Income

Revenues exceed operating costs in most stabilized buildings, yielding funds that can be used for mortgage payments, improvements and/or pre-tax profit. The amount of income remaining after operating and maintenance (O&M) expenses are paid is typically referred to as Net Operating Income (NOI). While

Percent of Distressed Properties in Cross-Sectional Samples 1990-2013



Source: NYC Department of Finance, 1990-2013 RPIE Data

financing costs, income taxes and appreciation determine the ultimate value 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 $454 of net income per month in 2013, with units in post-war buildings earning more ($557 per month) than those in pre-war buildings ($416 per month). Average monthly NOI tended to be greater for stabilized properties in Manhattan ($718) than for those in the other boroughs: $408 in Queens; $383 in Brooklyn; $342 in Staten Island; and $259 per unit per month in the Bronx. There was a sizable difference when looking at NOI on a sub-borough level in Manhattan. Core Manhattan properties earned on average $956 per unit per month in NOI, while properties in Upper Manhattan had an NOI of $392. The monthly NOI average calculated Citywide, excluding Core Manhattan, was $361. Looking at the NOI using audited expense figures, the Citywide NOI in 2013 was $526.

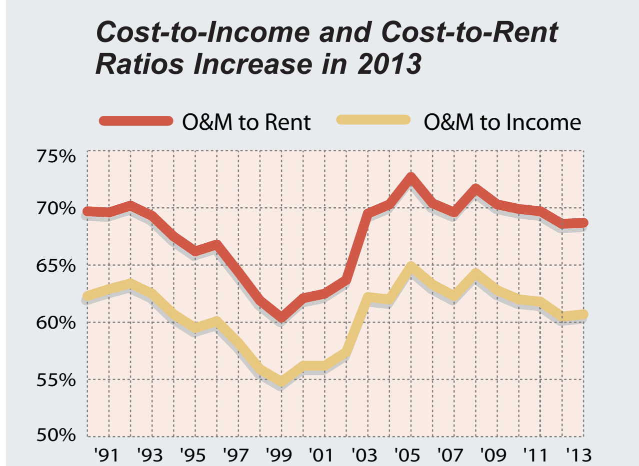
Average monthly unaudited NOI in "residential-only" properties Citywide was $404 per unit in 2013, 11.1% lower than the average for all stabilized buildings.

NOI reflects the revenue available after payment of operating costs; that is, the amount of 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 $454 per unit by the typical size of buildings in this year's cross-sectional sample (an average of 45.3 units) yields an estimated average annual NOI of about $246,700 in 2013. By comparison, if one multiplies the Citywide average, *excluding Core Manhattan,* monthly NOI of $361 per unit by the typical size of buildings in this year's cross-sectional sample (an average of 45.6 units Citywide, excluding Core Manhattan), it yields an estimated average annual Net Operating Income of about $197,800.

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 of Citywide Average Monthly Audited O&M Costs to Average Monthly Gross Income and Rent 1990-2013



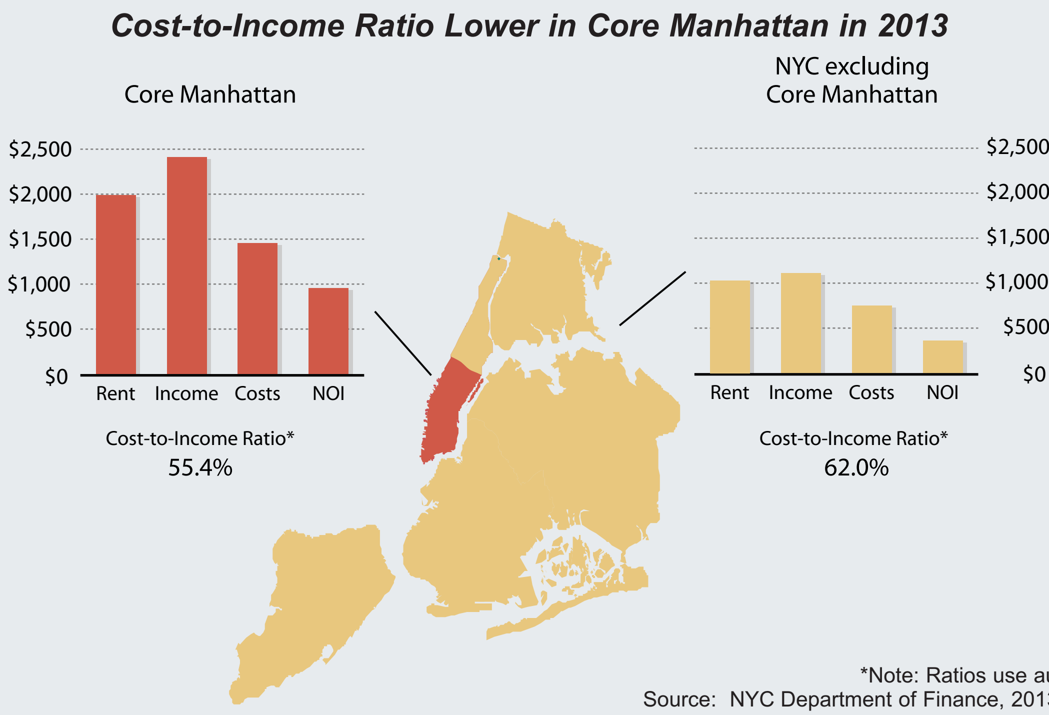
Source: NYC Dept. of Finance, 1990-2013 RPIE Data ratios to assess the overall health of the stabilized housing stock, presuming that buildings are better off by spending a lower percentage of revenue on expenses. The graph on the previous page shows how over the period from 1990 to 2013, the proportion of total income and rent collections spent on audited operating costs has fluctuated. The audited Cost-to-Income ratio in 2013 was 60.7%, up 0.2 percentage points from the prior year's 60.5%. This means that on average, owners of rent stabilized properties spent roughly 60.7 cents out of every dollar of revenue on operating and maintenance costs in 2013. Looking at unaudited expenses, the cost-to-income ratio in 2013 was 66.1%. The unaudited *median* cost-to-income ratio was 67% in 2013.

Examining the ratio of costs to rent collections, audited operating costs in 2013 were 68.7% of revenues from rent, virtually unchanged from 68.6% in the prior year. Using unaudited expenses, the cost-to-rent ratio in 2013 was 74.8%. Looking at the unaudited *median* cost-to-rent ratio, it was 74% in 2013.

Rents, income, and costs per unit were on average highest in Core Manhattan in 2013 (see map and graphs on this 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 audited Cost-to-Income Ratio for the rest of the City was 62.0%, higher than the Cost-to-Income Ratio for stabilized buildings in Manhattan's Core (55.4%). These figures indicate that on average, owners of stabilized properties outside of Core Manhattan spend about six and one-half cents more of every dollar of revenue on expenses, as compared to their counterparts in Core Manhattan.

In an attempt to capture the financial health of small rent stabilized buildings, staff analyzed income and expense data for buildings with fewer than 11 units. As stated earlier, owners of rent stabilized buildings with fewer than 11 units are not required to file RPIE forms. However, they can voluntarily file an RPIE-B form with the Department of Finance. The information on this form is limited, containing only gross income and expense for each unit. Rent is not

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, 2013



*Note: Ratios use audited costs.
Source: NYC Department of Finance, 2013 RPIE Data

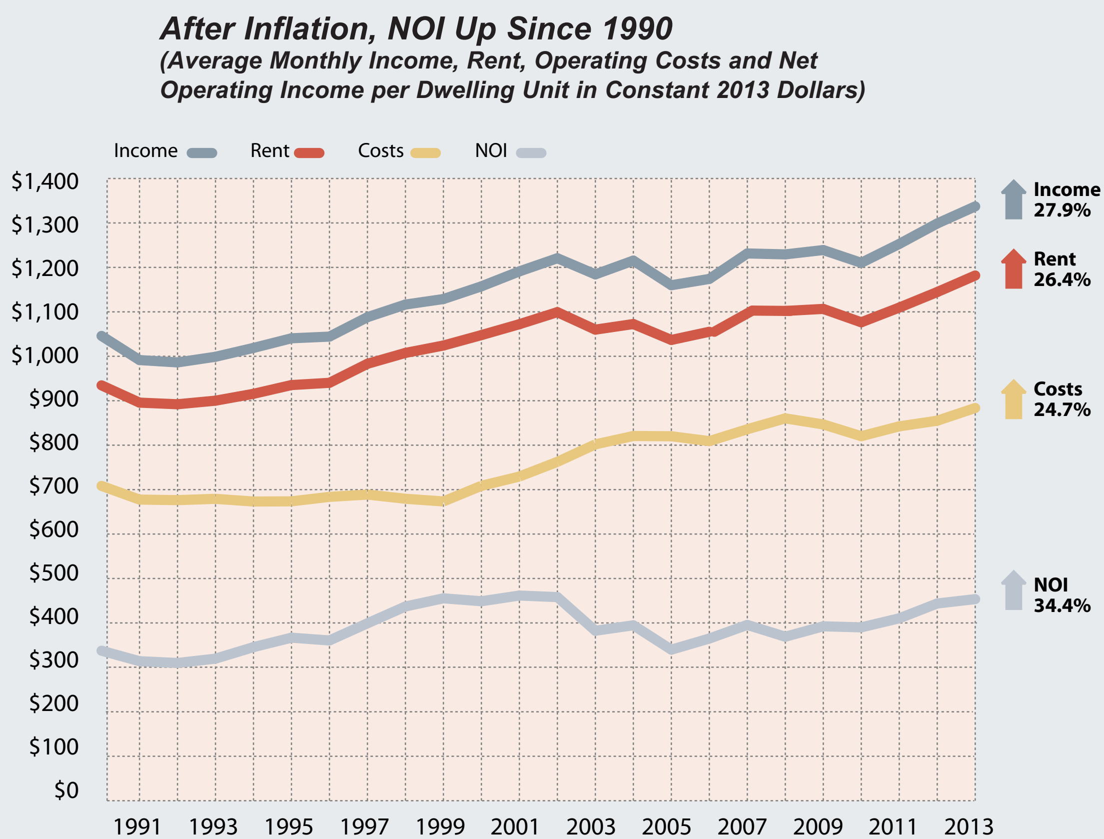
reported separately so a cost-to-rent ratio could not be calculated. A total of 979 buildings with fewer than eleven units were examined. Citywide, the average cost to income ratio for rent stabilized buildings with fewer than 11 units was 75.0% in 2013, with an unaudited ratio of 81.7%.

In an analysis of the distribution of operating costs in relation to total income in buildings by decile, it may be useful to examine the percentage of buildings with cost-to-income ratios at or below certain levels. The Department of Finance calculated decile levels, and in examining them, for instance, decile statistics reveal that half of all rent stabilized buildings Citywide have unaudited cost-to-income ratios of 0.67 or less. This means that half the building owners spent no more than 67 cents out of every dollar of revenue on operating and maintenance costs in 2013. Another example: If you look at the 70% decile level Citywide, 70% of buildings pay no more than 77 cents of every dollar of revenue on operating and maintenance costs, and 30% pay more. The complete table of all ten decile levels Citywide and by borough can be found in Appendix C.8.

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 2013 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

Citywide Income, Rent, Costs and NOI After Inflation, 1990-2013

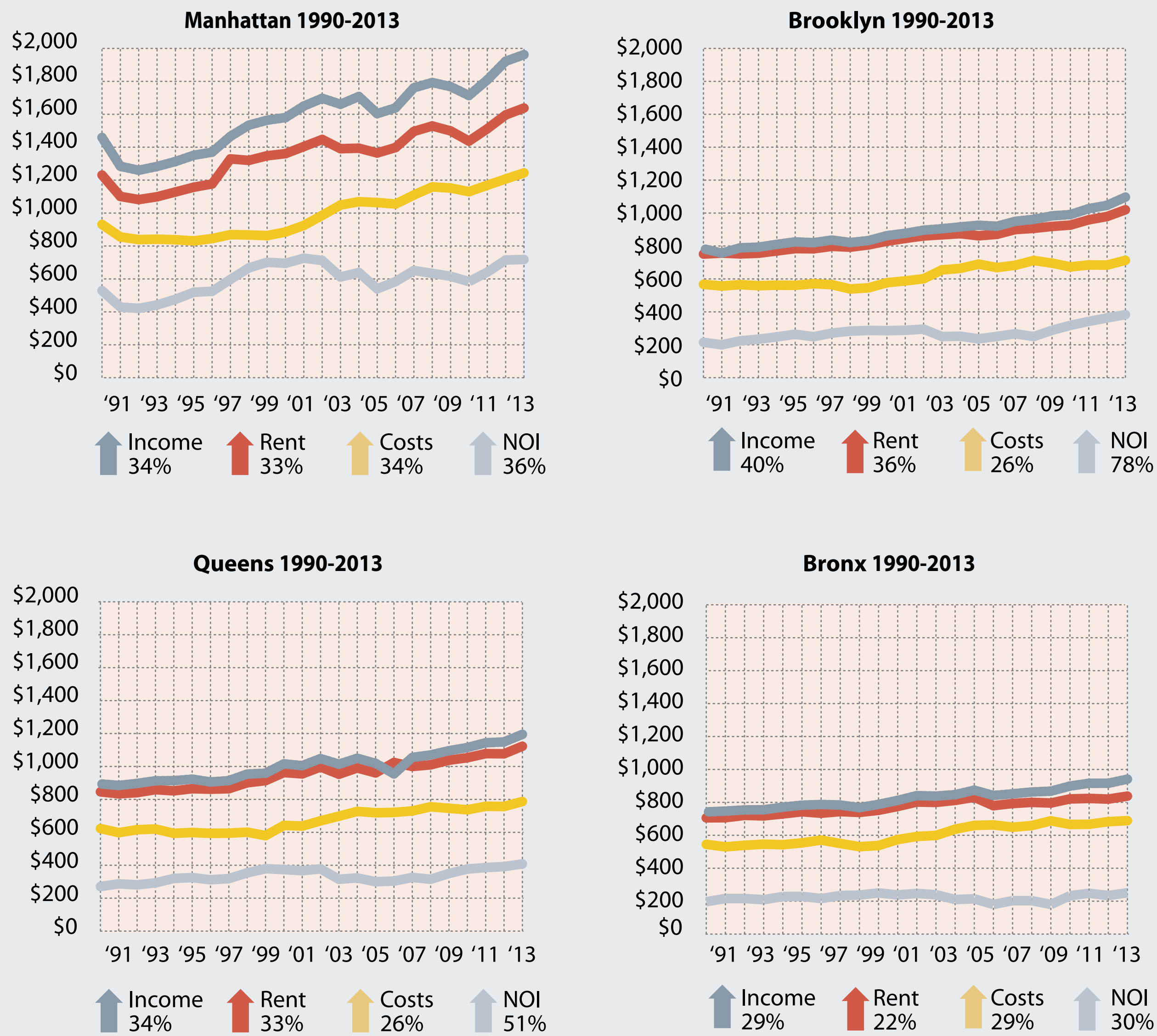


Note: Percent changes are point-to-point measurements and should not be considered cumulatively.
Sources: NYC Rent Guidelines Board *Income and Expense Studies*, 1992-2015.
NYC Department of Finance, 1990-2013 RPIE Data.

Income, Rent, Costs and NOI After Inflation per Borough, 1990-2013

Since 1990, Inflation-Adjusted NOI Rises Citywide and in Each Borough

(Average Monthly Income, Rent, Operating Costs and Net Operating Income per Dwelling Unit in Constant 2013 Dollars)



Note: Percent changes are point-to-point measurements and should not be considered cumulatively. Staten Island is excluded due to insufficient data from prior years.
Sources: NYC Rent Guidelines Board *Income and Expense Studies*, 1992-2015.
NYC Department of Finance, 1990-2013 RPIE Data.

been meeting or exceeding expenses without erosion by inflation.

Point-to-point comparisons of average figures show that, from 1990 to 2013, *after* adjusting for inflation, NOI (the surrogate measure for profit) has increased 34.4% (see graph on page 36). This indicates that revenues have outpaced expenses to the extent that average monthly NOI was worth 34.4% more in 2013 than it was in 1990, after adjusting for inflation. A different point-to-point comparison shows that between 2001 (NOI's peak year since 1990) and 2013, NOI declined 1.7%, after adjusting for inflation.

Another way to look at how rent, income and costs, as well as 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 2013 period, inflation-adjusted rent increased a cumulative 26.4%, income by 27.9%, and costs by 24.7%, resulting in the aforementioned increase in NOI of 34.4%.

Examining the ratio of NOI to income, since 1990, the ratio has 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 ten years, the average ratio of NOI/income was about 32%. This means that on average, over the past eleven years, 32 cents of every dollar earned is net operating income for the owner.

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 the previous page). Looking at each of the boroughs individually, from 1990 to 2013, all boroughs saw sizable increases in their net income, with Brooklyn seeing the most significant increase, 78%; followed by Queens, up 51%; Manhattan, up 36%; and the Bronx, up 30%.

Longitudinal Study

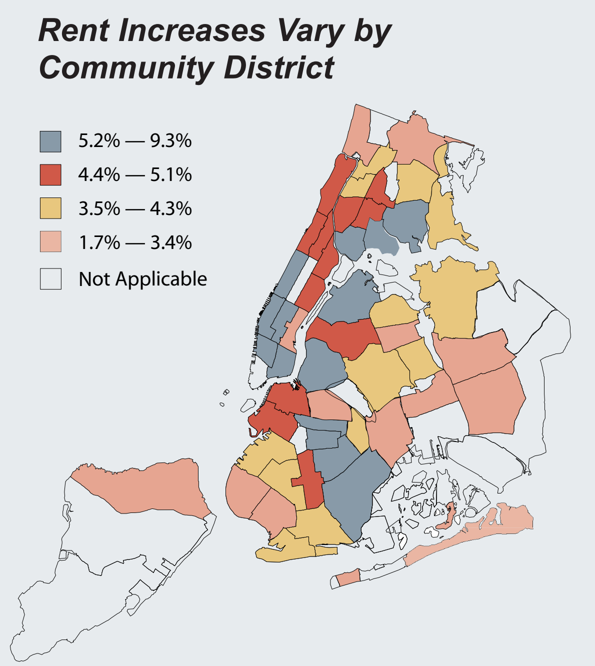
The longitudinal section of this study measures changes in rent, income, costs, operating cost ratios, and net operating income that occurred in the same set of 12,649 buildings from 2012 to 2013.

Rents and Income

Rent collections increase for a number of reasons, including increases allowed under RGB renewal guidelines; vacancy allowances of at least 16-20% allowed under the Rent Regulation Reform Act of 1997; termination of preferential rents; individual apartments improvements; and building-wide improvements (MCIs).

Average rent collections in stabilized buildings rose by 4.5% in 2013. Rent collections in pre-war buildings grew at a higher rate, up 4.8%, than in post-war buildings, which increased by 3.9%. Rent collections increased the greatest among smaller, 11-19 unit buildings, up 5.6%; while rents rose 4.4% among mid-sized, 20-99 unit buildings; and the least among large, 100+ unit buildings, up 4.1%. Examining rent collections by borough, Brooklyn saw the largest increase, up 4.8%; followed by Manhattan, up 4.6%; Bronx and Queens, each up 4.2%; and Staten Island, up 3.8%. Within Manhattan, Upper Manhattan rents grew 4.9%, greater than the 4.5% increase in rents in Core Manhattan. The growth in *median* rent Citywide was 4.2%.

Change in Rent by Community District, 2012-13



Source: NYC Department of Finance, 2012-13 RPIE Data

Looking at rent collections throughout New York City, every community district saw increases in average rent from 2012 to 2013.[8]

At the neighborhood level, the greatest rent growth was found in the Mott Haven/Port Morris area of the Bronx, rising 9.3%. Midtown Manhattan's rent growth averaged 6.4%. Also among the largest rent increases were three Brooklyn neighborhoods: Williamsburg/Greenpoint; South Crown Heights; and Flatlands/Canarsie, each up 6.2%. The Queens neighborhood seeing the largest increase was Astoria, up 5.8%. See map on the previous page for a breakdown of rent increases by community district throughout NYC.

The average total income collected in rent stabilized buildings, comprising apartment rents, commercial rents and sales of services, increased by 4.5% from 2012 to 2013. Revenues rose faster in pre-war buildings, up 4.6%, than in post-war buildings, up 4.1%. Brooklyn saw the highest growth in income, rising 4.9%; followed by the Bronx, up 4.4%; Queens and Manhattan, each up 4.3%; and Staten Island, up 3.8%. Within Manhattan, Upper Manhattan income rose 4.6%; while Core Manhattan income rose 4.2%. The *median* growth in income Citywide was 4.6%.

Operating Costs

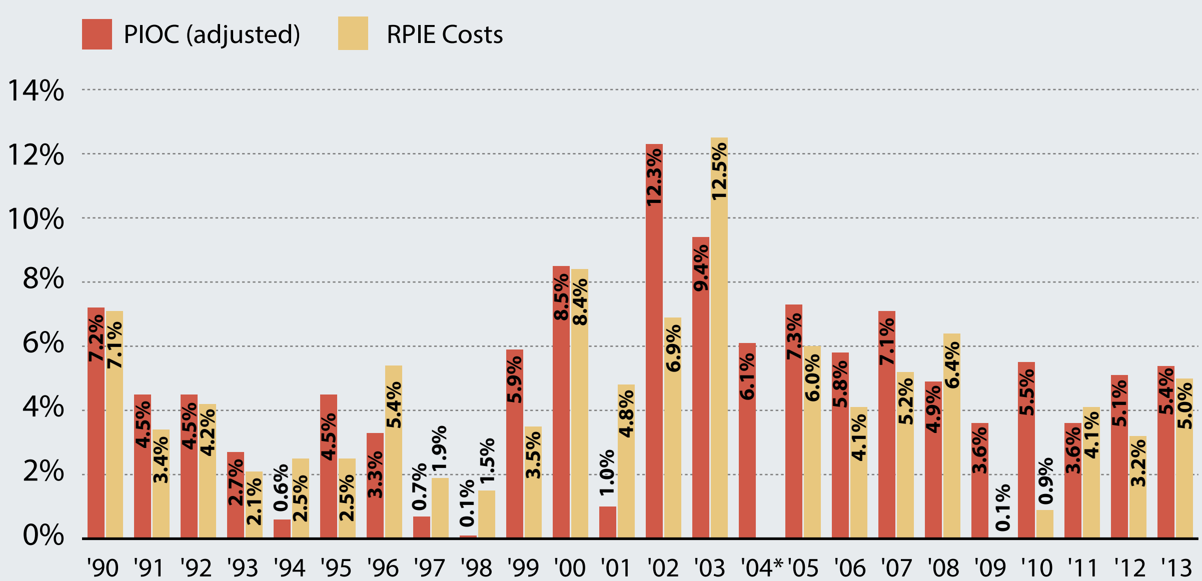
Average expenses in stabilized buildings Citywide increased 5.0% from 2012 to 2013. However, the change in operating costs varied by building age and by borough. Pre-war buildings saw expenses increase 4.9%, while newer, post-war buildings saw expenses increase 5.3%. Breaking down the change in costs by borough, costs rose the most in Staten Island, up 7.9%; while costs rose 5.4% in Manhattan; 5.0% in Brooklyn; and 4.5% in both the Bronx and Queens. Citywide, *median* expenses rose 5.0%. For a detailed breakdown of the changes in rent, income and costs by building size, age and location, see Appendices C.10 and C.11.

RPIE Expenses and the PIOC

Data from the RPIE and the RGB's long-running survey, the Price Index of Operating Costs (PIOC), each

Change in Operating & Maintenance Costs, RPIE and the PIOC, 1990 to 2013

In 2013, Owner-Reported RPIE Costs Increased at a Lesser Rate than the PIOC



*Longitudinal RPIE data for 2003-04 is unavailable (see endnote 8).
Sources: NYC Department of Finance, 1990-2013 RPIE Data; NYC Rent Guidelines Board Price Index of Costs (PIOC) 1990-2013

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 from vendors for specific periods as surveyed in the PIOC. In addition, the PIOC primarily measures prices on a March to March 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 5.4% from 2012 to 2013, the same period as the 5.0% increase in I&E costs, a 0.4 percentage point difference.[8] (See graph on the previous page.)

From 1990-91 to 2012-13, cumulative growth in owners' costs as measured by the two indices varied. Overall nominal costs measured in the PIOC increased at a greater rate, 179.9%, compared to RPIE data, which grew 150.6%, over this period.[9]

Operating Cost Ratios

Between 2012 and 2013, the proportion of gross income spent on audited expenses (the O&M Cost-to-Income ratio) increased, rising by 0.3 percentage points. The proportion of rental income used for audited expenses (the O&M Cost-to-Rent ratio) similarly rose, increasing by 0.3 percentage points.

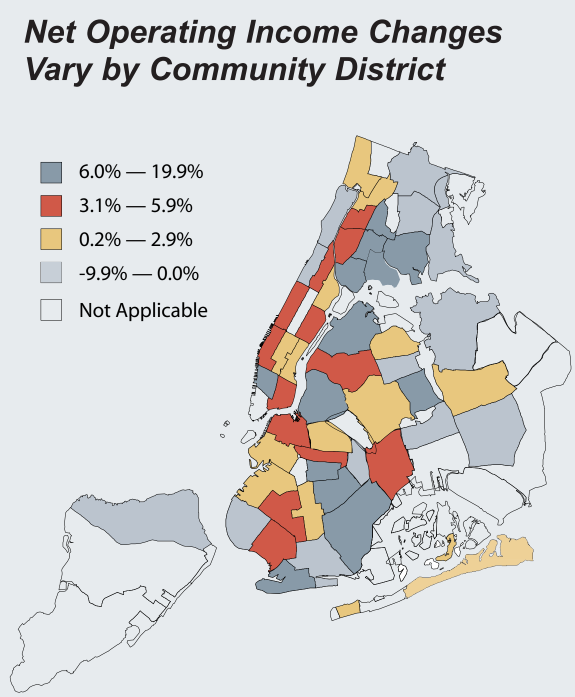
Net Operating Income

Net Operating Income (NOI) refers to the earnings that remain after operating and maintenance (O&M) expenses are paid, but before payments of income tax and debt service. Since average collected income grew more than operating costs, Citywide net operating income in rent stabilized buildings increased by 3.4% in 2013, the ninth consecutive year that NOI has increased.

The average change in NOI from 2012 to 2013 differed throughout the City. All but one borough saw NOI increase, with Brooklyn seeing the largest increase, up 4.8%; while NOI rose 4.0% in the Bronx; 3.8% in Queens; and 2.6% in Manhattan. By contrast, NOI declined 4.0% in Staten Island. Within Manhattan, Core Manhattan NOI increased 3.2%, while it rose 0.8% in upper Manhattan. See Appendix C.12 for a breakdown of NOI by borough, building age and building size.

At the Community District level, change in NOI varied widely, with 75% of neighborhoods experiencing increases in NOI. Three neighborhoods seeing the largest growth in NOI were in the Bronx, with E. Tremont/Belmont rising 19.9%; Mott Haven/Port Morris up 15.3%; and Hunts Point/Longwood up 11.7%. The next two largest increases were in two Brooklyn neighborhoods, with Williamsburg/Greenpoint up 10.5% and East Flatbush up 9.8%. The Queens neighborhood with the largest increase was Forest Hills/Rego Park, up 8.8%. The Manhattan neighborhood witnessing the largest increase was Greenwich Village, up 6.7%.

Change in NOI by Community District, 2012-13



Source: NYC Department of Finance, 2012-13 RPIE Data

On the other hand, 23% of neighborhoods saw NOI decline from 2012 to 2013. The largest was in Jamaica, Queens, down 9.9%; followed by Staten Island's North Shore, down 4.6%; the Bronx's Pelham Parkway, down 4.0%; and Manhattan's Morningside Heights/Hamilton Heights, down 3.2%. The largest decline in Brooklyn was in Brownsville/Ocean Hill, falling 3.1%. The map on the previous page shows how change in NOI varied in each neighborhood. (See endnote 7.)

Summary

RPIE filings, from almost 14,600 rent stabilized buildings containing over 660,000 units in the cross-sectional sample and from over 12,600 buildings

Changes in Average Monthly Rents, Income, Operating Costs and Net Operating Income per Dwelling Unit, 1990-2013

Net Operating Income (NOI) Increased from 2012 to 2013, 9th Consecutive Yearly Increase in NOI

	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%
06-07	6.5%	6.5%	5.2%	9.3%
07-08	5.8%	6.2%	6.4%	5.8%
08-09	1.4%	1.8%	0.1%	5.8%
09-10	0.7%	1.2%	0.9%	1.8%
10-11	4.4%	4.5%	4.1%	5.6%
11-12	5.0%	5.3%	3.2%	9.6%
12-13	**4.5%**	**4.5%**	**5.0%**	**3.4%**

Source: NYC Department of Finance, 1990-2013 RPIE Data
Note: Longitudinal data from 2003-04 is unavailable.

containing almost 587,000 units in the longitudinal sample, were analyzed in this year's *Income and Expense Study*. Citywide, rent and revenue collections each rose 4.5%; and expenses rose by 5.0%. Despite the greater rate of increase in expenses, Net Operating Income (NOI) Citywide increased by 3.4%, the ninth consecutive year that NOI has increased. However, the proportion of distressed properties Citywide rose 0.2 percentage points, and the cost-to-income ratio was 60.7%, up 0.2 percentage points from the prior year.

Methodology

The information in this report was generated by analyzing data derived from RPIE forms filed with the NYC Department of Finance in 2014 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 2013, was made available to NYC Rent Guidelines Board research staff in February, 2015 for analysis. Unit averages contained in this analysis were computed by the NYC Department of Finance. The averages were then weighted by the RGB using data from the *2011 NYC Housing and Vacancy Survey*, the most recent comprehensive data available, to calculate averages 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 also produced by the NYC Department of Finance and are unweighted.

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 2014 RPIE or alternatively, TCIE (Tax Commission Income & Expense) forms.[10] Data from the forms was used to compute average and median rents, operating costs, etc., that were typical of the year 2013. Longitudinal data, which provides a direct comparison of identical elements over time, encompasses properties that filed RPIE/TCIE forms for the years 2012 and 2013. The longitudinal data describes changing conditions in average rents, operating costs, etc., by comparing forms from the same buildings over two years. Thus, cross-sectional data in this report measures conditions in effect throughout 2013, while longitudinal data measures changes in conditions that occurred from 2012 to 2013.

This year, 14,564 buildings containing rent stabilized units were analyzed in the cross-sectional study and 12,649 buildings 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 2014 RPIE or TCIE statements (or 2013 and 2014 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 not included:

- 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 who did not file a 2014 RPIE or TCIE form for the cross-sectional study, or a 2013 and a 2014 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 NYC 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 NYC 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, parking, 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 earlier reports, adjusted DHCR data was calculated on a July-to-June fiscal year. Beginning with the 2008 *Income and Expense Study*, adjustment of DHCR Citywide data was calculated on the January-to-December calendar year, so figures may differ from data reported in prior years.

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 can offer preferential rents when the current market cannot bear the legal rent. According to DHCR, 27% of all 2013 apartment registrations filed indicate a preferential rent.

5. Since the 2008 *Income and Expense Study*, adjustment of the RGB Rent Index has been calculated on a January-to-December calendar year. Also see Endnote 3.

6. RPIE 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, 158.1%, is understated. To make a more valid comparison between the three indices, cumulative increases in both the RGB Rent Index and DHCR contract rent calculations exclude 2003-04 data as well.

7. Seven 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 NYC Department of Finance.

8. In the *Calculating the Price Index of Operating Costs (PIOC) Using Component Weights from the RPIE data presented in the Income and Expense Study* staff memo dated April 24, 2014, the 2014 PIOC for apartments was updated to reflect current expenditure patterns based on those found in the 2014 *Income & Expense Study*. As discussed on page 4 of the memo, the apartment PIOC was revised from 5.7% to 5.2%. The revised figure is used in this report.

9. Due to the unavailability of RPIE longitudinal data for 2003-04, PIOC data from 2003-04 is also excluded from this comparison.

10. TCIE (Tax Commission Income & Expense) forms are used by the NYC Department of Finance when RPIE forms are not filed by owners.

2015 Mortgage Survey Report

What's New

- ✔ Average interest rates for new multifamily mortgages fell 0.62 percentage points to 4.27%, the lowest level in this survey's history.
- ✔ Vacancy and collection losses declined 0.10 percentage points, to 3.25% this year, the lowest level in this survey's history.
- ✔ Average maximum loan-to-value ratios rose from 72.7% last year to 74.0% this year.
- ✔ Average service fees for new loans rose 0.16 points, to 0.70 points.
- ✔ In 2014, 1,356 buildings containing rent stabilized units were sold Citywide, down 5% from the prior year.

Introduction

Section 26-510 (b)(iii) of the Rent Stabilization Law requires the NYC 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.6 for a reproduction of the survey.) The survey provides details about New York City's multifamily lending market during the 2014 calendar year as well as the first few months of 2015.

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, rent stabilized building sales data, obtained from the NYC Department of Finance, is also examined.

Overview

This year's Mortgage Survey finds a decrease from last year's interest rates, to the lowest level recorded in the history of this survey. Vacancy and collection losses declined to their lowest levels as well; maximum loan-to-value ratios rose; and underwriting criteria remains similar. Furthermore, our analysis of rent stabilized building sales data showed a decrease in rent stabilized building sales volume between 2013 to 2014, though the change varied greatly by borough and building size.

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, then it will examine rent stabilized building sales data.

Survey Respondents

Ten financial institutions responded to this year's survey, four fewer than last year. The survey sample is regularly updated to include only those institutions offering loans to multiple dwelling, rent stabilized properties in New York City. This year's respondents include a variety of traditional lending institutions, such as savings and commercial banks, as well as non-traditional lenders. The number of survey participants declined this year because a few lenders did not make any loans of this type due to the highly competitive state of the current lending market. The ten responding lenders who make up the cross-sectional group will be discussed first, while the nine lenders who completed the survey both this year and last, who make up the longitudinal group, will be discussed later in this report.

Institutions holding deposits insured by the Federal Deposit Insurance Corporation (FDIC) supply details about their holdings on a quarterly basis, including their multifamily real estate holdings, and they vary considerably among the respondents. Seven surveyed lenders report their multifamily real estate holdings to the FDIC, with values ranging between $13.4 million and $9.4 billion.[1] Three of this year's institutions reported multifamily holdings of over two billion dollars, while another three institutions had holdings of less than $20 million. The average multifamily real estate portfolio of our survey respondents rose 58% from last year's survey, up to an average of $2.2 billion.

Cross-Sectional Analysis

Financing Availability and Terms

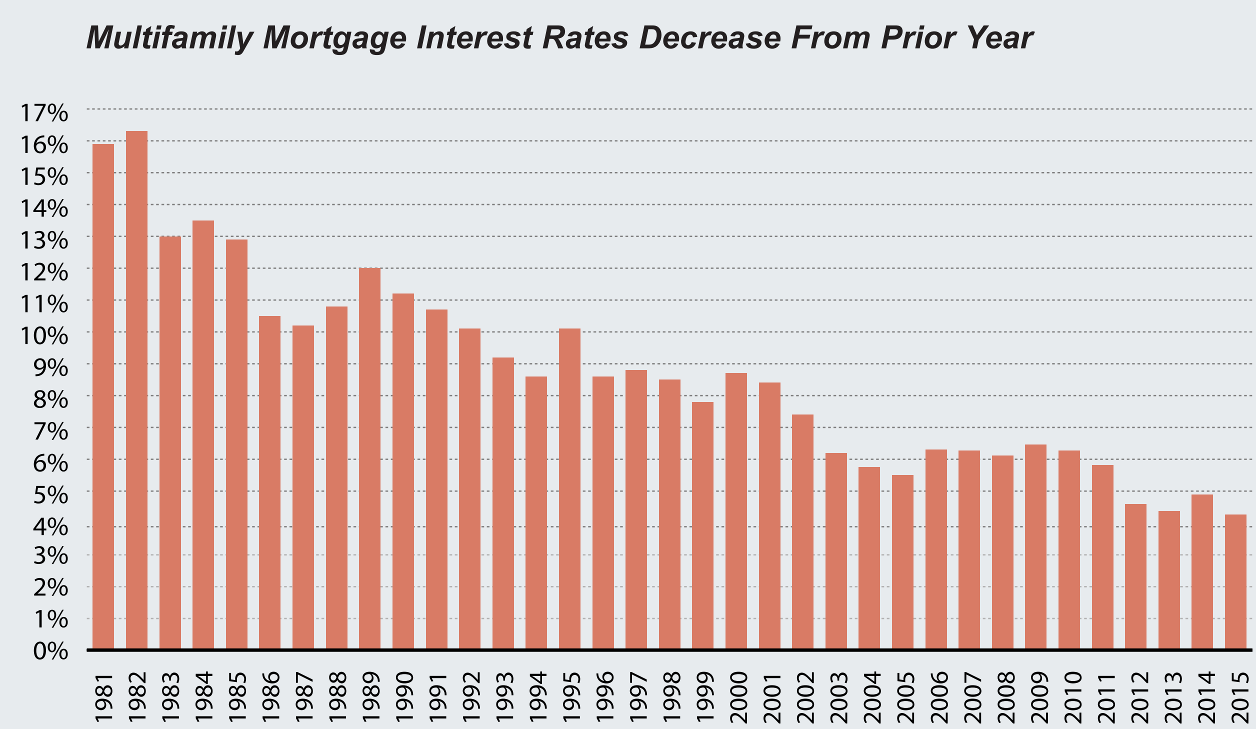
In February 2015, the average interest rate for new multifamily mortgages was 4.27%, a 0.62 percentage points (or 13%) decrease from the previous February (see graph on this page and Appendix E.1), representing the lowest rate in the history of our survey.

Likewise, the average interest rate reported by lenders for the 2014 calendar year was 4.51%, a 0.32 percentage points (or 7%) decrease from 2013.

Average interest rates decreased during the year among the institutions surveyed, despite the fact that the Discount Rate — the interest rate at which depository institutions borrow from the Federal Reserve Bank of New York — hasn't changed since February, 2010, and the Federal Funds Rate — the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions — hasn't changed since December, 2008.[2] The Fed has kept both rates near zero as part of its efforts to stimulate the steadily growing economy.[3]

Unlike lower interest rates, points, which are up-front service fees, that were charged for new and refinanced loans rose since last year. Among survey respondents, they ranged from zero to 2.25 points, with two surveyed lenders charging no points on new loans.

Average Interest Rates for New Loans to Rent Stabilized Buildings, 1981-2015



Source: NYC Rent Guidelines Board, annual Mortgage Surveys.

The average service fee charged on new loans by lenders was 0.70 points, up from last year's average of 0.54. Average fees reported in the survey have remained around or below one point since the late 1990s (see graph on next page).

Surveyed lenders, for the most part, remained flexible in the loan terms they offered their borrowers. Since survey respondents typically offer a wide range of terms rather than a single number, it is difficult to provide 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. Two lenders offered terms as long as 30 years, while one offered a maximum of five years. This continued mortgage term flexibility over recent years is in great contrast 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.

The average volume of new mortgage originations fell this year, while the number of refinanced loans remained stable. An average of 49 new loans per institution were financed this past year, a 20% decline from the average of 61 the previous year.[4] The average number of refinanced loans remained unchanged at 46 this year. Overall loan volume remains well below the year 2004, when our survey found a peak in loan volume, averaging 160 new loans per institution. While new loan volume among all lenders on average decreased, the change in volume among each lender varied greatly. Among surveyed institutions, 50% said they saw no change in loan volume; 30% reported an increase in volume; and 20% reported a decrease from the prior year.

Underwriting Criteria

The survey asked lenders for their typical underwriting standards when approving new and refinanced mortgages to rent stabilized building owners. Lenders this year, on average, made small adjustments to their lending standards. 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 82.5%. The average rose to 74%, up from 72.7% last year (see graph on page 49).

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) fell slightly this year, with an average debt service requirement of 1.22, compared to 1.24 last year. Because the average debt service ratio remained about the same, lenders have minimally changed the amount of money they are willing to lend in relation to the net operating income of buildings (see Appendix E.2). Overall, debt service coverage at all institutions ranged

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

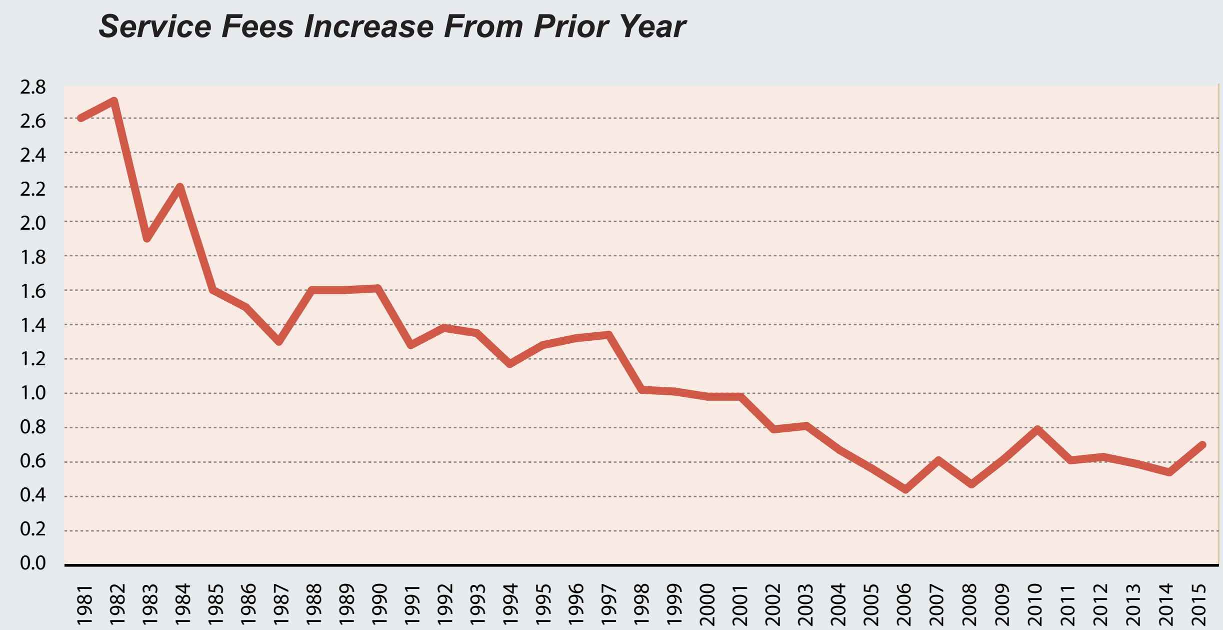
Loan-to-Value Ratio (LTV) - the dollar amount institutions are willing to lend based on a building's value; the lower the LTV, the lower the risk to the lender

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, 1981-2015



Source: NYC Rent Guidelines Board, annual Mortgage Surveys.

between 1.15 and 1.25, and all but one surveyed lender reported making no changes in their underwriting standards over the past year.

Lenders also noted additional standards they use when evaluating loan applications. The most commonly cited standard is good building maintenance, with 70% of lenders indicating that as an important component when considering a loan application. Additional standards important to some lenders include the number of units in the building; whether the borrower lives in the building; and the age of the building.

Our survey asked lenders whether their lending standards differ for rent stabilized buildings and 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. All but one lender reported that standards were no higher for rent stabilized buildings than for non-stabilized properties. Of the one lender reporting a lower standard, it was for debt service coverage.

Non-Performing Loans & Foreclosures

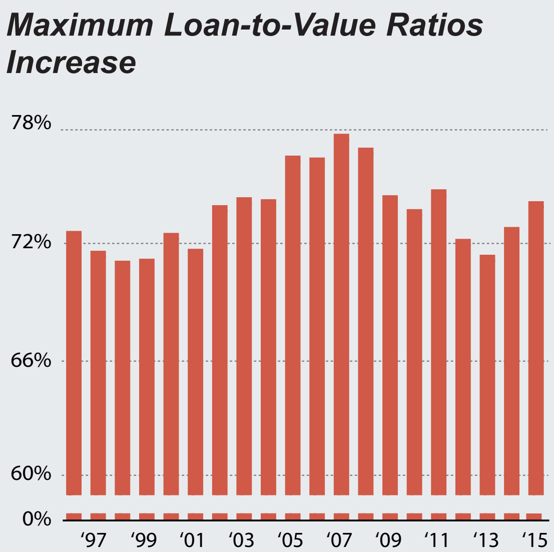
Fewer lenders reported that they had non-performing loans this year. Just one lender reported having non-performing loans, down from about a quarter the prior year. Of the lender with non-performers, they make up about 5% of their portfolio this year, compared to 2.2% among lenders last year. In addition, not a single lender reported foreclosures this year, compared to 23% of lenders last year.

Characteristics of Rent Stabilized Buildings

The typical size of buildings in surveyed lenders' portfolios varies. The most commonly reported building size is either 1-10 units or 50-99 units, with 30% of lenders reporting each; while the remaining lenders reported an average of either 20-49 units (20%); 11-19 units (10%); or 100+ units (10%).

Average vacancy and collection (V&C) losses decreased for the fourth time in five years, down from 3.35% last year to 3.25% this year, the lowest level in

1996-2015 Cross-Sectional Average Loan-to-Value Standards



Source: NYC Rent Guidelines Board, annual Mortgage Surveys.

the history of the *Mortgage Survey Report* (see graph on next page). Similarly, a lower proportion of lenders reported average losses of 5% or more this year, down from 31% last year to 20% this year.

Average operating and maintenance (O&M) expenses and average rents among buildings in lenders' portfolios went in opposite directions among surveyed lenders since last year. Expenses declined 9.3%, to $598 per unit, while average rents rose 18.5%, to an average of $1,475 per unit per month (see Appendix E.2). Because average costs fell and rents rose, the average O&M cost-to-rent ratio decreased to 40.5%, from 52.9% last year.[5]

The NYC Rent Guidelines Board, in our annual *Income and Expense (I&E) Study*, examines the average O&M cost-to-rent ratio as well. However, its findings should not be compared to the cost-to-rent ratio reported in the *Mortgage Survey Report* because both the sources and sample sizes are very different and the data studied in each report are from different time periods. In the *2015 I&E Study*, which reported on data from calendar year 2013, the average O&M cost-to-rent ratio was 74.8%.[6]

The survey asks lenders whether they retain their mortgages or sell them to secondary markets. Among the lenders, all but two lenders reported retaining all their mortgages, about the same proportion as last year.

Lenders are asked whether the rent stabilized buildings which are offered mortgage financing contain commercial space. This information is useful to help understand the extent to which owners earn income from sources other than residential tenants. Similar to last year, all surveyed lenders this year reported that buildings in their portfolio contain commercial space, though the average number varies depending on the lender. On average, lenders report that 30% of their portfolio contain commercial space, up from 20% reported last year.

Loan Expectations

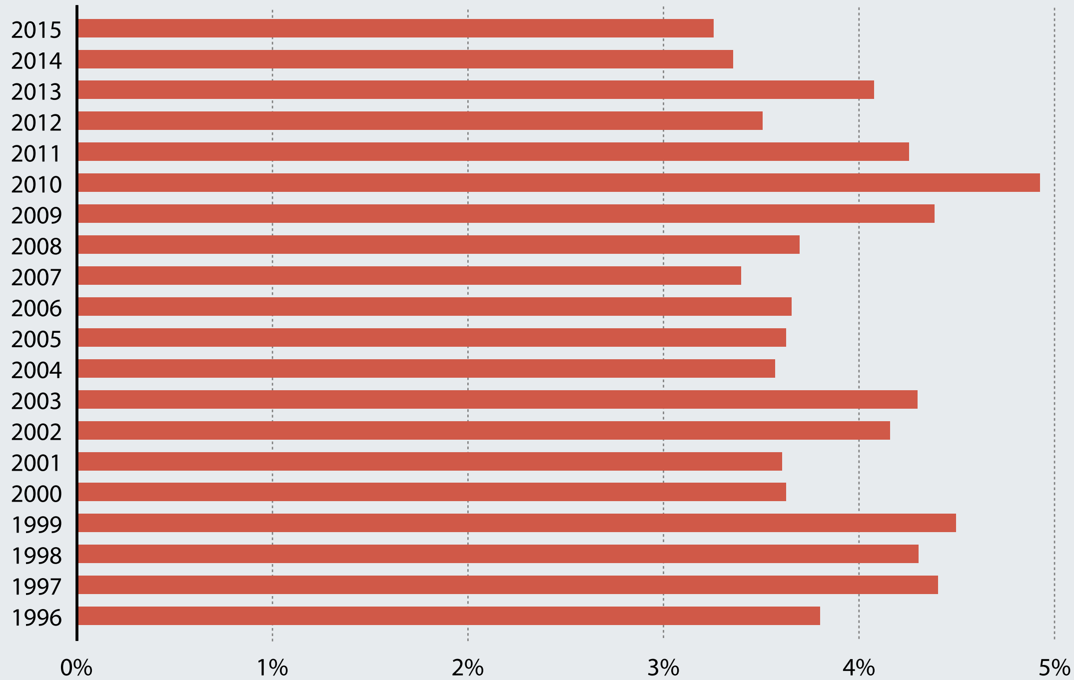
The survey asks lenders about their portfolio's performance, compared with expectations at the time of initial loan origination, with regard to net operating income (NOI); debt service coverage; and O&M expenses. Little changed from last year, with the majority of lenders reporting that their expectations had been met or exceeded in all three areas among their rent stabilized portfolio. Specifically, two-thirds said expectations were equaled or exceeded for all three aforementioned categories.

Longitudinal Analysis

Information regarding rent stabilized buildings can be examined longitudinally to more accurately assess changes in the lending market, since many respondents reply to the Mortgage Survey in at least two successive years. This longitudinal comparison helps to clarify whether changes highlighted in the cross-sectional analysis reflect actual variations in the lending market or simply the presence of a different group of lenders from year to year. Among the ten respondents that completed the survey this year, all but one also responded last year. The nine lenders make up the longitudinal group, and their responses from both this year and last are compared in this section to illustrate changes between the two years.

Average Vacancy and Collection Losses, 1996-2015

Vacancy and Collection Losses Decreased From Prior Year



Source: NYC Rent Guidelines Board, annual Mortgage Surveys.

Financing Availability and Terms

This year's longitudinal analysis reveals data that is similar to this year's cross-sectional sample.[7] The average interest rate among the longitudinal group for new loans, as of February 2015, was 4.38%, a decrease of 0.65 percentage points from February 2014, when the average interest rate was 5.03% for new financing (see Appendix E.3).

Among the longitudinal group, average points offered by lenders increased, up from 0.53 last year to 0.73 this year.

Underwriting Criteria and Loan Performance

The average maximum loan-to-value (LTV) ratio rose this year, increasing to 73.9% among the longitudinal group, compared to 71.4% last year. By contrast, the average debt service ratio declined slightly, down to 1.22 this year, compared to 1.24 last year (see Appendix E.4). Unlike the cross-sectional analysis, vacancy and collection (V&C) losses among the longitudinal group rose slightly, to 3.28% this year versus 3.25% last year.

Looking at the rate of delinquencies among the longitudinal group, just one lender reported non-performing loans this year, compared to three last year. Examining foreclosures, as was discussed in the cross-sectional sample analysis, no lenders this year reported foreclosures, while three reported them last year. For additional comparisons between the cross-sectional and longitudinal groups, see table on next page.

Sales Data Analysis

For several years, the NYC Department of Finance has offered online public property sales information. Similar to prior years, we examined sales data from 2014 and compared it with 2013 data. This year's sales data analysis include buildings listed as sold in 2014 in the Department of Finance database. These are

Selected 2015 Cross-Sectional Data Compared to 2015 Longitudinal Data

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

(Averages)	NF Interest Rate	NF Loan Volume	RF Loan Volume	NF Points	Max LTV Ratio	Debt Service Ratio	V&C Losses
2015 Cross-Sectional Data	4.27%	49	46	0.70	74.0%	1.22	3.25%
2015 Longitudinal Data	4.38%	49	46	0.73	73.9%	1.22	3.28%

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

Source: NYC Rent Guidelines Board, Annual Mortgage Surveys

matched to buildings that have filed 2013 DHCR building registrations; have not converted to co-op/condo; and have sold for at least $1,000.

Building Sales Volume

In 2014, 1,356 buildings containing rent stabilized units were sold in New York City, 5% fewer than in the prior year. While sales volume declined 33% in Queens and 16% in Manhattan, it rose 23% in the Bronx and 5% in Brooklyn. As in prior years, Staten Island was not included in this analysis because there were too few rent stabilized building sales to meaningfully measure change from year to year.[8] (See the table on the this page for a numerical breakdown in the change in the number of buildings sold in each borough and Citywide.)

Among the smallest rent stabilized buildings sold in 2014 (6-10 units), sales volume was down 3% Citywide, but not every borough experienced a decline. In fact, sales rose 42% in the Bronx and 2% in Brooklyn, but declined 21% in Manhattan and 14% in Queens.

Similarly, sales volume overall also decreased Citywide among 11-19 unit buildings, down 7%. By borough, it rose only in the Bronx, up 50%, while declining 45% in Queens; 13% in Manhattan; and 2% in Brooklyn.

Among 20-99 unit buildings, sales volume fell 4% Citywide. Sales volume also fell in two boroughs, down 56% in Queens and 12% in Manhattan. By contrast, in Brooklyn, sales rose 21%, and in the Bronx, sales were up 18%.

Among the largest buildings, which contain 100 or more units, sales volume Citywide decreased 33%. Unfortunately, we are unable to analyze sales data by borough because of the small number of buildings sold each year. However, these buildings sales are included in the totals by borough and Citywide.[9]

Looking back over multiple years, building sales data shows that for the period from 2003 to the

Comparison of Building Sales in 2013 vs. 2014

Sales Volume Change Varied by Borough from the Prior Year

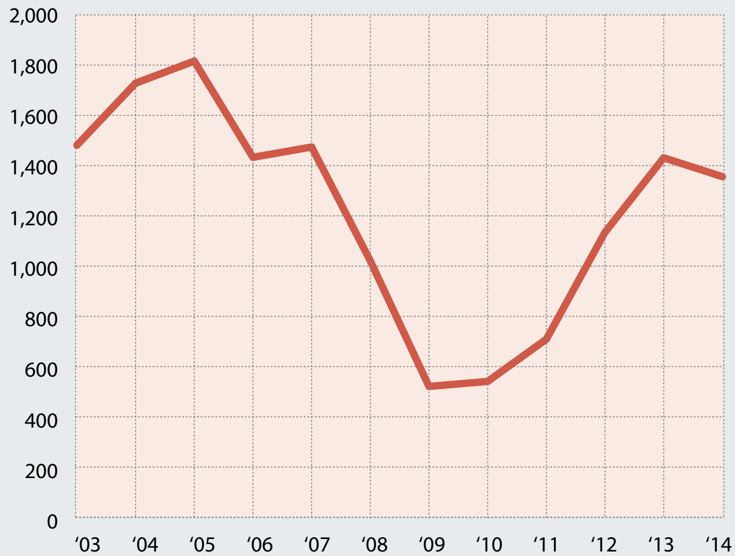
	2013	2014	Change
Bronx	245	302	23%
Brooklyn	472	494	5%
Manhattan	466	393	-16%
Queens	248	167	-33%
Citywide	**1,431**	**1,356**	**-5%**

Note: Citywide figures exclude Staten Island

Source: NYC Department of Finance

Rent Stabilized Building Sales, 2003-2014

Citywide Building Sales Decline from Prior Year



Source: NYC Department of Finance
Note: Figures exclude Staten Island

present, sales volume reached its peak in 2005, but by 2009, sales Citywide were at their lowest level of the twelve year period for which we have data. Since then, sales volume Citywide increased each year through calendar year 2013, but fell again in 2014. See the graph on this page and Appendix E.7 for annual sales volume Citywide.

Building Sales Prices

We also examine 2014 sales prices Citywide and by borough. We are not able to take into consideration the condition of the building being sold or the specific neighborhood within each borough, important factors that cannot be accurately studied using this data set.

Examining rent stabilized building sales prices for all building sizes, the median Citywide sales price was $3,200,000 in 2014. The highest median sales price was in Manhattan ($6,859,361); followed by the Bronx ($3,458,486); Brooklyn ($1,595,000); and Queens ($1,310,000).

Examining the smallest buildings (6-10 residential units), median sales prices Citywide were $1,200,000. By borough, prices were highest in Manhattan, at $3,775,000; followed by Brooklyn, at $1,200,000; Queens, at $1,075,000 and the Bronx, at $845,000.

Among 11-19 unit buildings, median prices Citywide were $3,500,000. By borough, sales prices were also highest in Manhattan, at $7,000,000; followed by Queens, at $2,767,500; Brooklyn, at $2,400,000; and the Bronx, at $1,440,000.

Buildings with 20-99 units sold Citywide at a median price of $5,900,000. By borough, these buildings sold for the most in Queens, at a median price of $9,400,000; followed by Manhattan, at $7,800,000; Brooklyn, at $5,787,500 and the Bronx, at $4,800,000.

Among the largest buildings, which contain 100 or more units, buildings Citywide sold for a median price of $22,500,000. However, as was discussed earlier, there were too few sales among buildings containing 100 or more residential units to accurately report borough building prices by borough. See Appendix E.8 for a breakdown of median sales prices in each borough among different sized buildings.

Summary

Summing up, interest rates fell to their lowest rate in the history of this survey, as did vacancy and collection losses. Further, lending terms remained favorable to borrowers. In addition, the number of rent stabilized building sold this past year declined. ❐

Endnotes

1. Federal Deposit Insurance Corporation (FDIC) website: http://www3.fdic.gov/sdi/main.asp

2. Federal Reserve Bank of New York website: http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate.html

3. "The Fed Has Not Stopped Trying to Stimulate the Economy," by Justin Wolfers, *New York Times*. October 29, 2014.

4. When comparing the change in loan volume since last year, note that one participant this year whose portfolio exceeds a billion dollars did not participate in this year's survey. A total of four lenders did not report new loan volume this year.

5. 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 NYC 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.

6. The O&M cost-to-rent ratio from the *2015 Mortgage Survey* reflects estimates by lenders of expenses and rents for rent stabilized buildings as of approximately February 2015. The average ratio is calculated from just eight respondents. By comparison, the latest available O&M cost-to-rent ratio from the *Income and Expense (I&E) Study*, in which average rent was $1,182 and average unaudited cost was $884, reflects rents and expenses reported by owners for calendar year 2013. 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).

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

8. The data reflects sales for buildings that are registered with the New York State Division of Housing and Community Renewal (DHCR) as containing rent stabilized units. It excludes those buildings where the sales price was listed as less than $1,000. It also excludes those buildings listed as co-ops/condos. Furthermore, all of Staten Island is excluded from all analysis due to the small number of buildings sold.

9. All 100+ unit building borough categories are excluded due to the small number of buildings sold in their respective categories. However, while these categories are not discussed, these buildings are included in the overall statistics and analysis.

Income and Affordability

2015 Income and Affordability Study

What's New

- ✔ Results from the *2014 Housing and Vacancy Survey* show that median contract rent for rent stabilized tenants is $1,200, gross rent is $1,300, household income is $40,600, and the gross rent-to-income ratio is 36.4%.
- ✔ Results from the *2013 American Community Survey* show that median renter income is $40,908, median gross rent is $1,228, and the median gross rent-to-income ratio is 32.2%.
- ✔ New York City's economy grew by 3.1% in 2014, compared to a 4.0% increase during 2013.
- ✔ The City gained 120,700 jobs in 2014, resulting in a 3.0% increase from 2013 in total employment levels.
- ✔ The unemployment rate fell in 2014, to an average of 7.2%, down from 8.8% in 2013.
- ✔ In 2014, an average of 54,122 people were staying in Dept. of Homeless Services shelters each night, up 9.5% from 2013.
- ✔ The number of non-payment filings decreased 3.4% in 2014, while those actually heard in Housing Court increased 4.0%, and the number of evictions fell 6.9%.

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.

Overview

Looking at New York City's economy during 2014, it showed many strengths as compared with the preceding year. Positive indicators include growing employment levels, which rose for the fifth consecutive year, increasing 3.0% in 2014. The unemployment rate also fell, declining by 1.6 percentage points, to 7.2%. Gross City Product (GCP) also increased for the fifth consecutive year, rising in real terms by 3.1% in 2014. In addition, inflation-adjusted wages rose by 2.1% during the most recent 12-month period (the fourth quarter of 2013 through the third quarter of 2014), and inflation slowed slightly. The number of non-payment filings in Housing Court fell by 3.4%, while evictions fell by 6.9%. And public assistance caseloads fell for the first time since 2008, by 3.9%, while Supplemental Nutrition Assistance Program (SNAP) caseloads fell for the first time since 2002, by 5.6%

Negative indicators include a 4.0% increase in the number of non-payment cases "calendared" in housing court, as well as the sixth consecutive year of increase in homeless levels, which rose to an average of more than 54,000 persons a night, an increase of 9.5% over 2013 levels.

The most recent numbers, from the fourth quarter of 2014 (as compared to the fourth quarter of 2013), show that homeless levels were up 10.8%, cash assistance levels were up 0.7%, and the number of calendared cases in Housing Court were up 2.7%.[1] However, most indicators were positive, with employment levels up 2.6%, the unemployment rate down 1.9 percentage points, non-payment housing court filings down 11.3%, and SNAP recipients down 5.6%. Fourth quarter GCP also rose, by 2.6% in real terms, and inflation was lower than that of the last quarter of 2013, rising by 0.8%, as compared to 1.3%.

Economic Conditions

Economic Output and Consumer Prices

New York City's economy expanded during 2014, rising for the fifth consecutive year. New York City's Gross City Product (GCP), which measures the total value of goods and services produced, increased by 3.1% during 2014, following an increase of 4.0% in 2013.[2] There has been positive economic growth in all but three quarters since the first of 2009, reaching a 2014 high of 4.2% growth during the third quarter. For comparison, GCP increased by an annualized average of 1.9% per year between 2000 and 2009 and 4.0% in the 1990s. The analogous national number, United States Gross Domestic Product (GDP), increased 2.4% during 2014, following a 2.2% increase during 2013.[3]

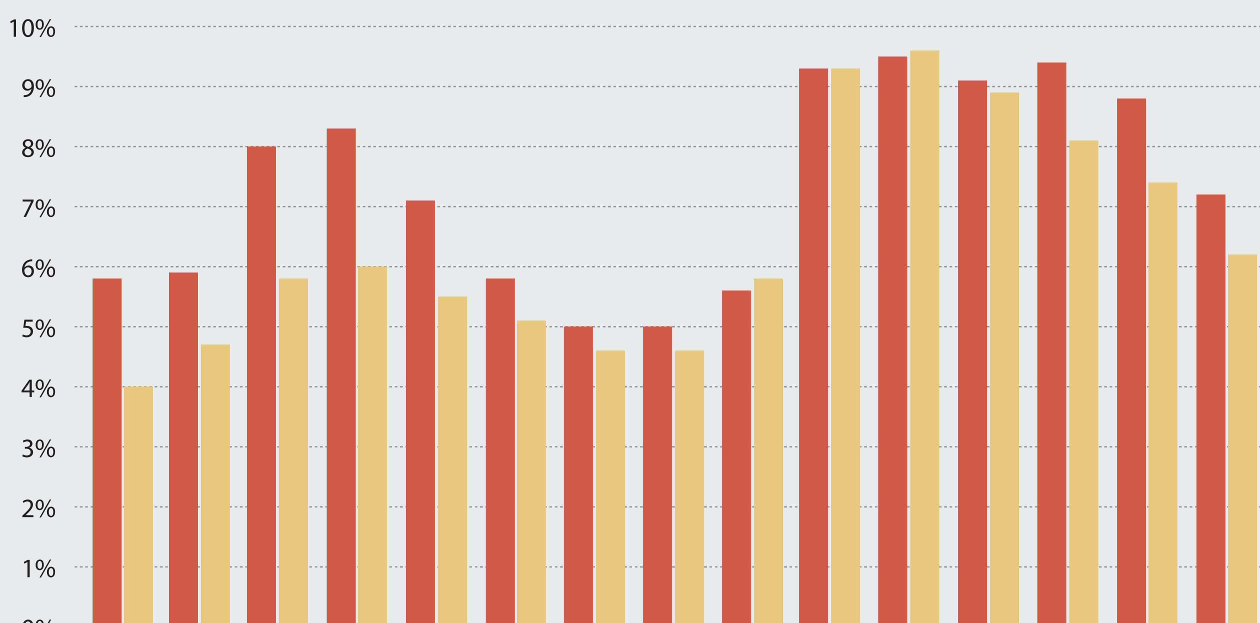
The Consumer Price Index (CPI), which measures the change in the cost of typical household goods, increased 1.3% in the NYC metropolitan area during 2014, a lower rate of inflation than seen in the previous year, when prices rose on average 1.7%.[4] Inflation was slightly higher for urban consumers in the U.S. as a whole, with rates rising 1.6%, following an increase of 1.5% during 2013.

Unemployment Statistics

Following a 0.6 percentage point decrease in 2013, NYC's unemployment rate fell again in 2014, declining

NYC and U.S. Unemployment Rates, 2000-2014

NYC & U.S. Unemployment Rates Fall in 2014



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
NYC	5.8%	5.9%	8.0%	8.3%	7.1%	5.8%	5.0%	5.0%	5.6%	9.3%	9.5%	9.1%	9.4%	8.8%	7.2%
US	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%

Source: U.S. Bureau of Labor Statistics and NYS Dept. of Labor; Data is updated annually and may differ from that in prior reports.

1.6 percentage points, to 7.2%.[5] This is the lowest unemployment rate since 2008, when it was 5.6%. The U.S. unemployment rate declined by a somewhat smaller proportion, falling from 7.4% in 2013 to 6.2% in 2014, a 1.2 percentage point drop.[6] (See graph on previous page and Appendix F.1).

In January and February of 2015, the most recently available data, the unemployment rates for New York City were 7.0% and 7.2%, respectively. These rates are 1.3 percentage points lower than both the previous January and the previous February. The analogous national figure was 6.1% in January of 2015 and 5.8% in February, 0.9 percentage points lower than January of 2014 and 1.2 percentage points lower than the previous February.

For all of 2014, Manhattan had the lowest unemployment rate of the boroughs, 6.1%, with Queens' rate at 6.4%, Staten Island's at 7.2%, Brooklyn at 7.7%, and the Bronx, consistently the borough with the highest unemployment rate, averaged 9.8% in 2014. Unemployment rates fell in every borough during 2014, from between 0.6 percentage points in Staten Island to 2.0 percentage points in the Bronx, the borough with the highest unemployment rate.

Employment Statistics

For the fifth consecutive year, the number of people employed in New York City increased, following gains in all but one year since 2003 (see graph on next page). Overall, among both city residents as well as those commuting into the city, New York City gained 120,700 jobs in 2014, a 3.0% increase from 2013.[7]

Employment levels rose in every industry except Manufacturing, rising by the greatest proportion in the Leisure and Hospitality sector, which grew by 5.6% (21,400 jobs) during 2014. The Construction sector also grew, rising by 4.5% (5,500 jobs) during 2014, and the Education and Health Services sector grew by 4.1% (33,400 jobs). All other sectors that experienced growth rose from between 0.1% and 3.9%. See Appendix F.2 for more detailed employment information.

In 2014, the only sector to see a decrease in employment was the Manufacturing sector, which fell 0.5%, and has fallen in all but three years since 1990 (the first year for which data is available). Over the 24-year period, employment in this sector is down 71.3% and 189,200 jobs.

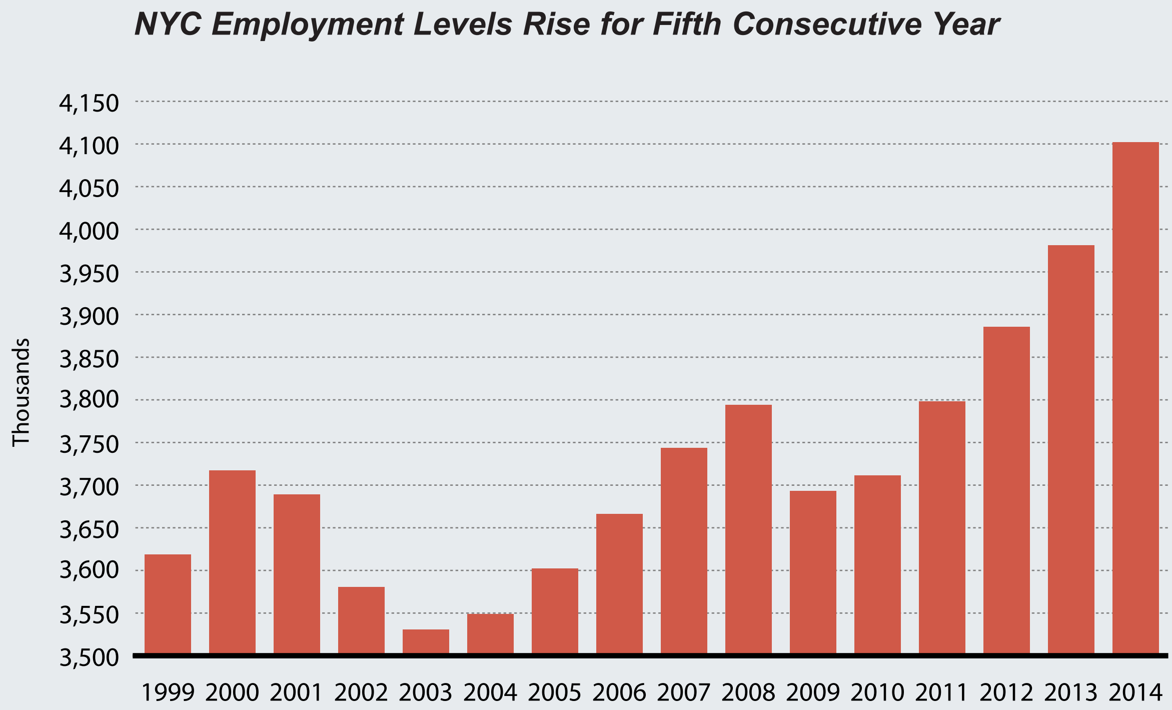
During the first two months of 2015, total employment levels were up as compared to the same months of 2014, with levels 2.9% higher in January 2015 and 2.6% higher in February, as compared with the same months of the prior year. Employment levels in both January and February were up in every sector except Manufacturing.

Two other employment indices are tracked in the *I&A Study*. The New York City labor force participation rate measures the proportion of all non-institutionalized people, age 16 and older, who are employed or actively looking for work. This ratio increased slightly in 2014, to 60.5%, up from 60.3% in 2013.[8] This remained lower than the U.S. rate, which decreased to 62.9% from 63.2% in 2013.[9] A related statistic, the New York City employment/population ratio, measures the proportion of those who are actually employed as a ratio of all non-institutionalized people age 16 or older. After remaining virtually unchanged between 2009 and 2012, the rate rose for the second consecutive year, up 1.1 percentage points in 2014, from 55.0% in 2013 to 56.1% in 2014. For comparison, the U.S. employment/population ratio rose 0.4 percentage points between 2013 and 2014, reaching 59.0%.

Wage Data

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 significant lag time in the reporting of income data. Based on data derived from the Quarterly Census of Employment and Wages (QCEW), the most recent annual numbers cover the 2013 calendar year. The data for this time period, which is still preliminary, shows a decrease in both nominal wages and "real" wages (wages adjusted for inflation). Real wages for all sectors declined for the third consecutive year, by 1.8% in 2013, falling from $81,919 (in 2013 dollars) to $80,454.[10] Nominal wages (wages in current dollars) decreased by 0.1% over the same time period, following a 0.7% increase in the prior year.

Average Annual Payroll Employment, NYC, 1999-2014



Source: NYS Dept. of Labor

Due to the six-month lag time in reporting of wage data, in order to present the most recent statistics possible, staff has formulated a "year" that comprises the most recent 12-month period (in this case, the fourth quarter of 2013 through the third quarter of 2014). This "year" was then compared with the equivalent period of the preceding "year," which in this most recent time period showed that overall wages increased by 2.1% in real terms and by 3.5% in nominal terms (note that data is preliminary). This compares to increases in the preceding 12-month period of 1.2% in real terms and 3.1% in nominal terms. (See graph on next page)

Real wages in the Finance and Insurance sector, which accounts for more than a quarter of all wages in New York City (and therefore carries more weight than any other single sector), rose by a real 5.6% during the most recent 12-month time period, the largest proportional rise of any sector. This compares to a rise of 6.4% and a drop of 9.3% in the prior two 12-month periods. The sector with the second greatest weight, Administrative, Waste, Educational, and Health Services (accounting for almost 16% of all wages), rose by a real 0.1% during this time period. Professional and Technical Services (accounting for 13% of all wages) rose by a real 2.0%. The Government sector, with 10% of all wages, also rose, by 1.7% in real terms.

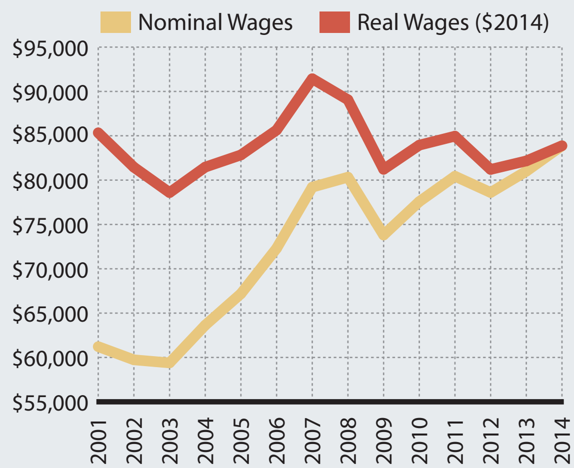
Looking at 2014 wage data on a quarterly basis, compared to the same quarters of 2013, real wages rose by 8.4% in the first quarter, 0.9% in the second quarter, and 2.1% in the third quarter. "Yearly" wage growth was dampened by the impact of the fourth quarter of 2013, when wages fell 3.9% in real terms.

The "annual" rise in wages was impacted most by the relatively strong growth of the Finance and Insurance sector, which helped pull overall wages higher than they would have grown otherwise. If the Finance and Insurance sector were left out of the analysis, wages would have grown by 1.2% in real terms, compared to the already noted growth of 2.1% overall.

The U.S. Bureau of Labor Statistics also tracks wage data, as part of their Current Employment Statistics (CES) survey.[11] Unlike the QCEW, this data cannot be analyzed for specific industries, and while more

Real and Nominal Wages, 2001-2014

Both Real and Nominal Wages Increase in 2014



Source: NYS Dept. of Labor

Note: Each "year" consists of the first three quarters of that year, and the fourth quarter of the preceding year.

current than that of the QCEW, is based on a much smaller sample size. In addition, this data does not include certain monetary compensations that are included in the QCEW, such as bonuses and sums received when exercising stock options, so is therefore less variable on a month-to-month basis than data from the QCEW. Per this survey, weekly wages rose by a nominal 1.4% in New York City during calendar year 2014, slightly slower than the rate of growth during 2013 (1.5%), and also slower than that of the nation as a whole (2.4%). In real dollars, weekly wages rose by 0.1% in NYC and 1.1% for the nation as a whole between 2013 and 2014. On a quarterly basis, the CES data shows that NYC weekly wages rose by an inflation-adjusted 2.3% during the fourth quarter of 2014, and fell in every other quarter of the year.

Bankruptcy Statistics

Staff also examined bankruptcy filings for New York City residents from 2000-2014. Between 20,000 and 30,000 persons filed for personal bankruptcy annually between 2000 and 2004, before surging to 42,852 in 2005 as bankruptcy laws were set to change. In the following year, with new laws in place making it more difficult to file for bankruptcy, only 7,961 persons filed for personal bankruptcy, an 81.4% decline. Filings then increased every year through 2010, reaching a high of 17,685. Rates dropped for both New York City as well as for the nation as a whole, for the fourth consecutive year, by 16.0% (to 9,434) and 12.4%, respectively.[12]

Poverty Statistics

The Census Bureau reports that the New York City poverty rate for all individuals was 20.9% in 2013, a decrease from 21.2% in 2012, and the first decline in this rate since 2008. This compares to 15.8% for the nation as a whole, a decline from 15.9% in 2012.[13] Poverty rates vary widely depending on borough. Rates range from a low of 12.8% in Staten Island, to 15.3% in Queens, 18.9% in Manhattan, 23.3% in Brooklyn, and 30.9% in the Bronx, consistently the highest rate of the boroughs. As compared to the prior year, rates rose in both Manhattan and Staten Island and declined in the other boroughs.

Also reported is the poverty rate for persons under the age of 18 in New York City, which was 29.8% in 2013. The rate was 18.5% for individuals 18 to 64 and 18.8% for persons 65 years and over. Furthermore, 17.5% of all families were living under the poverty line in 2013. For families containing related children under the age of 18, the figure is higher than that of all families, 24.6%. For married-couple families, the overall poverty rate was 10.9% in 2013, while for female- and male-headed families (i.e., no spouse present) it was 30.6% and 16.4%, respectively. Each of these statistics fell as compared with the prior year, with the exception of individuals aged 18 to 64, which rose 0.1 percentage points.

For comparison, overall rates were as high as 26.4% in the mid-nineties.[14] The Census Bureau has also begun work on a "Supplemental Poverty Measure," an additional measure of poverty that will include more factors in estimating income resources.[15] Using a similar methodology, the NYC Center for Economic Opportunity (CEO) calculated household poverty rates for New York City residents from 2005-2012 and found poverty rates higher than those officially released by the Census Bureau.[16] For instance, the official household poverty rate in 2012 was 20.0% and the CEO estimate was 21.4%. The gap between official and CEO estimates has been as high as 3.0 percentage points over the eight years studied by this City agency.

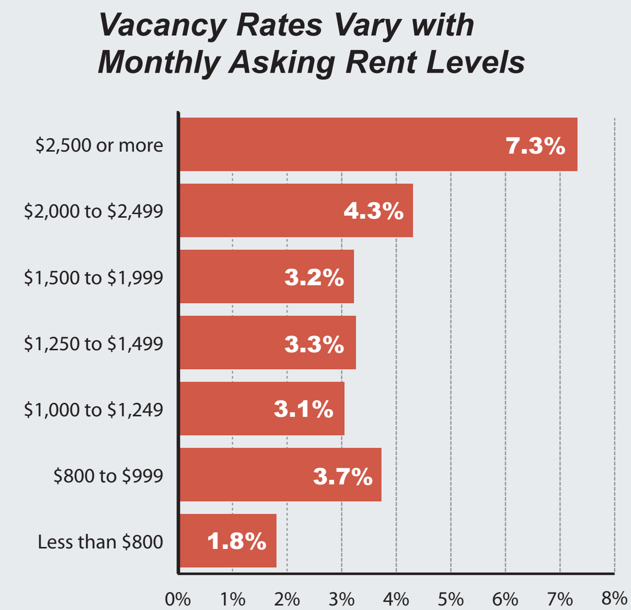
2014 Housing & Vacancy Survey

Vacancy Rates

Preliminary results from the *2014 Housing and Vacancy Survey* (*HVS*) were released in February of this year, and they reveal the continuation of a very tight New York City housing market.[17] This triennial survey of the housing and demographic characteristics of the City's residents found that the Citywide vacancy rate was 3.45% in 2014, well below the 5% threshold required for rent regulation to continue under State law, but higher than that found during the last *HVS*, 3.12%.[18] Queens had the lowest vacancy rate in the city, at 2.69%, translating into the availability of just 12,070 rentals in a borough with 449,274 rental apartments. Manhattan, by contrast, had the highest vacancy rate in 2014, at 4.07%. Of the remaining boroughs, the Bronx had a vacancy rate of 3.77%, Brooklyn was at 3.06%, and the small sample size in Staten Island made the rate too inaccurate to report.

The *HVS* found vacancy rates varying significantly among different asking rents. As might be expected, apartments renting for the least had the lowest vacancy rates, while those apartments renting at the high end had substantially higher vacancy rates. Apartments with an asking rent of less than $800 had a vacancy rate of just 1.8%, while those renting for at least $2,500 had a vacancy rate of 7.32%. (See graph on this page for a further breakdown.)

Vacancy Rate by Monthly Asking Rent Level, 2014



Source: 2014 NYC Housing and Vacancy Survey

The *2014 HVS* found different income levels among those living in units that were rent controlled, rent stabilized, unregulated, or part of some other regulation program (such as public housing or Mitchell-Lama). The lowest median income was found among those tenants in "other" regulated units, which at $18,296 was a real decrease of 3.1% from 2010. Those in rent control units had a median household income of $29,000 in 2013, a real decrease of 3.6%. Tenants living in stabilized buildings built prior to 1947 ("pre-war") had a median income of $40,000, and post-46 ("post-war") tenants earned a median income level of $46,000, real increases of 2.3% and 0.3%, respectively. Stabilized tenants on the whole had a median income of $40,600 (a real decrease of 0.3%), while those tenants in unregulated[20] apartments earned a median of $58,000 in 2013 (a real increase of 7.7%).

Income

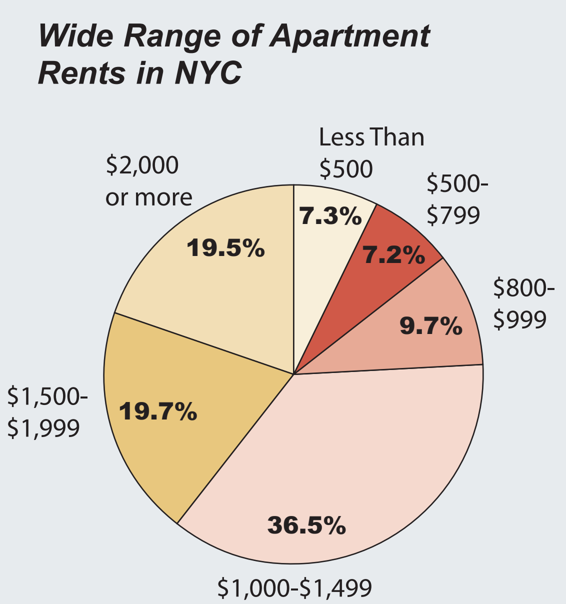
According to the *2014 HVS*, which reflects household income for 2013, the median income for rental households was $41,500, an inflation-adjusted ("real") increase of 1.1% from 2010.[19] Owner households earned substantially higher income, which in 2013 was a median of $80,000, almost double the income of renters.

Rent

The HVS also examines rent levels, and it revealed that in 2014, the median monthly contract rent, which excludes any additional tenant payments for fuel and utilities, for all rental units was $1,200. Rent stabilized tenants on the whole paid this same amount ($1,200) in median contract rent, including $1,153 for pre-war rent stabilized apartments, and $1,300 for post-war rent stabilized apartments. These are inflation-adjusted increases from 2011 of 6.3% for rent stabilized units as a whole, and 4.4% and 9.2% for pre- and post-war units, respectively. Among the other categories of rental units, rent controlled tenants paid a median of $900 (a 6.6% real increase), tenants living in private, nonregulated rentals paid a median of $1,500 (a real increase of 5.3%), and tenants living in "other" regulated units (such as public housing and Mitchell-Lama) paid the least in median contract rent, $583 (a real decrease of 6.4%).

Median gross rent, which includes fuel and utility payments, was $1,325 for all renters, a real increase of 4.3%. Rent stabilized tenants on the whole paid a median gross rent of $1,300 in 2014, including $1,266 for pre-war rent stabilized apartments, and $1,413 for post-war rent stabilized apartments. Adjusting for inflation, that is an increase from 2011 of 5.3% for all rent stabilized units over the three-year period, and increases of 3.9% and 9.4%, respectively, for pre- and post-war rent stabilized units. Rent controlled tenants paid less than the average rent stabilized tenant, with

Gross Rent Levels of Apartments, 2014



Source: 2014 NYC Housing and Vacancy Survey

a median gross rent of $1,020 in 2014 (a real increase of 8.1%), while those in unregulated units paid the most, a median of $1,625 (a real increase of 2.7%), and those in "other" regulated units paid the least, a median of $595 in gross rent (a real decrease of 6.0%).

The *HVS* also breaks down the distribution of renter occupied housing by gross rent level. Of the more than two million rental units in New York City that report cash rent, 7.3% rent for less than $500, and 16.9% rent for between $500-$999. More than three-quarters of rental units (75.7%) rent for over $1,000, including 19.5% that rent for more than $2,000.[21] (See graph on this page for a further breakdown.)

Affordability of Rental Housing

Examining affordability of rental housing, the *2014 HVS* reported that the median gross rent-to-income ratio for all renters was 33.8%, meaning that half of all households residing in rental housing pay more than 33.8% of their income in gross rent, and half pay less. While equal to the highest ratio in the history of the *HVS*, it is unchanged from 2011, when the ratio was also found to be 33.8%. Furthermore, a third (33.5%) of rental households pay more than 50% of their household income in gross rent (up from 33.1% in 2011). Generally, housing is considered affordable when a household pays no more than 30% of their income in rent.[22] The contract rent-to-income ratio was 31.2% for all renters in 2014, up 0.3 percentage points from 2011, and the highest ratio ever reported by the *HVS*.

Rent stabilized tenants are the tenants facing the highest financial burden, with a median gross rent-to-income ratio of 36.4%, meaning a majority of rent stabilized tenants are not able to afford their apartments, based on the HUD benchmark for housing affordability. Looking at these figures more closely, rent stabilized tenants in pre-war apartments are facing a median rent burden of 37.0%, while tenants in post-war units had a median ratio of 34.7% in 2014. All of these figures increased from 2011, including increases of 1.6 percentage points for all rent stabilized tenants, 1.5 percentage points for tenants in pre-war units, and 0.9 percentage points in post-war units.

It is important to note that an analysis done by RGB staff in 2012 found that rent-to-income ratios in the

2011 HVS were artificially high due to an anomaly in the way rents for many tenants receiving Section 8 are recorded by the *HVS*. While generally paying no more than 30% of their income towards rent, tens of thousands of rent stabilized tenants receiving Section 8 are recorded with gross rent-to-income ratios in excess of 100%. That analysis found that in 2011 the median gross rent-to-income ratio for rent stabilized tenants as a whole may have been exaggerated by as much as four percentage points because of this anomaly. Full *2014 HVS* data has not been released as of the publication of this report, so a similar analysis cannot be undertaken at this time.

Rent controlled tenants had the second highest median gross rent-to-income ratio, 35.5% (a 3.8 percentage point rise), unregulated tenants paid a median of 33.0% in 2014 (a decrease of 0.7 percentage points), and tenants in "other" regulated units paid a median of 30.3% (a decrease of 0.6 percentage points).

Other Measures of Affordability

American Community Survey

Per data from the Census Bureau's annual nationwide *2013 American Community Survey*, despite ongoing efforts by a number of government agencies and non-profit groups, housing affordability remains an issue in a city ranked 26th highest among 77 big cities (those with populations with of at least 250,000) of gross rent-to-income ratios.[23] At 32.2%, the median gross rent-to-income ratio in New York City remained at the same level as 2012. By borough, rates ranged from a low of 28.7% in Manhattan, to 32.7% in Brooklyn, 33.0% in Staten Island, 33.6% in Queens, and 34.9% in the Bronx. The only borough to vary by more than one percentage point as compared to the prior year was in the Bronx, where the gross rent-to-income ratio fell 1.1 percentage points.

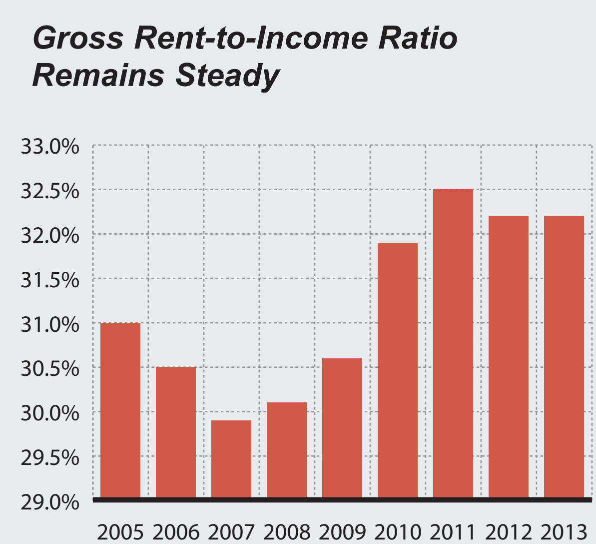
The percentage of households Citywide paying 50% or more of their income towards gross rent in 2013 fell for the second consecutive year, down to 29.6% from 30.0% in 2012. At the borough level, rates ranged from a low of 24.9% paying at least 50% of their income towards gross rent in Manhattan, to a high of 34.4% in the Bronx.

This survey also reports that the median contract rent in New York City was $1,125 in 2013, and the median gross rent was $1,228. Between 2012 and 2013, median monthly contract rents for all apartments in New York City increased an inflation-adjusted ("real") 1.1% and median gross rents increased by 1.0% (and by 2.8% and 2.7%, respectively, in nominal terms). Inflation-adjusted gross rents rose by 0.5% in Queens, 1.1% in Manhattan, 1.9% in both the Bronx and Brooklyn, and 2.4% in Staten Island.

In addition, during 2013 median household income for renters rose both nominally and in real terms, by 1.7% and 0.1% respectively, to $40,908. Notably, after falling during 2012, income for owner-occupied households rose in nominal terms by 5.1% and 3.4% in real terms. Since the inception of this survey in 2005, renter income has fluctuated in real 2013 dollars from a low of $39,285 in 2011 to a high of $42,941 in 2008. For renters, 2013 marks the second consecutive year of increase in both nominal and real terms.

The survey also provides mean household income for cities in quintiles. In New York City the top quintile (i.e., the top 20%) in mean household income makes 26.28 times more than the lowest quintile (i.e., the lowest 20%), the seventh highest ratio among big cities, and an increase from 24.95 in 2012. While

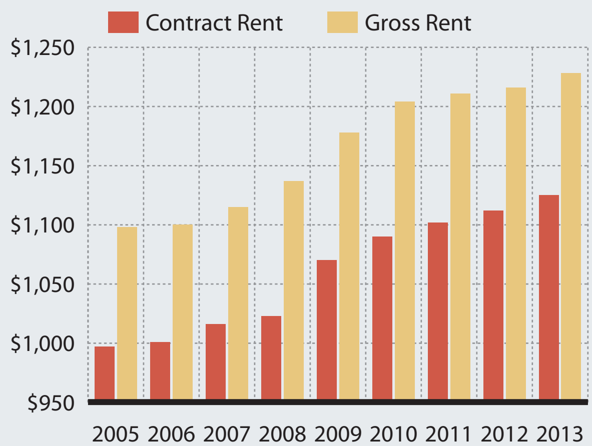
Gross Rent-to-Income Ratio, 2005-2013



Source: American Community Survey, 2005-2013

Rent in Constant 2013 Dollars, 2005-2013

Inflation-Adjusted Contract and Gross Rents Climb Annually



Source: American Community Survey, 2005-2013

New York's income disparity ratio does rank near the top nationwide, it lags notably behind Atlanta, with a ratio of 36.81, the highest disparity among big cities. Other major cities, such as Los Angeles (22.74), Chicago (24.45), Houston (20.30), and Philadelphia (22.77), all have smaller differentials between income levels than New York City. Among the cities ranking higher than New York City are Boston (29.67) and Washington, DC (30.30). The smallest disparity among big cities is in Anchorage, Alaska, with a ratio of 9.31. While the ratio between the upper and lower quintiles was 26.95 for all of New York City, it was 42.59 in Manhattan, where the top quintile makes an average of more than $410,000 more annually than the lowest quintile.

Consumer Price Index

One of the many prices tracked in the federal Consumer Price Index (CPI) is the cost of rental housing. While not specific to New York City (the local CPI area extends into the suburbs of New York City), the CPI can provide a useful comparison of the rise of housing costs to those of other components of the price index.[24] For the 46-year period since the inception of rent stabilization (from 1968 to 2014) the cost of rental housing in the New York area rose 724% and overall prices rose more slowly, at 621%. This is the converse of nationwide averages, where the cost of rental housing rose at a slower pace than overall costs (538% and 580%, respectively).

Between 2013 and 2014, rental costs rose 3.0% in the NYC area, versus an overall increase in prices of 1.3%. This is slightly lower than the 2013 rent increase of 3.1%. While the rate of inflation of rents did increase during 2014, it was still lower than many other recent years, including rates of 4.5% in 2007, 5.1% in 2008, and 3.9% in 2009.

In the U.S. as a whole, rental costs rose at a slightly faster pace than the New York City area, rising by 3.2% in 2014. But rental costs in the NYC metropolitan area did rise faster than five of the seven cities selected for comparison, including the metropolitan areas of Philadelphia, Boston, Chicago, Los Angeles, and Washington, DC, which rose at rates of between 1.8% to 2.9% in 2013. But rental rates in the NYC metropolitan area did rise slower than those in San Francisco, which saw rents rise 5.5%, and Atlanta, which rose by 4.5%.

Section 8 Housing Availability

Following increased funding in 2007 to the Section 8 housing voucher program (which allows recipients to live in privately owned housing, paying 30% of their income towards rent), the New York City Housing Authority (NYCHA) opened the waiting list for the first time since 1994.[25] These expanded funding levels led to significant increases in the number of Section 8 occupied units funded by NYCHA (which increased from 82,801 in FY 2007 to a recent high of 100,570 in FY 2010, a 21.5% increase), as well as significant increases in the number of people placed through Section 8 vouchers during those years. The number of Section 8 apartments has since fallen, to 87,841 units.[26] NYCHA also tracks the number of applicants newly placed through the Section 8 program. Placements fell sharply between FY 2013 and FY 2014, from 933 to 384. And placements fell again in the first four months of FY 2015 as compared to the first four months of FY 2014, from 155 to 147. There are approximately 123,000 people currently on the

NYCHA Section 8 waiting list, the same number as last year.

The NYC Dept. of Housing Preservation and Development (HPD) also maintains a Section 8 program, although as opposed to NYCHA, applicants must fall within specific HPD preference categories or special admission programs, and applications are not accepted from the general public.[27] As of February of 2015, HPD was funding 37,580 Section 8 vouchers, approximately the same number as the previous year. Notably, 45% of HPD's Section 8 vouchers are utilized by tenants with disabilities. And among all HPD Section 8 rentals, the average tenant share of rent is $386, with an average income level of $15,918.[28]

Non-Government Sources of Affordability Data

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 6.0% during 2014, following a 5.1% increase during 2013. During the most recent 12-month period (April of 2014 through March of 2015), due to double-digit price decreases during December of 2014 and January and March of 2015, costs fell 2.1% as compared to the prior "year." For comparison, during the previous 12-month period, costs increased 7.6%.[29] In addition, New Yorkers pay some of the highest electricity bills in the nation, with the average cost per kWh in 2012 more than double that of the nation as a whole.[30] Con Edison has proposed a residential rate hike as of January 1, 2016 that would raise rates an average of 4.7% a month.[31]

Another measure of affordability is the Council for Community and Economic Research's Cost of Living Index (COLI), which tracks the cost of living in almost 300 urban areas, including Manhattan and Brooklyn (the Bronx, Queens, and Staten Island were not included in this survey). Based on 60 different items, the survey collects more than 90,000 prices for housing, utilities, groceries, transportation, health care, and miscellaneous goods and services. In each of the first three quarters of 2014, Manhattan and Brooklyn ranked as numbers one and three/four respectively on the list of most expensive urban areas.[32] The study calculated that Manhattan was approximately 2.2 times as expensive to live in as the national average, while Brooklyn was approximately 1.7 times more expensive.

This same study found that someone moving from Boston who makes $53,583 a year (the 2013 median household income in Boston) would need to make $86,560 to achieve the same standard of living in Manhattan, while paying 19% more for groceries, 17% more for transportation, and 151% more for housing (including 99% more for renters).[33] Moving to Brooklyn would be somewhat more economical, requiring a salary of $66,071 to achieve the same standard of living. As with Manhattan, the most inflated component in Brooklyn is housing, which is approximately 67% more expensive than in Boston (with rental apartments 14% more expensive).

While the study found that significantly more income is required to live in New York City with the same standard of living as in Boston (see prior paragraph), actual incomes fell short of what the study determined was required in Manhattan and Brooklyn. Actual 2013 median household incomes were $72,190 in Manhattan and $47,520 in Brooklyn, a difference of 16.6% and 28.1%, respectively.[34]

Per this survey, overall housing costs fell in Boston, Manhattan, and Brooklyn during 2014, by 1.3%, 2.6%, and 10.2%, respectively. However, the survey found that apartment rents did rise in Boston, by 4.8%, while they dropped in both Manhattan and Brooklyn, by 0.2% and 9.4%, respectively.

Another quarterly index, the Housing Opportunity Index (HOI), showed that during the fourth quarter of 2014 the New York metropolitan area was the eighth least affordable area to buy a home. This follows eighteen straight quarters between 2008 and 2012 when the New York area ranked as least affordable. The survey found that 24.7% of owner-occupied housing in the metropolitan area was affordable to households earning the median income. Although it was one of the least affordable buyer's markets, substantially more homes were affordable than in recent years, such as in the fourth quarter of 2006, when only 5.1% of homes were considered affordable, and is comparable to the same quarter of the previous year, when 23.4% of homes were considered affordable.[35]

Every year the National Low Income Housing Coalition (NLIHC) issues a study to determine whether rents are affordable to the lowest wage earners. The 2015 study has not been released as of the publication of this report, but per their methodology,[36] in order to afford a two-bedroom apartment at the City's Fair Market Rent, ($1,481 a month, as determined by the U.S. Department of Housing and Urban Development[37]) a full-time worker must earn $28.48 per hour, or $59,240 a year. Alternately, those who earn minimum wage would have to work 130 hours a week (or two persons would each have to work 65 hours a week) to be able to afford a two-bedroom unit priced at Fair Market Rent. Because the Fair Market Rent rose by $41, but the minimum wage increased by $0.75 an hour in 2015, the amount of annual wages necessary to afford this apartment went up by 2.8%, but the number of hours working at minimum wage in order to afford this apartment went down by 6.0%. The minimum wage in New York State will rise by $0.25, to $9 an hour, by the beginning of 2016.[38]

Real Property Tax Credit

A new tax credit for New York City renters was enacted in 2014, the "Enhanced Real Property Tax Credit for Homeowners and Renters."[39] The credit offers a maximum rebate of $500 to New York City residents with household incomes of less than $200,000 a year, and depends on both your income level and the amount of rent that you pay. For instance, a tenant with a household income of $50,000 a year, who pays $1,250 in rent (30% of their income), would receive a tax credit of $16.31. But a tenant making $50,000 a year and paying $2,083 in rent (50% of their income), would receive a credit of $87.19. A higher income household, earning $100,000 a year, would need a rent in excess of $2,646 (31.7% of their income) before they could receive any tax credit.[40]

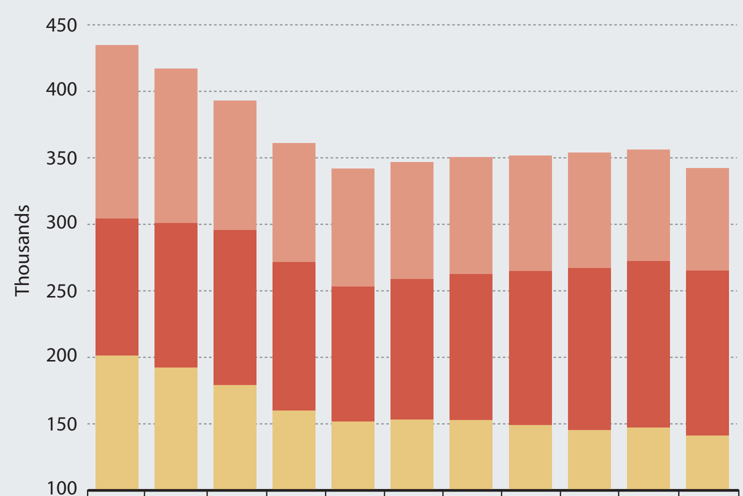
Cash Assistance Programs

For the first time since 2008, the total number of cash assistance cases in New York City decreased, falling by 3.9% between 2013 and 2014.[41] This follows an increase of 0.6% in the prior year (see graph on this page). Despite generally increasing in the past few years, over the last 19 years the number of cash assistance recipients has dropped significantly, falling 69.6% since March 1995, when the City's welfare reform initiative began and 1,161,000 recipients were on the rolls.

While the number of cash assistance cases fell in 2014, the number of applications for cash assistance rose, increasing 4.0% over 2013 levels, including an increase of 3.9% in denied applications, and 4.1% in

Cash Assistance Programs, 2004-2014, in Thousands

Cash Assistance Caseloads Fall Almost 4%



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
FAP	201.2	192.2	179.2	160.2	151.7	153.3	152.8	148.9	145.2	147.0	141.3
SNA	103.0	108.7	116.7	111.5	101.4	105.5	109.9	116.1	121.9	125.5	124.0
FAP-SNA	130.6	116.1	97.3	89.4	88.6	88.1	87.7	86.7	86.9	83.6	77.0

Source: NYC Human Resources Administration
Note: FAP-SNA refers to welfare recipients who were converted from the Family Assistance Program (FAP) to the Safety Net Assistance Program (SNA)

approved applications.[42] At the same time, the number of reported job placements among cash assistance recipients decreased during 2014, falling by 2.2%, or 1,057 jobs.[43]

The number of Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) recipients fell for the first time in twelve years, decreasing by 5.6%, to an average of 1.76 million in 2014. Despite this drop, SNAP levels have more than doubled in recent years, rising from an average of just over 800,000 in the early 2000s, to nearly 1.8 million today.[44] The number of Medicaid enrollees also fell, decreasing 9.6% during 2014, to 2.8 million recipients.[45]

Housing Policy

New York City receives funding for a variety of housing programs from the U.S. Department of Housing and Urban Development (HUD). Data on funding levels for these programs from Fiscal Year 2014 is delayed, and will be available in mid-May 2015. As reported last year, in the 2013 fiscal year, New York City received $720.0 million from federally funded programs.[46] These programs included $221.1 million in a Community Development Block Grant (CDBG) which funds housing and community development programs; $57.8 million for the HOME Investment Partnership Program, which helps preserve existing housing stock; $10.9 million for the Emergency Shelter Grant (ESG) program, which is used for homeless programs; and $51.1 million for Housing Opportunities for Persons with AIDS (HOPWA). NYCHA also received $258.9 million for its capital modernization program.

As compared to Fiscal Year 2012, federal funding in 2013 increased by 13.9% in nominal terms and 12.0% in inflation-adjusted terms. While there was an overall increase in funding, many programs had their funding cut in FY 2013, including the HOME program, which fell by 5.8% in real terms, the ESG program, which fell by 24.1% in real dollars, HOPWA, which fell by 2.9% in real terms, and funds used for the NYCHA capital program, which fell by 5.9% in real terms. The smallest funding source, HUD Fair Housing and Housing Counseling, fell by 28.5% in real terms, while CDBG funding, one of the largest, was essentially flat.

Overall funding rose because HUD Competitive Funds, the bulk of which (as part of a Homeless Continuum of Care grant) are used for homeless housing services, increased substantially during FY 2013. Funding for this program rose by $104 million between FY 2012 and FY 2013, an 873.3% real increase. Overall federal funding, not including these competitive funds, fell by 4.3% in real terms during FY 2013.

Homelessness & Evictions

Homelessness

Homelessness in the City, based on data from the Dept. of Homeless Services (DHS), increased for the sixth consecutive year during 2014, rising by 9.5%.[47] Each night, an average of 54,122 persons stayed in DHS shelters during 2014, up 4,713 persons from a year earlier, and up considerably from the average of 20,000-25,000 found in the 1990s (see graph on next page and Appendix F.7). While levels rose on the whole, so did the subcategory of the number of families sheltered each day, by an average of 10.4%.[48] The figure for families includes the number of families with children sheltered each night, which rose 10.5% during 2014 (to reach an average of 11,337), and the number of adult families sheltered each night, which increased 9.6% over the year (to an average of 1,980). The number of single adults sheltered also rose during 2014, increasing 7.4%, to an average of 10,591 persons.

While overall homeless rates increased 9.5% during 2014, looking at the data on a quarterly level shows that rates generally increased at a faster pace as the year went on. Rates rose by 7.4%, 9.0%, 10.9%, and 10.8% in the first, second, third and fourth quarters respectively, as compared to the same quarters of the previous year. On a monthly basis, the greatest increase was seen in November of 2014, when 7,053 more persons stayed in City shelters than the previous November, an increase of 13.8%.

While more people were staying in homeless shelters during 2014, more were also being relocated to permanent housing during the year. Permanent housing placements for families with children and adult families rose over 2013 figures, while they dropped for single adults. For families with children, placements rose by 6.1%, to 7,091 placements. For adult families, rates rose by 15.2%, to 659 placements. But following double digit increases during 2013, single adults placements fell by 3.9% during 2014, to 9,450 placements. Most of these placements are to private housing, including family members or friends of those being sheltered, and include only those individuals or households who are out of DHS facilities for at least 30 days. A small number of placements were also to subsidized housing; with the aid of Section 8 benefits; or were aided by other rental assistance programs.

Other homeless indicators include the average amount of time spent in temporary housing, which increased among all categories for the fourth consecutive year, rising by 30 days for families with children (to 432 days), by 33 days for adult families (to 527 days), and by 17 days for single adults (to 316 days). While homeless individuals were spending more time in temporary housing during 2014, those placed in permanent housing were also returning to the system in greater numbers, with 14.5% of families with children returning to DHS within one year (up from 11.3% the prior year), and 14.7% of adult families returning to DHS within one year (up from 12.9% in the prior year). In addition, the number individuals or families who have never before utilized a City shelter increased during 2014, rising 22.7%, to an average of 1,568 per month.

Data from the U.S. Department of Housing and Urban Development, which asks municipalities to submit homeless counts on a single day in January of each year, shows that New York City has the largest number of homeless people of any city in the nation. NYC reported a total of 67,810 sheltered and unsheltered persons in January of 2014, followed by Los Angeles, with 34,393 persons, and Las Vegas, with 9,417. In New York City, rates rose 5.9% between

Average Homeless Shelter Census, NYC, 1984-2014

Source: NYC Dept. of Homeless Services

January 2013 and January 2014, and at the national level, homeless rates declined by 2.3%.[49]

In November of 2014, the New York City Independent Budget Office (IBO) released a study of DHS shelter data for fiscal years 2002-2012.[50] The reports focuses on families with children (hereafter referred to simply as "families"), entries of which increased from 6,370 in 2002 to 8,502 in 2012 (peaking at 12,062 in 2010).

Upon entry, applicants are asked a series of questions to determine their eligibility for shelter. The study found that among the reasons given for needing shelter, the proportion reporting eviction as a cause for homelessness rose over time. In 2002, the first year of the study, 1,066 families cited eviction as the reason for needing shelter (17% of all entries that year). Eviction as the cause of eligibility peaked at 3,866 entries in 2010 (32% of all entries). But while the total number of entries because of eviction decreased in both 2011 and 2012, so did the overall number of entries of families, resulting in a rising proportion of eviction as the reason for eligibility, to as high as 36-37% in those years. While evictions Citywide did increase over the study period (by up to 17% over 2002 levels), the number of families found eligible for shelter due to eviction rose by a much greater proportion, 130%. The vast majority, 79%, of those citing eviction as the reason for eligibility were the actual tenants of record being evicted, with the balance living with others who were evicted.

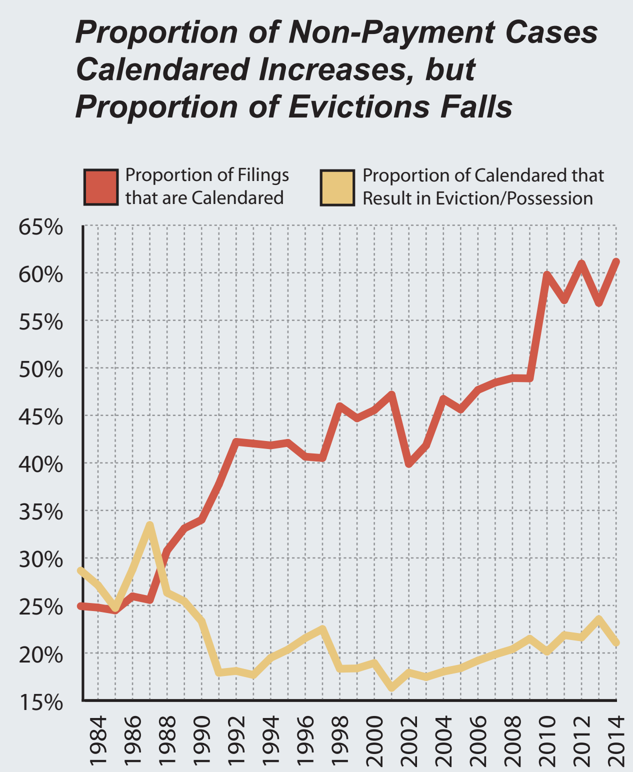
Applicants are also asked for their most recent address. The IBO took this information and geocoded it to lists of rent stabilized buildings, NYCHA buildings (public housing), and unregulated buildings. Of the addresses that could be successfully geocoded, 43% were found to be in buildings containing rent regulated units (generally rent stabilized buildings, which may contain units that have been deregulated, and Mitchell-Lama buildings), 39% were in unregulated buildings, 16% were NYCHA buildings, and 2% were in specialized facilities (such as residential treatment or rehabilitation programs). Among those tenants coming from buildings containing rent regulated units, 32% cited eviction as the reason for eligibility, while 24% cited overcrowding, and 21% cited domestic violence. The remaining 23% cited other reasons, such as discord and unlivable conditions. These proportions were very similar to those from unregulated housing, where 34% of entries were due to eviction, 20% due to overcrowding, and 21% due to domestic violence.

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 third consecutive year, non-payment filings in Housing Court decreased, falling 3.4%, to 208,158.[51] While the number of non-payment filings decreased, the number of cases resulting in an actual court appearance ("calendared") rose by 4.0%, so the

Housing Court Statistics, 1983-2014



Source: Civil Court of NYC and NYC Dept. of Investigations proportion of cases which resulted in an appearance increased by 4.3 percentage points. At 61.2%, this proportion is the highest the RGB has ever recorded (see graph on previous page and Appendix F.6). During the mid-to-late 1980s, an average of 27.1% of non-payment filings were calendared.

More than 18% of non-payment filings are against tenants of public housing (NYCHA). If these cases were taken out of the analysis, filings would have gone down 5.5%, and calendared cases would have risen by 3.0%. However, the overall percentage of calendared cases to non-payment filings would have remained essentially the same, at 61.3% just 0.2 percentage points higher than the overall proportion.

The proportion of non-payment proceedings Citywide that resulted in an eviction/possession ruling in 2014 decreased by 2.5 percentage points, falling from 23.6% to 21.1%. This translates to 26,857 court decisions ruled for the tenant's eviction from a total of 127,334 non-payment proceedings calendared.[52] The decrease was due to the fact that even though the number of cases calendared increased, evictions fell by an even greater proportion, 6.9%. The proportion of evictions to calendared cases is now at its lowest level since 2010 (see graph on previous page).

Conclusion

In 2014, economic indicators for New York City were almost entirely positive, including rising employment levels, declining unemployment, increased Gross City Product, a slowing of non-payment housing court filings, falling cash assistance caseloads, and rising wages. However, homelessness continues to increase, and non-payment cases "calendared" rose.

Looking forward, various City agencies have made predictions about the future health of the New York City economy. Among their predictions, they estimate that in 2015 the City will gain anywhere between 65,000 and 84,000 jobs, unemployment will fall to 6.5%, GCP growth will potentially grow anywhere from 1.5% to 3.0%, and wages will rise from 1.9% to 2.1%. They also see the economy brightening even more during the next few years, with decreasing unemployment rates (to as low as 5.2% by 2019), job gains, and a rise in both wage growth and GCP.[53] ❐

Endnotes

1. This data is obtained from the Civil Court of the City of New York, which cannot provide exact "quarterly" data. The Court has 13 terms in a year, each a little less than a month long. This data is for terms 10-13, which is from approximately the middle of September through the end of the year. It is compared to the same period of the prior year.
2. Data from the NYC Comptroller's Office as of March, 2015. 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 2009 chained dollars.
3. US Bureau of Economic Analysis. http://www.bea.gov/national/index.htm#gdp; Data accessed March, 2015.
4. US Bureau of Labor Statistics; http://www.bls.gov; Data accessed February, 2015.
5. NYS Dept. of Labor; http://www.labor.state.ny.us; Data accessed March 2015. Data is revised annually and may not match data reported in prior years.
6. US Bureau of Labor Statistics; http://www.bls.gov; Data accessed March, 2015.
7. New York State Dept. of Labor; http://www.labor.state.ny.us; Data accessed March 2015. Data is revised annually and may not match data reported in prior years.
8. The NYC labor force participation rate and employment/population ratio are derived from unpublished data from the U.S. Bureau of Labor Statistics, obtained from the NYC Comptroller's Office. Note that prior years' data are annually revised, and may differ from figures reported in prior years' *Income and Affordability Studies*.
9. Bureau of Labor Statistics; http://www.bls.gov; Data accessed March, 2015.
10. New York State Dept. of Labor; http://www.labor.state.ny.us; Data accessed March 2015.
11. Bureau of Labor Statistics; http://www.bls.gov; Data accessed March, 2015.
12. Data obtained from The Administrative Office of the U.S. Courts. http://www.uscourts.gov/Statistics/BankruptcyStatistics.aspx
13. Poverty statistics were researched on the US Census Bureau's Factfinder Site: http://factfinder2.census.gov in February of 2015.
14. Data is from prior reports of the Community Service Society of New York. which uses Census Data to compute their own poverty statistics. Studies average two consecutive years of census data in calculating poverty rates.
15. "Census Bureau to Develop a Supplemental Poverty Measure." March 2, 2010. U.S. Dept. of Commerce Press Release.
16. "The CEO Poverty Measure, 2005-2012." April, 2014. New York City Center for Economic Opportunity. Note that the CEO poverty rates are adjusted periodically and may not match figures found in prior reports.
17. 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 Initial Findings of the 2014 New York City Housing and Vacancy Survey," prepared by Elyzabeth Gaumer and Sheree West of HPD. Full data should be available in April or May of 2015

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18. State law requires the City to formally extend rent stabilization every three years, after publication of vacancy rates from the triennial *Housing and Vacancy Survey*. Introductory Number 685 will extend rent stabilization until April 1, 2018.

19. Total household income in the HVS includes wages, salaries, and tips; self-employment income; interest dividends; pensions; and other transfers and in-kind payments.

20. Private non-regulated units consist of units which were never rent controlled or rent stabilized, units which were decontrolled, and unregulated rentals in cooperatives or condominium buildings.

21. There were 53,391 units which did not report a cash rent because they were being occupied rent-free.

22. 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).

23. 2013 American Community Survey, U.S. Census Bureau. http://factfinder2.census.gov

24. US Bureau of Labor Statistics; http://www.bls.gov; Data accessed February, 2015.

25 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.

26. Preliminary FY 2015 Mayor's Management Report, NYC Housing Authority section.

27. Eligibility guidelines per the NYC Housing Preservation and Development website: http://www1.nyc.gov/site/hpd/section-8/applicants.page.

28. DTR Section 8 General Program Indicators, HPD website: http://www1.nyc.gov/assets/hpd/downloads/pdf/hpd-section-8-program-statistics.pdff (dated 2/2/2015).

29. 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 ConEd.

30. AARP Press Release. "ConEd Electric Customers Get Rate Shock -- Pay More Than Double U.S. City Average." May 21, 2013.

31. Con Edison Press Release. "Con Edison 2016 Rate Plan Cites Reliability, Storm Prep, Better Technology." January 30, 2015.

32. ACCRA Cost of Living Index Press Release. First, Second, and Third Quarters of 2014. The Council for Community and Economic Research. http://www.coli.org/PressClippings.asp

33. ACCRA cost of living report. The Council for Community and Economic Research. https://www.coli.org/compare.asp

34. 2013 American Community Survey, U.S. Census Bureau. http://factfinder2.census.gov

35. National Association of Home Builders. Various tables on website: http://www.nahb.com/reference_list.aspx?sectionID=135; Affordability defined as no more than 28% of gross income spent on housing costs (including mortgage, property taxes, and insurance): http://www.nahb.org/generic.aspx?sectionID=135&genericContentID=533. Data accessed March 2015.

36. The methodology that the National Low Income Housing Coalition uses is at: http://nlihc.org/sites/default/files/oor/OOR2014_AppendixA.pdf

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

38. "NY Increasing Minimum Wage to $8 an Hour in 2014," NY Post. December 27, 2013.

39. New York State Dept. of Taxation and Finance Form NYC-208 (2014).

40. Calculations based on New York State Department of Taxation and Finance Form NYC-208 (2014).

41. New York City Human Resources Administration. HRA Charts (Cash Assistance Recipients): http://www.nyc.gov/html/hra/html/facts/charts.shtml

42. Data directly from the NYS Office of Temporary and Disability Assistance, February, 2015.

43. New York City Human Resources Administration. HRA Charts (Assisted Entries to Employment): http://www.nyc.gov/html/hra/html/facts/charts.shtml

44. New York City Human Resources Administration. HRA Charts (SNAP Recipients): http://www.nyc.gov/html/hra/html/facts/charts.shtmll

45. New York City Human Resources Administration. HRA Charts (HRA Administered Medicaid Enrollees): http://www.nyc.gov/html/hra/html/facts/charts.shtmll

46. Proposed Consolidated Plan Annual Performance Report, 2013. NYC Dept. of City Planning. March 12, 2014.

47. Data from July, 2011 through December, 2013 directly from the Policy & Planning Office of the NYC Dept. of Homeless Services (DHS). Beginning in January of 2014, data is a mix from the Policy & Planning Office of DHS, reports generated pursuant to Local Law 37 of 2011, and monthly Citywide Performance Reporting reports. Note that the NYC Department of Housing Preservation and Development, the NYC Department of Youth and Community Development, and the NYC Human Resources Administration also operate emergency shelters, which house approximately 5,000 persons per night.

48. Beginning five years ago, the Dept. of Homeless Services (DHS) now splits families into two groups – families with children and adult families (generally spouses and domestic partners). Approximately 85% of "families" are families with children.

49. "The 2014 Annual Homeless Assessment Report (AHAR) to Congress: Part 1, Point-in-Time Estimates of Homelessness." U.S. Department of Housing and Urban Development, October 2014.

50. Fiscal Brief: "The Rising Number of Homeless Families in NYC, 2002-2012," New York City Independent Budget Office. November 2014.

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

52. Eviction data from the NYC Department of Investigation, Bureau of Auditors data.

53. "Comment on New York City's Preliminary Budget for FY 2016 and Financial Plan for Fiscal Years 2015-2019." NYC Comptroller's Office, March 4, 2015.

Housing Supply

2015 Housing Supply Report

Overview

A tight housing market remains in New York City, with a Citywide rental vacancy rate of 3.45% and 12.2% of all rental housing considered overcrowded as of 2014. Between 2013 and 2014 there was a 13.8% increase in the number of permits issued for new dwelling units, rising to 20,483, the fifth consecutive year of increase. The number of units accepted by the Attorney General in co-op and condo plans also rose, by 82.5%, with the number of plans rising by 40.5%. But the number of units receiving 421-a benefits fell, decreasing 12.0% from 2013 levels, while rehabilitation of residential units under the J-51 tax abatement and exemption program also fell during 2014, down 26.7%. The number of completed housing units also fell during 2014, decreasing 6.4% to 11,867 units. For the second consecutive year, demolitions rose, with a 17.7% rise in the number of buildings demolished during 2014.

New York City's Housing Inventory

Most New Yorkers live in multi-family rental housing rather than owning homes. According to the *2014 Housing and Vacancy Survey (HVS)*,[1] rental units comprise 64.2% of New York City's available housing stock, 76% more than the proportion of rental units in the nation as a whole.[2] New York City in 2014 had a total of 3,400,093 housing units, the largest housing stock since the first *HVS* was conducted in 1965. New York City's housing is not only dominated by the size of its rental housing stock, but unlike most cities, the bulk of rental units are rent regulated. Of the 2,184,297 occupied and vacant rental units reported in the most recent HVS, 38.9% were unregulated, or "free market." The remaining units were rent regulated, including pre-war (pre-47) rent stabilized (35.1%), post-war (post-46) rent stabilized (12.1%), rent control (1.2%), or various other[3] types of regulation programs (12.8%). (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 3.45% in 2014, below the 5% threshold required for rent regulation to continue under State law. This translates into the availability of just 75,458 vacant units out of more than 2.1 million rental units Citywide. The vacancy rate ranged from 2.69% in Queens to 4.07% in Manhattan. Brooklyn's vacancy rate was 3.06%, the Bronx's rate was 3.77%, while Staten Island's sample size is so small that the rate is too inaccurate to report.[4]

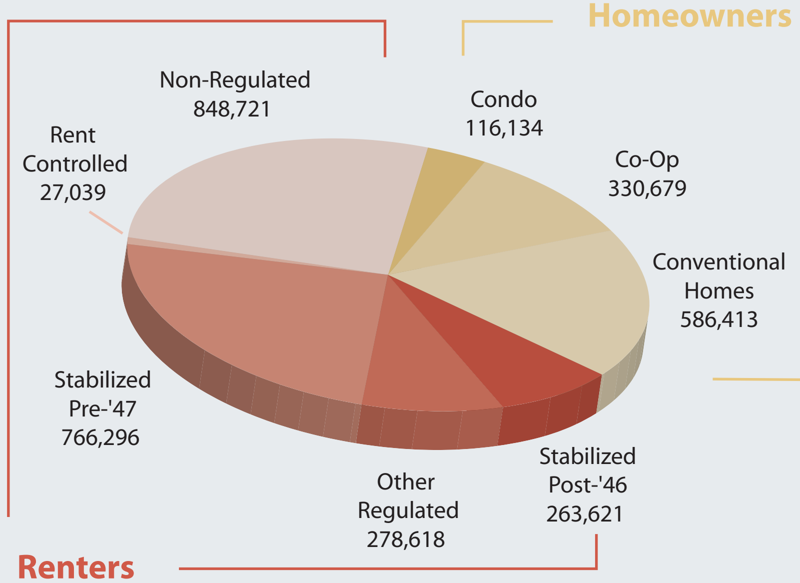
Vacancy rates also vary by rent regulation status. Post-war stabilized units had the tightest market for non-income based housing, with a vacancy rate of 1.63% in 2014. Pre-war stabilized units also maintained a low vacancy rate, at 2.29%, while private, non-regulated units were vacant at a 5.60% rate.

What's New

- ✔ The Citywide vacancy rate was 3.45% in 2014.
- ✔ Permits for 20,483 new dwelling units were issued in New York City in 2014, a 13.8% increase over the prior year and the fifth consecutive year of increase.
- ✔ There was an 82.5% increase in the number of co-op or condo units accepted in 2014, to 267 plans containing 9,573 units.
- ✔ The number of housing units newly receiving 421-a exemptions decreased 12.0% in 2014, to 6,945.
- ✔ The number of housing units newly receiving J-51 abatements and exemptions decreased 26.7% in 2014, to 40,787.
- ✔ The number of new housing units completed in 2014 decreased 6.4% over the prior year, to 11,867.
- ✔ Demolitions were up in 2014, increasing by 17.7%, to 1,513 buildings.
- ✔ City-sponsored residential construction spurred 8,797 new housing starts in FY 2014, 57% of which were rehabilitations.
- ✔ The City-owned *in rem* housing stock fell, declining 1.7% during FY 2014, to 762 units.

Number of Renter and Owner Units

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



Source: U.S. Bureau of the Census, *2014 New York City Housing and Vacancy Survey*
Note: Above figures exclude vacant units that are not available for sale or rent.

The frequency of crowding also varied by rent regulation status. Overall, 12.2% of all rental housing in New York City in 2014 was overcrowded (defined as more than one person per room, on average) and 4.7% was severely overcrowded (defined as an average of more than 1.5 persons per room). Pre-war stabilized housing was most crowded, with 15.0% of units overcrowded and 6.1% severely overcrowded, while 14.6% of post-war units were overcrowded, and 5.5% of were severely overcrowded. Overall, 14.9% of rent stabilized housing was overcrowded and 6.0% was severely overcrowded. In non-regulated housing, 11.3% was overcrowded and 4.2% severely overcrowded.

Changes in the Housing Inventory

Housing Permits

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 dramatic decrease in 2009, the City has issued an increasing number of housing permits each year. In 2014, permits were issued for 20,483 units of new housing, an increase of 13.8% from the 17,995 units in 2013 (see graph on following page). However, despite five years of consecutive increases in permits, permit levels are still more than 13,000 units lower than the levels in 2008.[5]

While permits increased by double digits in Manhattan, Brooklyn, and Queens, they fell by double digits in the Bronx and Staten Island. (See Appendix G.1 and the map on Page 78) Queens' permits increased by the greatest proportion, rising 55.0%, to 4,900 units. Newly issued permits also increased in Brooklyn, by 23.0% (to 7,551 units) and by 11.9% in Manhattan (to 5,435 units). But permits issued fell in the Bronx, by 28.5% (to 1,885 units) and by 40.7% in Staten Island (to 712 units).

As noted above, permit levels have not yet rebounded to 2008 levels (the most recent peak in permits), with permits down 44.0% in Manhattan, 43.3% in Staten Island, 40.7% in Brooklyn, 36.6% in Queens, 24.1% in the Bronx, and 39.6% Citywide.

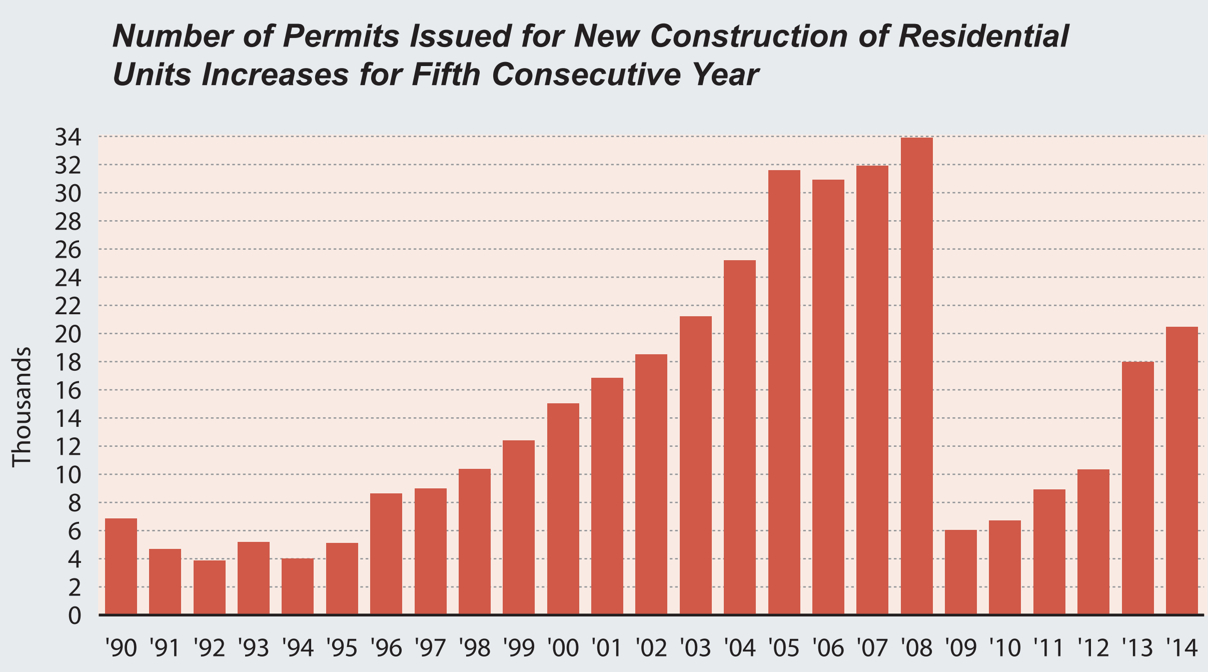
Permits issued Citywide in the first quarter of 2015 were up as compared to the same period of the prior year, with both increases and decreases at the borough level. The number of permits issued in New York City increased from 5,101 in the first quarter of 2014 to 6,183 during the first quarter of 2015, a 21.2% increase. Permits issued in New York City as a whole rose despite decreases in three boroughs. Overall permits issued were propelled upward by significant increases in both the Bronx and Brooklyn, with increases of 48.0% and 107.2%, respectively. But permits issued fell in Manhattan, by 36.2% as compared to the first quarter of 2014, as well in Queens and Staten Island, dropping 26.7% and 7.4%, respectively. In Manhattan, where permits issued in the first quarter of 2015 fell by more than a third, the average size of the buildings newly permitted rose from 65 units to 105 units, but the number of buildings permitted fell by 61%. In Brooklyn, where newly permitted units more than doubled, the average building size rose from 22 units to 38 units, while the number of buildings rose by a smaller proportion, 18%.

Permit data can also be analyzed more deeply by looking at the reported size of the buildings applying for permits. In 2014, a total of 1,513 buildings received permits (containing a total of 20,483 housing units). Citywide, 35.8% of these buildings were single-family, 25.3% were two-family, 11.6% were three- or four-family structures, and 27.4% were buildings with five or more units. Almost 91% of all permits Citywide were for units in five-family or greater buildings, with the average five-family or greater building containing 45 units for the City as a whole, and 80 units in Manhattan (both roughly the same as the prior year). 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)

Housing Completions

This report also examines the number of units completed in the City each year, illustrating what

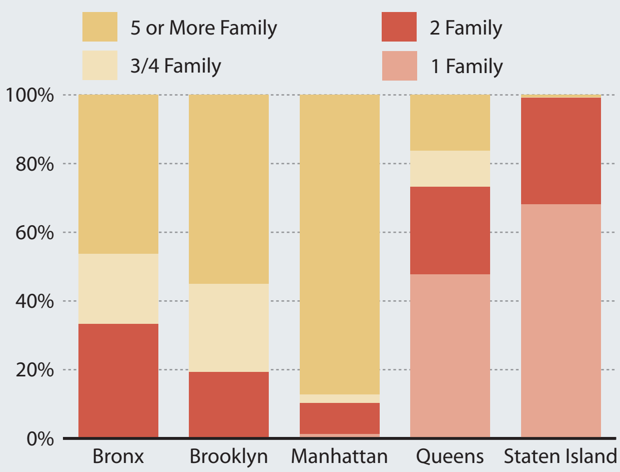
Units Issued New Housing Permits, 1990-2014, in Thousands



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

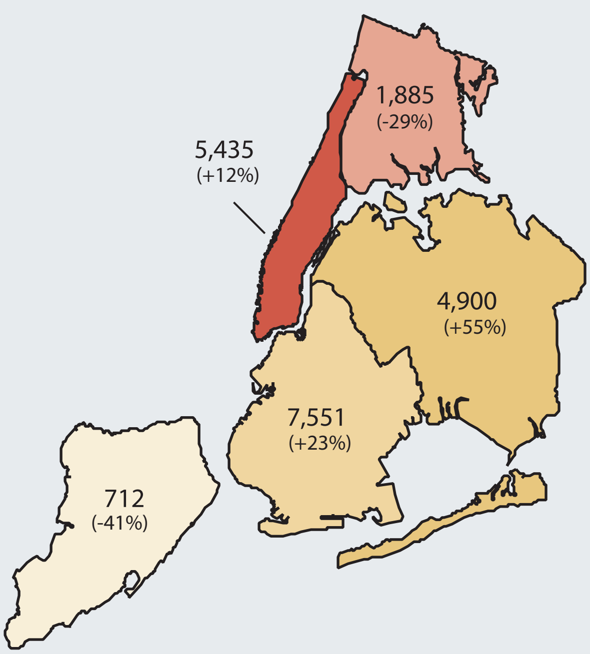
Residential Building Permits, 2014

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 2014 and Percentage Change From 2013 by Borough



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

housing actually enters the market in a particular year. In 2014, approximately 11,867 new housing units were completed, a 6.4% decrease from 2013.[6] At the local level, completions were up in three boroughs, rising by the greatest proportion in the Bronx, which rose 30.5% (to 1,660 units). Completions also rose in Brooklyn, up 13.6% (to 4,485 units) and Staten Island, up 10.0% (to 530 units). But completions fell in both Manhattan and Queens, by 28.6% in Manhattan (to 2,231 units) and by 23.2% in Queens (to 2,961 units). (See Appendix G.3 for historical breakdown[7])

City-Sponsored Construction

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 Extremely Low and Low-Income Affordability Program, which is HPD's multi-family new construction housing initiative, financed through both public and private sources; the Affordable Neighborhood Cooperative Program, which provides very low interest loans for the rehabilitation of buildings into affordable cooperatives for low and moderate-income households; and the Multifamily Housing Rehabilitation Loan Program, which provides rehabilitation loans at a maximum 3% interest for the replacement of major building systems. HDC operates some of the same programs as HPD, in addition to programs such as the Mitchell-Lama Preservation Program, which offers loans to Mitchell-Lama owners in order to make needed capital improvements, and the Preservation Program, which provides tax-exempt bond financing to affordable housing developments with at least 50 units.

HPD- and HDC-sponsored programs spurred a total of 8,797 housing starts[8] in FY 2014, a 42.8% decrease from the prior fiscal year.[9] Of these starts, 4,971 were preservation starts, and 3,826 were new construction starts. HPD and HDC collectively expect to start an additional 16,000 units of new construction and preservation in FY 2015. During the first three quarters of FY 2015 there were 9,591 starts by HPD and HDC.[10]

In May of 2014, Mayor Bill de Blasio announced details of his ten-year, $41 billion plan to build and/or preserve 200,000 units of affordable housing. "Housing New York: A Five-Borough, Ten-Year Plan" projects that 60% of these units will be preservations, and 40% will be new construction. The majority, 58%, will be for low-income residents (defined as $42,000-$67,000 for a family of four), with 22% geared for residents making more than this amount, and 20% for residents making less than this amount.[11]

As part of this plan, the Mayor has stated his intention to work with State legislators to renew and strengthen rent stabilization laws when they expire in June of 2015, and try to shift regulation of rent stabilization from the State to the City. The City will also add additional resources to those facing eviction, and plans to have HPD work more closely with DHCR to help tenants apply for rent reductions when landlords are not within code compliance. The City will also help owners realize savings in the cost of utilities and fuel by providing grants and loans that promote energy- and water-efficiency.

In creating new affordable housing (80,000 of the planned total), the plan calls for a variety of approaches, including development on underutilized City-owned properties, City assistance with remediation of brownfield sites, and zoning changes that would allow for less parking and greater density. The plan describes a shift towards promoting smaller units, including standard-size studio apartments, as well as the "micro-units" currently under construction in Manhattan and detailed in the *2013 Housing Supply Report*. The "Housing New York" plan has not been updated as of the publication of this report.

Tax Incentive Programs

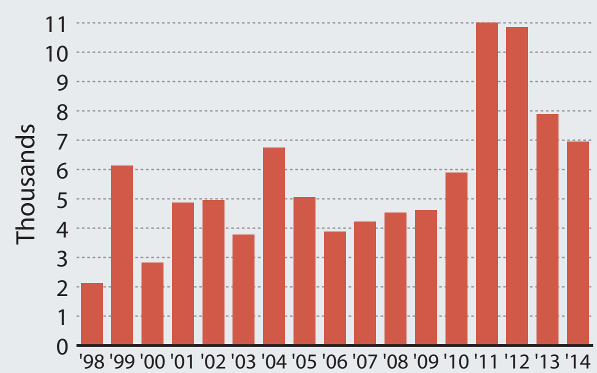
The City offers various tax incentive programs to promote the development of new housing. The 421-a tax incentive program is available for new renter- and owner-occupied multifamily properties containing three or more rental units. The program allows for a reduction in the taxable assessed value of eligible 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 are vacant, predominantly vacant, or improved with a non-conforming use three or more years before the new construction commenced. Rental apartments built with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Initial rents are first approved by HPD and are then subject to increases established by the NYC Rent Guidelines Board.

A variety of factors are used to establish the level and period of 421-a benefits, and properties are also subject to construction guidelines. 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 not less than 20% low-income units.[12]

The *2007 Housing Supply Report* outlined major changes in the 421-a program which took effect in 2008, including a major expansion of the Geographic

Units Newly Receiving 421-a Certificates, 1998-2014, in Thousands

12% Decrease in Number of Units Newly Issued 421-a Certificates in 2014



Source: NYC Department of Housing Preservation and Development

Exclusion area (the area which requires 20% of units in any given building to be set aside for affordable housing), new limits on the amount of assessed value that is exempt from taxes, and on-site affordability requirements extended to a length of 35 years. The 421-a program is set to expire in June of 2015, and as of the time of this publication has not yet been renewed by the NYS Legislature.

Through the 421-a program, the number of housing units newly receiving exemptions decreased for the third consecutive year, down 12.0%, to 6,945 units (see graph on the previous page), including decreases in every borough but the Bronx and Queens.[13] Newly certified units did increase in the Bronx, up 22.5%, and also rose modestly in Queens, up 2.5%, while they fell in Brooklyn, by 24.4%, and in Manhattan, by 11.6%. Newly certified units also fell in Staten Island, from 161 in 2013 to none in 2014.

Citywide, the largest proportion of units receiving benefits in 2014 were in buildings located in Brooklyn and Manhattan, which contained 31.8% and 31.7% of the total units in the City, respectively. Queens had 22.4% of these units, the Bronx had 14.1%, and no units in Staten Island newly received exemptions in 2014. Because buildings in Manhattan are so much larger than buildings in the outer boroughs, nearly one-third of units were in Manhattan, despite having only 27 of the 328 buildings (8%) newly approved for 421-a benefits Citywide. Notably, while the number of units newly approved in 2014 fell by 12%, the number of buildings containing these units fell by a greater proportion (22%), indicating that the average building size in 2014 was larger than that in 2013. (See Appendices G.6 and G.7)

While the overall number of newly certified 421-a units fell between 2013 and 2014, the number of rental units in this program rose, by 14.5%. Much of this growth was propelled by construction in Manhattan, which saw its 421-a rental units double, even as the number of buildings fell from 13 to nine. The number of co-op/condo units in Manhattan fell by more than half during this same time period.

In Fiscal Year 2015, the 421-a program will cost the City $1.1 billion in lost tax revenue for all housing types, including 83,000 rental units, 56,000 co-op and condo units, and 29,000 1-3 family and mixed-use structures.[14]

Another program that has offered affordable housing, the New York State Mitchell-Lama program, has suffered from a loss of housing since “buyouts” from the program began in 1985. Between 1955 and 1978, approximately 140,000 units of low- and middle-income housing were built in New York City through this tax-break and mortgage subsidy program. Since buyouts began in 1985, the City has lost approximately 44,000 units of Mitchell-Lama housing (including 4,000 units of hospital/university staff housing), although some has transitioned to rent stabilization. After averaging an annual loss of more than 5,000 units between 2004 and 2007, the pace has now slowed considerably, and only two developments (both in Manhattan, totaling 691 units) bought out in 2014.[15]

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 an increased number of units. Non-residential spaces, such as offices or other commercial spaces, can also be converted for residential use. As chronicled in prior *Housing Supply Reports*, during the mid-2000s, with a tight housing market and high demand for luxury apartments, there were an increasing number of conversions in neighborhoods Citywide. Conversions occurred in facilities as diverse as hospitals, recording studios, power plants, office buildings, and churches.

One indicator of conversions is the number of non-residential buildings newly receiving J-51 benefits for conversion to residential use. In 2014, four formerly non-residential buildings, containing 243 units, received J-51 benefits for conversion. All were rental units. Overall, this is 52% less units than in 2013, when 504 units (the majority being rental units) in formerly non-residential buildings converted using J-51 benefits.[16]

Conversion of single room occupancy (SRO) buildings also continued over the past year. SRO owners may convert SRO housing to other uses after obtaining a “Certificate of No Harassment” (CONH) from HPD. Following two consecutive years of increase, approved CONH applications fell, down 16.3% from 129 CONH in 2013 to 108 in 2014.[17]

Efforts are also underway to ensure that SROs are used for permanent housing rather than as transient hotels. As of May 1, 2011, laws were newly passed strengthening the City's ability to crack down on housing being used illegally for transient occupancy. Transient occupancy is now clearly defined as stays of less than 30 days, and between May of 2011 and April of 2012 1,820 violations (ranging from $800 to $2,000) were issued to illegal hotel operators (including private apartments, hostels, and SROs).[18] More than 4,400 violations have been issued since (including 1,076 between May 1, 2014 and April 30, 2015),[19] and in late 2012, the City Council strengthened this law even further, increasing fines to up to $25,000 for repeat offenders.[20]

In an effort to stop illegal hotel rentals, the NYS Attorney General (AG), at the end of May, 2014, announced a data sharing agreement with Airbnb, a company who facilitates short-term rentals in private residences. Airbnb agreed to provide the AG's office with anonymous information about their "host's" rental activities and if the AG can identify illegal activity within one year from receipt of the data, Airbnb will provide the identity of the hosts.[21]

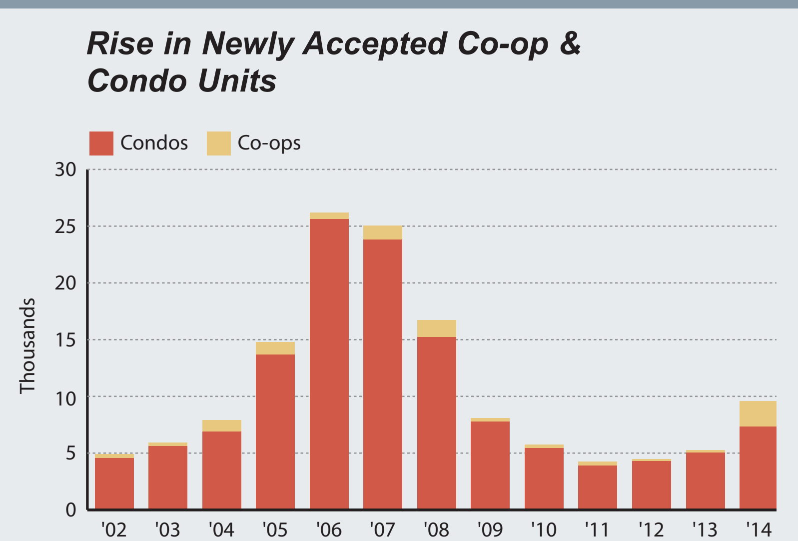
The AG's office used this data to publish a report in October of 2014 detailing Airbnb rental activity. In part, the report found that of the more than 35,000 listing analyzed, up to 72% were illegal. The report also found that a disproportionate number of units were being rented out by commercial users, as opposed to private homeowners or renters. While 94% of Airbnb hosts offered at most two unique units during the study period, the other 6% of hosts offered hundreds of unique units for rent, comprising 36% of all bookings and 37% of all revenue. The AG's office also found that at least 200 of these units were being used as illegal hostels, and that 4,600 units were being booked for stays of three months a year or more (including 2,000 of these that were rented for at least six months of the year). Most rentals were found to be in Manhattan and Brooklyn, with only 3% of the total revenue made by hosts emanating from rentals in Queens, Staten Island, or the Bronx.[22]

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.[23] In 2014, the Attorney General accepted 267 co-op and condo plans, a 40.5% increase from the number accepted in 2013. These 267 plans encompassed 9,573 housing units, 82.5% more than in 2013 and the third consecutive year of increase in units (see graph on this page). While the third year of increase, levels are still well below the recent highs of 25,000-26,000 units in 2006-2007.

More than half of all plans, 150, were accepted for buildings located in Brooklyn; 87 were located in Manhattan; 27 plans were accepted for Queens; three plans were accepted in Staten Island; and no plans were in the Bronx. Because Manhattan buildings tend to be larger than the outer boroughs, more units were located in Manhattan (6,378), with Brooklyn (2,208) and

New Co-op and Condo Units, 2002-2014



Source: NYS Attorney General's Office

Queens (975) trailing, and only 12 units in Staten Island and none in the Bronx. (See Appendices G.4 and G.5)

The majority of the plans accepted Citywide in 2014 were for new construction, comprising 210 of 267 plans, and a total of 5,155 of 9,573 units. This is similar to the prior year, when new construction accounted for 151 of the 190 accepted plans. The second largest source of co-op and condo units were units located in non-eviction conversions (with 20 plans and 3,956 units), and 37 plans, with 462 units, were rehabilitations. Of all the newly accepted plans in 2014, 76.4% of the units were in condo plans, and 23.6% were in co-op plans (see graph on previous page). This is the highest proportion of co-op units since 1997.

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 41.3% of the total number of units in 2014 co-op and condo plans, a much larger share than the 16.1% share in 2013, and the largest proportion since 2002. Because most conversion plans are non-eviction plans (including all plans in 2014), only when the original rental tenant moves out, or opts to buy the apartment, does the apartment become owner-occupied and removed from the rental universe.

Rehabilitation

Another method for adding (or keeping) 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, where more than 61% of units are in buildings constructed prior to 1947.[24] 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.

The J-51 tax relief program is similar to the 421-a program in that it requires that those rental units not already rent stabilized be subject to rent regulation for the duration of the benefits. Rehabilitation activities that are permitted under J-51 regulations are Major Capital Improvements (MCIs), moderate and gut rehabilitation of both government-assisted and privately-financed multiple dwellings (which requires significant improvement to at least one major building-wide system), as well as improvements to co-ops and condos (subject to certain assessment guidelines if the project does not include substantial governmental assistance). While prior incarnations of the J-51 program allowed for conversion of lofts and non-residential buildings into multiple dwellings, regulations effective January 1, 2012 allow only for conversions if there is substantial governmental assistance.[25]

In 2014, 40,787 units newly received J-51 benefits, a decrease of 26.7% from the previous year (see graph on the next page and Appendix G.7).[26] These units were contained in 1,406 buildings, a decrease of 26.2% from 2013 levels. The location of the units newly receiving benefits ranged from 35.0% located in Brooklyn; to 34.4% in Queens; 20.9% in the Bronx; 9.0% in Manhattan; and 0.7% in Staten Island. Units newly receiving benefits fell by double digits in the Bronx, Manhattan, and Queens, by 70.1%, 16.5%, and 11.8%, respectively. But units newly receiving J-51 benefits rose substantially in Brooklyn, up 115.0%, as well as Staten Island, which rose from 180 units to 281. (See Appendices G.6 and G.7) In Brooklyn, where units more than doubled, the average size of the building rose substantially, increasing from 34 units in 2013 to 52 units in 2014.

In Fiscal Year 2015, the J-51 tax program will cost the City $259.7 million in lost tax revenue for all housing types, including approximately 315,000 rental units and 244,000 owner units.[27] The J-51 program is set to expire in June of 2015, and as of the publication of this report has not yet been renewed by the NYS Legislature.

While J-51 is owner-initiated, a City-initiated program will also help rehabilitate NYC's housing stock. In January, 2011, HPD began their "Proactive Preservation Initiative (PPI)," which identifies those buildings in need of rehabilitation, regardless of whether there are complaints from tenants in the building. HPD works to identify distressed buildings that are actively declining and in danger of becoming blighted and those buildings that exhibit levels of distress that warrant further action are placed on the PPI list. HPD works with these buildings to reduce housing code violations, and once violations have been reduced by at least 80%, buildings are removed from the list.[28] Through December, 2014, a total of 851 buildings have been added to the PPI list, and 370 (43%) of these buildings were subsequently released from the program due to improvements in the buildings. An additional 139 buildings (16%) were found to have high enough level of violations that they qualified for transfer to the Alternative Enforcement Program (details below). Of the 342 buildings remaining on the PPI list (as of December, 2014), 73% have shown improvement in building conditions, and violations have dropped an average of 43%.[29]

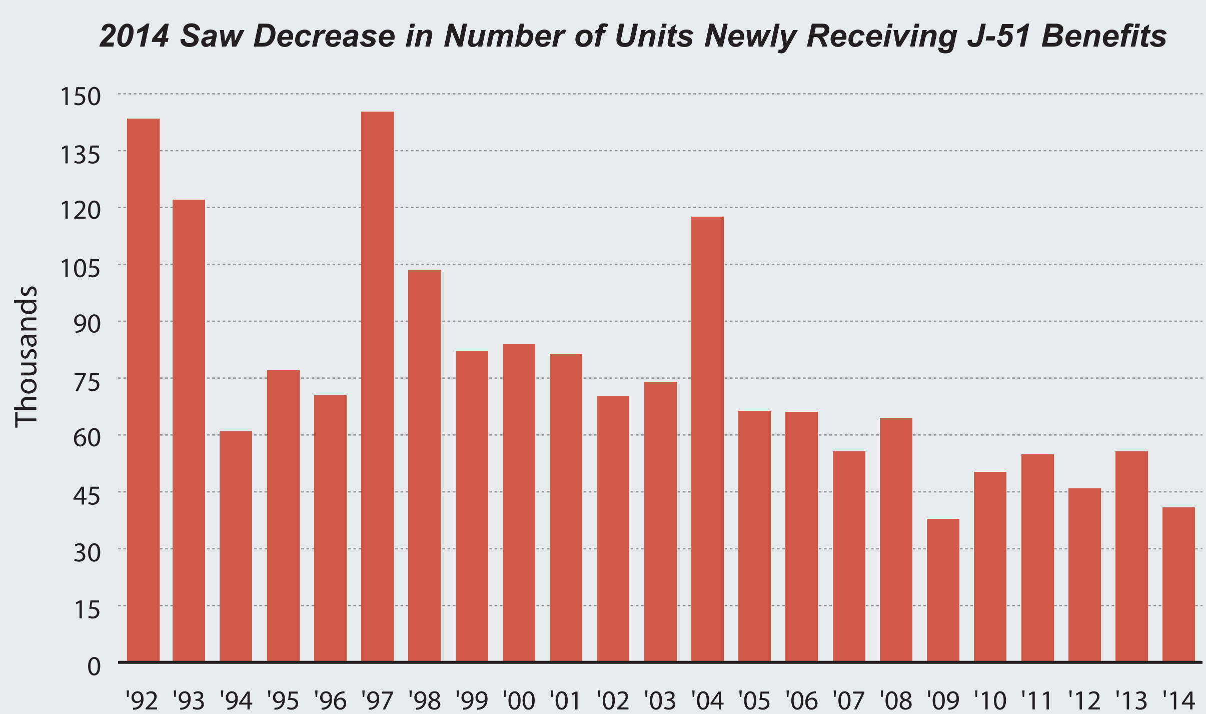
HPD is also continuing rehabilitation work through its "Alternative Enforcement Program (AEP)," now in its eighth year of identifying the 200-250 "worst" buildings in the City, based on housing code violations. In the eighth round of this program, HPD has expanded the maximum number of buildings from 200 to 250, with the most recent group of buildings containing 3,473 units of housing. If landlords in this program do not make repairs to their buildings, the City steps in to do so, and then charges the landlords. Through the first seven rounds of the program, the City has discharged 937 of 1,387 buildings that entered the program, with 450 buildings and 3,656 units of housing remaining (in addition to those added during Round 8).[30]

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, known as *in rem* properties. By its peak in 1986, the City owned and managed 4,000 occupied buildings containing 40,000 units of housing and almost 6,000 vacant buildings containing 55,000 units of housing. Most of these were dilapidated multi-family buildings occupied

Units Receiving Initial J-51 Benefits, 1992-2014, in Thousands



Source: NYC Department of Housing Preservation and Development by a predominantly low-income population. To counter this trend, HPD developed multiple disposition programs over time to manage, rehabilitate and sell many of these *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. HPD has successfully reduced the number of occupied and vacant *in rem* units in central management to 762 through June 2014, a 98.3% decline since FY 1994.[31]

Anti-Abandonment Strategies

The City has 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,[32] and housing education courses, which teach owners and superintendents basic management, maintenance, and finance skills to improve their properties.[33]

Since the mid-1990s, 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.[34]

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 of 1996, 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.[35] Since it began in 1996, the NYC Dept. of Finance has collected at least $536 million in revenue associated with properties in this program, and more than 500 buildings have been transferred to responsible for-profit and non-profit owners. No new properties were transferred during 2014.[36]

Demolitions

While in the early 1990s 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. But after generally declining during the most recent recession, demolitions have increased for the second consecutive year. A total of 1,513 buildings were demolished in 2014, a 17.7% increase over the prior year, following an increase of 14.6% in 2013. Queens accounted for 36.7% of all the buildings demolished in 2014, Brooklyn had 30.0%, Staten Island had 17.1%, the Bronx had 8.3%, and Manhattan had the lowest proportion, 8.0%. Demolitions rose in every borough but Manhattan, where they fell 16.6%. Proportionally, demolitions rose by the greatest amount in Brooklyn, rising 23.7%, followed by Queens, with a 22.5% rise, Staten Island, with a 19.4% rise, and the Bronx, which rose by 19.0%.[37] (See Appendix G.8)

Conclusion

In 2014, housing permits increased for the fifth consecutive year, rising by 13.8%, while the number of completed housing units fell, by 6.4%. The number of units newly receiving 421-a tax benefits fell 12.0% in 2014, while units newly receiving J-51 tax abatements and exemptions fell by 26.7%. For the third consecutive year (following five years of decline) there was an increase in newly accepted co-op and condo units/plans, with units rising 82.5% and plans rising by 40.5%. Rental housing availability remains tight, with a Citywide vacancy rate of just 3.45% in 2014, and overcrowding remains a problem. Mayor de Blasio's ten-year housing initiative plans to develop and preserve 200,000 units of housing, helping to reduce the affordable housing shortage.

Endnotes

1. The New York City Housing and Vacancy Survey (HVS) is conducted triennially, sponsored by the NYC Department of Housing Preservation and Development (HPD) and conducted by the U.S. Census Bureau. Data is based on “Selected Initial Findings of the 2014 New York City Housing and Vacancy Survey,” prepared by HPD.

2. The U.S. housing stock was comprised of 36.5% renter-occupied units, according to the 2013 American Community Survey, conducted by the U.S. Census Bureau. To calculate the ratio of renter-occupied units in New York City, staff did not include vacant units that are not for sale or for rent in the total number of housing units.

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. <http://censtats.census.gov/bldg/bldgprmt.shtml>.

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 with the *2006 Housing Supply Report,* the NYC Department of City Planning (DCP) defines a housing completion as any unit receiving either a final or a temporary Certificate of Occupancy in the stated year. DCP 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. Preliminary Fiscal 2015 Mayor's Management Report (MMR). <http://home2.nyc.gov/html/ops/html/data/mmr.shtml>

10. Citywide Performance Reporting website: <http://www.nyc.gov/html /ops/cpr/html/home/home.shtml>; Accessed May 2015.

11. “Housing New York: A Five-Borough, Ten-Year Plan,” NYC Department of Housing Preservation and Development. May 5, 2014.

12. Program information available at: <http://www1.nyc.gov/site/hpd/ developers/tax-incentives-421a.page>

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

14. “Annual Report on Tax Expenditures,” NYC Dept. of Finance publication, February, 2015.

15. The number of Mitchell-Lama buyouts were provided most recently through the NYC Dept. of Housing Preservation and Development and the NYS Division of Housing and Community Renewal, 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. One additional development in 2014, staff housing for a hospital, also bought out in 2014.

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

17. NYC Department of Housing Preservation and Development.

18. Mayor Bloomberg Announces Results of City’s Efforts to Curb Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities.” *Mayor’s Office Press Release 157-12.* April 27, 2012.

19. Office of the Criminal Justice Coordinator, Mayor’s Office of Special Enforcement. Inclusive of data through April 30, 2015.

20. “Illegal Hotel Fines Could Skyrocket,” *The Real Deal*. September 12, 2012.

21. “Airbnb Will Hand Over Host Data to New York,” *NY Times*, May 21, 2014.

22. “Airbnb in the City,” NYC Attorney General, October 2014 and press release, “A.G. Schneiderman Releases Report Documenting Widespread Illegality Across Airbnb’s NYC Listings; Site Dominated by Commercial Users,” October 16, 2014..

23. NYS Attorney General’s Office, Real Estate Financing Bureau data and the NYC Dept. of Housing Preservation and Development, Sales Unit. Virtually all accepted units reported are from data provided by the NYS Attorney General. For the purposes of this report, “accepted” refers only to those co-op and condo plans that require offering plans. Those that do not, and receive a “no-action” letter from the NYS Attorney General’s office, are not included in this data.

24. *2014 NYC Housing and Vacancy Survey*, U.S. Census Bureau.

25. Landlord Information/Tax Incentives: J-51, NYC Department of Housing Preservation and Development web site. <hhttp://www1.nyc.gov/site/hpd/developers/tax-incentives-j51.page>

26. 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 both renter- and owner-occupied units.

27. “Annual Report on Tax Expenditures,” NYC Dept. of Finance publication, February, 2015.

28. “HPD Commissioner Wambua, Council Speaker Quinn Celebrate Success of Proactive Preservation Initiative and Announce Publication of the Second At-Risk Building List.” *HPD Press Release.* March 21, 2012.

29. At-Risk Buildings List as of December 31, 2014. <http://www1.nyc.gov/site/hpd/owners/PPI.page>

30. HPD testimony to the NYC Rent Guidelines Board on March 12, 2015 and “HPD Commissioner Visnauskas Announces List of Buildings with 2,700 Units in Latest Round of Alternative Enforcement Program.” *HPD Press Release.* February 4, 2014.

31. NYC Dept. of Housing Preservation and Development.

32. NYC Department of Housing Preservation and Development website. <http://www1.nyc.gov/site/hpd/owners/compliance-property-tax-delinquency.page>

33. NYC Department of Housing Preservation and Development website. <http://www1.nyc.gov/site/hpd/renters/online-digital-library.page>

34. NYC Department of Finance, General Information on the City's Tax Lien Sale Process. <http://www1.nyc.gov/site/finance/taxes/property-lien-sales.page>

35. "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/>

36. Most recent figures obtained from NYC Dept. of Housing Preservation and Development, May, 2015.

37. 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 2014

What's New

- ✔ The study finds a net estimated gain of 169 rent stabilized units in 2014.
- ✔ Most of the additions to the rent stabilized stock in 2014 were due to two tax incentive programs: the 420-c and 421-a programs.
- ✔ In 2014, High Rent/ Vacancy Deregulation made up the largest category of subtractions from the stabilized stock, accounting for 69% of the subtractions.
- ✔ Since 1994, New York City's rent stabilized housing stock has seen a minimum net loss of 103,986 units.

Overview

Rent regulation has been a fixture in New York City's housing market for over seven decades, 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 stabilization system in 2014. 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. According to the New York State Division of Housing and Community Renewal (DHCR), the median legal rent of initially registered rent stabilized apartments as of the date of initial registration in 2014 was $2,970. Events that lead to the addition of stabilized units include:

- Section 421-a Tax Exemption Program
- J-51 Property Tax Exemption and Abatement 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 2014, an estimated total of 3,110 units were added to the rent stabilized stock through the 421-a program, 48% fewer than the 5,975 units added in 2013. The largest number of units were in Manhattan (1,371), followed by Brooklyn (1,106), Queens (417), the Bronx (216), and none on Staten Island. According to DHCR, the median legal rent of currently registered rent stabilized apartments receiving 421-a tax abatements in 2014 was $3,559.

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 a minimum, until the benefits expire. The J-51 program added 243 units to the rent stabilized stock in 2014, 40% fewer than in the prior year. (See Appendices H.1 and H.2.) These newly renovated units were located in two buildings on Staten Island; and one building each in Brooklyn and Queens.

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 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.

In 2014, 318 Mitchell-Lama rental units became rent stabilized, compared to none in 2013. Since 1994, 10,444 rental units have left the Mitchell-Lama system and became a part of the rent stabilized housing stock. (See Appendices H.1 and H.2.)

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 21 units entered the rent stabilization system in 2014, compared to 26 added in 2013. (See Appendix H.1 and H.2.)

Other Additions to the Stabilized Housing Stock

Additionally, several other events can increase the rent stabilized housing stock: tax incentive programs such as 420-c, "deconversion," returned losses, and the sub-division of large units into two or more smaller units.

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, accounted for the greatest number of additions to the rent stabilized stock.[1] An estimated 5,279 units were added to the rent stabilized stock in 2014 through this program, up from 1,967 added the prior year. Of the total 420-c units that were added, 54% were located in the Bronx; 19% were in Manhattan; 16% were in Brooklyn; 10% were in Queens; and there were none on Staten Island.[2] (See Appendix H.1.)

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 27,000.[3] When a rent controlled unit is vacated, it either becomes rent stabilized or leaves the regulatory system. A rent controlled unit becomes rent stabilized when it is contained in a rental building with six or more units and the incoming tenant pays a legal regulated rent less than $2,500 per month.[4] This process results in a diminution of the rent controlled stock and an increase in the rent stabilized stock. Otherwise, the apartment is subject to deregulation and leaves the rent regulatory system entirely.

According to rent registration filings with the NYS Division of Housing and Community Renewal (DHCR), 211 units in 2014 were decontrolled and became rent stabilized, down 32% from the prior year. By borough, 51% of the units were in Manhattan; 19% were in Queens; 17% were in Brooklyn; 13% were in the Bronx; and there were none on Staten Island. (See Appendices H.1 and H.2.)

Subtractions from the Rent Regulated Housing Stock

Deregulation of rent controlled and stabilized units occurs 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 Deregulation
- High Rent/Vacancy Deregulation
- 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.

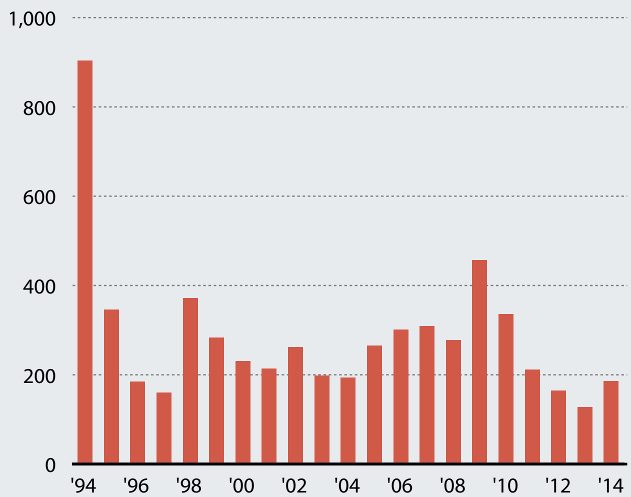
High Rent/High Income Deregulation

Since enactment of the Rent Regulation Reform Act (RRRA) of 1993, occupied apartments may be deregulated under certain circumstances. Beginning with the RRRA of 1993, 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 could be deregulated. In 1997, that year's RRRA reduced the income threshold to $175,000. Four years ago, the Rent Act of 2011, effective for proceedings filed on or after July 1, 2011, raised the rent threshold to $2,500 and the income requirement to $200,000.[5]

Deregulation occurs upon application by the owner and upon the expiration of the rent stabilized lease. This income-based deregulation process, which is administered by DHCR, relies upon data furnished to the NYS Department of Taxation and Finance as part of the verification process. Note that both the rent level and household income criteria have to be met for deregulation to take place. For example, if a household earning at least $200,000 paid less than $2,500 per month, rent regulation would remain in effect. Also note that the owner must apply to DHCR in order to deregulate the unit. If the owner did not submit a deregulation application, the occupying tenant would remain regulated regardless of rent level

High Rent/High Income Deregulation, 1994-2014

Number of Units Deregulated due to High Rent/Income Deregulation Increase



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

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 Deregulation.

Based on DHCR processing records, High Rent/High Income Deregulation removed a total of 186 apartments from rent regulation in 2014, a 46% increase from the prior year, and the first increase in five years.[6] Of these units, 80% were located in Manhattan; 11% in Brooklyn; 6% in Queens; and the remaining 2% in the Bronx. None were on Staten Island. (See endnote 2.)

Since 1994, a total of 5,984 units have been deregulated due to High Rent/High Income Deregulation, of which 88% have been located in Manhattan. (See graph on this page and Appendix H.3.)

High Rent/Vacancy Deregulation

Similar to the provisions of High Rent/High Income Deregulation, High Rent/Vacancy Deregulation has also changed several times since 1993. In 1993, the New York State legislature instituted High Rent/Vacancy Deregulation.[7] RRRA-93 permitted the deregulation of vacant apartments and occupied regulated apartments that subsequently were vacated between July 7, 1993 and October 1, 1993 if the last tenant paid $2,000 or more per month.

Next, 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. 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.

Then, 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.

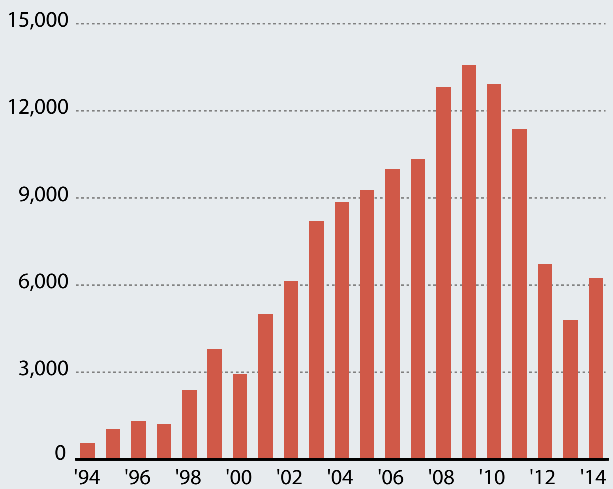
Later, in June of 1997, with the passage of the RRRA of 1997, the state overrode the new City regulation. The determining factor was no longer the outgoing tenant's legal regulated rent but the incoming tenant's calculated legal regulated rent. Owners, upon a vacancy, could now apply a combination of 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 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.

Finally, the Rent Act of 2011 changed the threshold to $2,500, effective June 24, 2011. Other than changing the rent threshold, the method used to calculate whether a vacated apartment could be deregulated based on high rent remained the same. (See Endnote 5)

According to DHCR rent registration records, 6,235 units were deregulated in 2014 under the High Rent/Vacancy Deregulation provisions of the RRRA, up 30% from the number deregulated the prior year, the first increase in five years. Of these deregulated units,

High Rent/Vacancy Deregulation, 1994-2014

Increase in 2014 in Number of Units Deregulated due to High Rent/Vacancy



Note: Registration of deregulated units with DHCR is voluntary and not required. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years. (see Endnote 9).

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

57% were in Manhattan; 20% were in Brooklyn; 17% were in Queens; 5% were in the Bronx; and 1% were on Staten Island. (See Endnote 2.) Since 1994, a total of 139,408 units were registered with the DHCR as being deregulated due to High Rent/Vacancy Deregulation, 72% of which have been located in Manhattan.[8]

Since 2001, the first year owners were asked, but not required, to file High Rent/Vacancy Deregulation registrations, the rate at which they have changed over the prior year has varied.[9] From 2001 to 2002, High Rent/Vacancy Deregulation registrations increased by 23%, and from 2002 to 2003, they increased by 34%. From 2004 to 2009, the rate of increase was between 4% and 8% each year, with the exception of 2008, when the number of units registering as deregulated due to High Rent/Vacancy Deregulation increased 24% over the prior year. Between 2010 and 2013, the number of units subject to High Rent/Vacancy Deregulation declined each year. However, in 2014, the number of units newly deregulated rose 30% over the prior year. (See graph on this page and Appendices H.4 through H.6.)

Co-operative & 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. Apartments are immediately removed from rent regulation if the tenant chooses to purchase their unit after a rent stabilized building is converted to cooperatives or condominiums. These units are no longer rentals.

For tenants who remain in their apartment and do not purchase their unit, the rent regulatory status depends on the type of conversion plan. 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, whether the incoming tenant purchases or rents.

In 2014, a total of 789 units located in co-ops or condos left the stabilized housing stock, 2% more than left the system the prior year. By borough, the largest proportion of units leaving rent stabilization and becoming co-op/condo was in Queens, with 37% of the units; followed by Manhattan (32%); Brooklyn (22%); the Bronx (8%); and Staten Island (1%). An estimated total of 47,685 co-op or condo units have left the stabilized stock since 1994. (See Appendices H.5 and H.6.)

Expiration of Section 421-a and J-51 Benefits

As discussed earlier in this report, rental 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 of the benefits and then exit the system.

In 2014, expiration of 421-a benefits resulted in a total of 1,011 units removed from the rent stabilization system, 34% more units than the number removed the prior year. The expiration of J-51 benefits in 2014 resulted in a total of 137 units removed, 27% fewer than in 2013. Among both programs, the vast majority of expirations were in one borough, with 97% of all 421-a expirations and 87% of J-51 expirations located in Manhattan. Since 1994 Citywide, 21,934 421-a units have left the rent stabilization system and 15,106 J-51 units are no longer rent regulated. (See Appendices H.5 and H.6.)

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 have been substantially rehabilitated and vacated tend 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.

In 2014, 226 units were removed from stabilization through substantial rehabilitation, down 27% from the prior year. A total of 8,763 units have been removed from the rent stabilization system through substantial rehabilitation since 1994. (See Appendix H.5.)

Conversion to Commercial or Professional Status

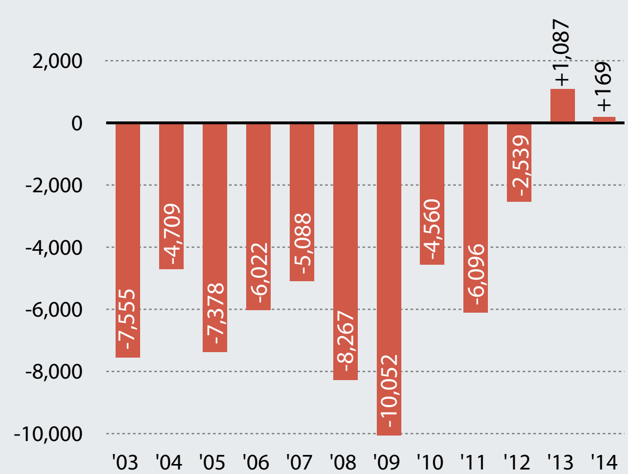
Space converted from residential use to commercial or professional use are no longer subject to rent regulation. In 2014, 13 units were converted to nonresidential use, compared to 31 in the prior year. Since 1994, 2,275 residential units have been converted to nonresidential use. (See Appendix H.5.)

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 416 units were removed from the stabilized housing stock in 2014 due to these reasons, down 32% from the prior year. By borough, the largest proportion of units leaving rent stabilization due to other losses was in Manhattan, with 53% of the units; followed by Brooklyn (33%); Queens (11%); and the Bronx (3%). There were none on Staten Island. Since 1994, 24,810 units have been removed from rent stabilization due to these other types of losses. (See Appendix H.5.)

Net Change in Rent Stabilized Units, 2003-2014

Net Gain in Number of Units under Rent Stabilization in 2014



Sources: NYC 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.

Summary

In 2014, a minimum of 9,013 housing units left rent stabilization and approximately 9,182 units initially entered the stabilization system.

The built-in fluidity of the system resulted in a net gain of at least 169 units among the rent stabilized housing stock in 2014, following the estimated net gain of 1,087 units seen in 2013. (See graph on previous page and Summary Table on next page.)

The vast majority of additions to the stabilized stock in 2014 were the result of tax incentive programs. The creation of 420-c units equaled 57% of the additions and 421-a units resulted in 34%. By borough, the Bronx saw the most additions (34%); followed by Manhattan (31%); Brooklyn (23%); Queens (12%); and Staten Island (1%). (See Endnote 2 and Appendix H.2.) Units added to the stabilized stock in 2014 registered median legal rents of $2,970.

Meanwhile, High Rent/Vacancy Deregulation was the largest source of measured subtractions from the rent stabilized housing stock in 2014, accounting for 69% of the total number of subtractions. By borough, 60% of all units leaving rent stabilization were located in Manhattan, a total of 5,406 units. Second largest was Brooklyn, representing 19% (1,711 units) removed; followed by Queens, 16% (1,446 units); the Bronx, 4% (394 units); and Staten Island, representing 1% (56 units) of the total number of units removed from rent stabilization in 2014. (See Appendix H.6.)

Since 1994, the first year for which we have data, a total of 161,979 units have been added to the rent stabilization system, while a minimum of 265,965 rent stabilized units have been deregulated, for a minimum net loss to the rent stabilization system of 103,986 units over the last 21 years.[10] ❒

Endnotes

1. 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.
2. Percentages do not total 100% due to rounding.
3. The 2014 Housing and Vacancy Survey reported a total of 27,039 rent controlled units in New York City.
4. The Rent Act of 2011, contained within Chapter 97 of the Laws of 2011, raised the threshold for deregulation upon vacancy from $2,000 to $2,500 effective June 24, 2011.
5. Because data is this report is reflective of calendar year 2014, it is not impacted by the Rent Act of 2015, which is effective as of June of 2015.
6. The final count for petitions for High Rent/High Income Deregulation may be slightly reduced as they are subject to appeal or in some cases, to review by a court of competent jurisdiction.
7. Deregulation of certain high rent apartments was instituted in New York City twice before, in 1964 and in 1968.
8. An October 2009 court decision, Roberts v Tishman Speyer Props., L.P., found that about 4,000 apartments in the Stuyvesant Town and Peter Cooper Village complexes in Manhattan were improperly deregulated because the buildings were receiving J-51 tax benefits. This ruling may affect other apartments deregulated elsewhere in the city. Data on the precise number of units returned to rent stabilization status is unavailable.
9. In March 2000, New York City enacted Local Law No. 12 (2000), 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. However, NYC cannot supersede State law on these matters. Therefore, it is not binding, particularly with regard to filing a High Rent/Vacancy Deregulation form.
10. 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 2014

Program	Number of Units
ADDITIONS	
421-a	+ 3,110
J-51 conversions	+ 243
Mitchell-Lama buyouts	+ 318
Loft conversions	+ 21
420-c	+ 5,279
CHANGES	
Rent control to rent stabilization	+ 211
Subtotal Additions & Changes	**+ 9,182**
SUBTRACTIONS	
Co-op and Condo subtractions	- 789
High Rent/Vacancy Deregulation	- 6,235
High Rent/High Income Deregulation	- 186
421-a Expiration	- 1,011
J-51 Expiration	- 137
Substantial Rehabilitation	- 226
Commercial/Professional Conversion	- 13
Other Subtractions	- 416
Subtotal Subtractions	**- 9,013**
NET TOTAL	
Net Estimated Gain	***+ 169***

Sources: NYC 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 #47

On June 29, 2015, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2015 and on or before September 30, 2016 for rent stabilized apartments:

One-Year Lease	Two-Year Lease
0.0%	2.0%

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 the Rent Regulation Reform Act of 1997 and the Rent Act of 2015.

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, 2015 and on or before September 30, 2016:

One-Year Increase Period	Two-Year Increase Period
0.0%	2.0%

Leases for units subject to rent control on September 30, 2015, 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, 2015, the special guideline shall be the greater of the following:

(1) 33% 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, 2015.

A.2 Hotel Units - Order #45

On June 29, 2015, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2015 and on or before September 30, 2016 for rent stabilized hotels:

Single Room Occupancy Buildings (SRO)	0%
Lodging Houses	0%
Class A Hotels	0%
Class B Hotels	0%
Rooming Houses	0%

Appendix B: Price Index of Operating Costs

B.1 PIOC Sample, Number of Price Quotes per Item, 2014 vs. 2015

Spec	Description	2014	2015
211	Apartment Value	95	87
212	Non-Union Super	87	82
216	Non-Union Janitor/Porter	39	39
	LABOR COSTS	**221**	**208**
301	Fuel Oil #2	28	31
302	Fuel Oil #4	7	10
303	Fuel Oil #6	7	9
	FUEL OIL	**42**	**50**
501	Repainting	128	123
502	Plumbing, Faucet	32	34
503	Plumbing, Stoppage	35	31
504	Elevator #1, 6 fl., 1 e.	10	11
505	Elevator #2, 13 fl., 2 e.	10	11
506	Elevator #3, 19 fl., 3 e.	10	11
507	Burner Repair	14	10
508	Boiler Repair, Tube	10	8
509	Boiler Repair, Weld	8	6
510	Refrigerator Repair	7	8
511	Range Repair	11	10
512	Roof Repair	22	24
513	Air Conditioner Repair	7	6
514	Floor Maint. #1, Studio	5	8
515	Floor Maint. #2, 1 Br.	5	8
516	Floor Maint. #3, 2 Br.	5	8
518	Linen/Laundry Service	6	5
801	Light Bulbs	9	7
802	Light Switch	8	6
803	Wet Mop	12	10
804	Floor Wax	9	7
805	Paint	10	11
806	Pushbroom	12	10
807	Detergent	8	7
808	Bucket	13	12
809	Washers	10	10

(CONTINUED, TOP RIGHT)

Spec	Description	2014	2015
810	Linens	16	11
811	Pine Disinfectant	11	9
812	Window/Glass Cleaner	11	8
813	Switch Plate	12	7
814	Duplex Receptacle	11	8
815	Toilet Seat	15	12
816	Deck Faucet	13	11
901	Refrigerator #1	11	9
902	Refrigerator #2	11	10
903	Air Conditioner #1	6	5
904	Air Conditioner #2	7	7
905	Floor Runner	12	10
906	Dishwasher	7	7
907	Range #1	10	10
908	Range #2	8	9
909	Carpet	11	8
910	Dresser	5	5
911	Mattress & Box Spring	5	5
	MAINTENANCE	**598**	**553**
601	Management Fees	90	71
602	Accountant Fees	29	25
603	Attorney Fees	21	21
604	Newspaper Ads	18	18
606	Lease Forms	7	5
607	Bill Envelopes	20	10
	ADMINISTRATIVE COSTS	**185**	**150**
701	INSURANCE COSTS	**396**	**328**
	ALL ITEMS	**1,442**	**1,289**

B.2 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Apartments, 2015

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES	**0.2615**	**1.0418**	**4.18%**	**0.0407**
201	Payroll, Bronx, All (Union)	0.0971	1.0201	2.01%	0.0000
202	Payroll, Other, Union, Supts.	0.1005	1.0286	2.86%	0.0000
203	Payroll, Other, Union, Other	0.2501	1.0299	2.99%	0.0000
204	Payroll, Other, Non-Union, All	0.2906	1.0404	4.04%	0.5819
205	Social Security Insurance	0.0426	1.0326	3.26%	0.0000
206	Unemployment Insurance	0.0068	1.0371	3.71%	0.0000
207	Private Health & Welfare	0.2122	1.0583	5.83%	0.0000
	LABOR COSTS	**0.1601**	**1.0381**	**3.81%**	**0.1691**
301	Fuel Oil #2	0.3871	0.8060	-19.40%	0.4777
302	Fuel Oil #4	0.1950	0.7379	-26.21%	0.5919
303	Fuel Oil #6	0.1794	0.7085	-29.15%	0.5292
403	Electricity #3, 82,000 KWH	0.0000	0.9342	-6.58%	0.0000
405	Gas #2, 65,000 therms	0.0417	0.8658	-13.42%	0.0000
406	Gas #3, 214,000 therms	0.1800	0.8558	-14.42%	0.0000
407	Steam #1, 1.2m lbs	0.0127	1.0031	0.31%	0.0000
408	Steam #2, 2.6m lbs	0.0040	1.0011	0.11%	0.0000
	FUEL	**0.1262**	**0.7900**	**-21.00%**	**0.2378**
401	Electricity #1, 2,500 KWH	0.0226	1.0325	3.25%	0.0000
402	Electricity #2, 15,000 KWH	0.2607	0.9531	-4.69%	0.0000
404	Gas #1, 12,000 therms	0.0078	0.9271	-7.29%	0.0000
410	Water & Sewer	0.7089	1.0335	3.35%	0.0000
	UTILITIES	**0.1106**	**1.0117**	**1.17%**	**0.0000**
501	Repainting	0.3291	1.0394	3.94%	0.6437
502	Plumbing, Faucet	0.1199	1.0132	1.32%	0.5161
503	Plumbing, Stoppage	0.1057	1.0171	1.71%	0.7407
504	Elevator #1, 6 fl., 1 e.	0.0449	1.0228	2.28%	0.5482
505	Elevator #2, 13 fl., 2 e.	0.0286	1.0220	2.20%	0.6075
506	Elevator #3, 19 fl., 3 e.	0.0159	1.0311	3.11%	0.9045
507	Burner Repair	0.0329	1.0432	4.32%	2.5831
508	Boiler Repair, Tube	0.0422	1.0328	3.28%	2.4207
509	Boiler Repair, Weld	0.0361	1.0445	4.45%	2.6298
510	Refrigerator Repair	0.0111	1.0179	1.79%	0.8882
511	Range Repair	0.0100	1.0309	3.09%	1.3905
512	Roof Repair	0.0658	1.0172	1.72%	0.9544
513	Air Conditioner Repair	0.0069	1.0160	1.60%	1.1323
514	Floor Maint. #1, Studio	0.0002	1.0268	2.68%	1.4206
515	Floor Maint. #2, 1 Br.	0.0004	1.0123	1.23%	3.2934
516	Floor Maint. #3, 2 Br.	0.0033	1.0151	1.51%	3.5159

(CONTINUED, TOP RIGHT)

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
801	Light Bulbs	0.0037	1.0577	5.77%	3.8442
802	Light Switch	0.0044	1.0307	3.07%	2.8922
803	Wet Mop	0.0037	1.0036	0.36%	2.2326
804	Floor Wax	0.0044	0.9710	-2.90%	2.9810
805	Paint	0.0268	1.0239	2.39%	2.7705
806	Pushbroom	0.0031	1.0545	5.45%	2.7426
807	Detergent	0.0034	1.0269	2.69%	1.9991
808	Bucket	0.0039	1.2084	20.84%	10.7880
809	Washers	0.0089	1.0183	1.83%	1.9750
811	Pine Disinfectant	0.0059	1.0350	3.50%	3.3363
812	Window/Glass Cleaner	0.0053	1.0465	4.65%	3.4122
813	Switch Plate	0.0043	1.1375	13.75%	8.7045
814	Duplex Receptacle	0.0030	1.0535	5.35%	3.8442
815	Toilet Seat	0.0099	1.1325	13.25%	5.2339
816	Deck Faucet	0.0129	1.0613	6.13%	4.8452
901	Refrigerator #1	0.0041	1.0071	0.71%	1.6723
902	Refrigerator #2	0.0199	0.9945	-0.55%	2.8723
903	Air Conditioner #1	0.0007	1.0156	1.56%	4.4389
904	Air Conditioner #2	0.0009	1.0474	4.74%	1.3514
905	Floor Runner	0.0038	1.0004	0.04%	0.0448
906	Dishwasher	0.0022	0.9829	-1.71%	3.1127
907	Range #1	0.0022	0.9988	-0.12%	2.9742
908	Range #2	0.0098	0.9410	-5.90%	2.4517
	MAINTENANCE	**0.1626**	**1.0295**	**2.95%**	**0.3290**
601	Management Fees	0.7310	1.0416	4.16%	0.6736
602	Accountant Fees	0.1271	1.0311	3.11%	1.2399
603	Attorney Fees	0.1001	1.0403	4.03%	1.7304
604	Newspaper Ads	0.0085	0.9998	-0.02%	0.8185
606	Lease Forms	0.0083	0.9961	-0.39%	3.7833
607	Bill Envelopes	0.0084	1.0796	7.96%	8.7018
409	Communications*	0.0165	1.0023	0.23%	0.0000
	ADMINISTRATIVE COSTS	**0.1303**	**1.0390**	**3.90%**	**0.5511**
701	INSURANCE COSTS	**0.0488**	**1.0725**	**7.25%**	**0.9471**
	ALL ITEMS	**1.0000**	**1.00523**	**0.52%**	**0.1091**

Spec 409, “Communications,” was labeled as “Telephone” in prior PIOCs, and included only the cost of landline telephone service. It now includes the cost of internet, cell, and landline phone service.

B.3 Price Relative by Building Type, Apartments, 2015

Item Description	Pre-1947	Post-1946	Gas Heated	Oil Heated
TAXES	4.5%	3.7%	4.2%	4.2%
LABOR COSTS	3.8%	3.8%	3.9%	3.8%
FUEL	-21.3%	-20.5%	-14.8%	-23.5%
UTILITIES	1.2%	0.4%	1.5%	1.1%
MAINTENANCE	2.8%	3.2%	3.0%	2.9%
ADMINISTRATIVE COSTS	3.9%	4.0%	3.9%	3.9%
INSURANCE COSTS	7.2%	7.2%	7.2%	7.2%
ALL ITEMS	**-0.1%**	**1.2%**	**1.7%**	**-0.4%**

B.4 Price Relative by Hotel Type, 2015

Item Description	Hotel	Rooming House	SRO
TAXES	11.9%	4.7%	6.2%
LABOR COSTS	4.5%	4.1%	4.1%
FUEL	-19.0%	-19.4%	-23.1%
UTILITIES	1.5%	0.9%	1.1%
MAINTENANCE	3.1%	2.7%	3.1%
ADMINISTRATIVE COSTS	2.7%	3.4%	3.4%
INSURANCE COSTS	7.2%	7.2%	7.2%
ALL ITEMS	**3.2%**	**-1.2%**	**-3.9%**

B.5 Percentage Change in Real Estate Tax Sample by Borough and Source of Change, Apartments and Hotels, 2015

	% 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	6.74%	-0.02%	0.01%	-2.05%	-0.14%	4.55%
Bronx	4.90%	0.05%	0.07%	-2.09%	-0.11%	2.82%
Brooklyn	6.96%	-0.15%	-0.10%	-2.19%	-0.15%	4.37%
Queens	5.74%	-0.33%	-0.01%	-2.20%	-0.12%	3.09%
SI	5.00%	3.48%	-1.33%	-2.19%	-0.19%	4.77%
All Apartments	**6.51%**	**-0.06%**	**-0.03%**	**-2.11%**	**-0.13%**	**4.18%**
HOTELS						
Hotel	8.42%	1.17%	0.00%	2.16%	0.18%	11.92%
Rooming House	6.85%	-0.05%	0.00%	-1.94%	-0.13%	4.73%
SRO	6.40%	-0.60%	-0.13%	0.46%	0.08%	6.20%
All Hotels	**7.42%**	**0.31%**	**-0.05%**	**0.95%**	**0.10%**	**8.72%**

Note: Totals may not add due to rounding.

B.6 Tax Change by Borough and Community Board, Apartments, 2015

Borough	Community Board	Number of Buildings	Tax Relative
Manhattan		**12,633**	**4.55%**
	1	83	8.00%
	2	1,121	4.78%
	3	1,595	4.68%
	4	985	6.03%
	5	283	5.02%
	6	842	5.03%
	7	1,726	5.52%
	8	1,982	2.48%
	9	773	6.27%
	10	1,079	6.50%
	11	698	5.67%
	12	1,452	4.26%
Lower		**8,164**	**4.47%**
Upper		**4,469**	**5.07%**
Bronx		**5,813**	**2.82%**
	1	441	6.17%
	2	283	0.15%
	3	388	5.95%
	4	763	2.21%
	5	702	4.31%
	6	560	2.46%
	7	980	3.07%
	8	349	1.60%
	9	321	2.43%
	10	211	3.70%
	11	317	3.60%
	12	472	2.21%
Brooklyn		**13,266**	**4.37%**
	1	1,645	5.19%
	2	629	6.21%
	3	993	2.17%
	4	1,479	4.87%
	5	452	8.42%
	6	943	6.04%
	7	881	5.48%
	8	1,040	6.38%
	9	577	4.87%
	10	793	3.22%
	11	694	3.15%
	12	612	4.55%
	13	168	0.93%
	14	894	4.89%
	15	373	2.18%
	16	367	-12.67%
	17	632	4.91%
	18	82	7.20%
Queens		**6,915**	**3.09%**
	1	1,988	4.19%
	2	875	4.99%
	3	445	4.74%
	4	452	3.50%
	5	1,207	4.88%
	6	325	2.04%
	7	471	1.86%
	8	222	3.66%
	9	235	2.79%
	10	58	1.98%
	11	123	4.53%
	12	194	4.97%
	13	58	1.48%
	14	186	-6.93%
Staten Island		**181**	**4.77%**
	1	124	7.57%
	2	30	-6.88%
	3	23	-0.57%
ALL		**38,808**	**4.18%**

Note: No Community Board (CB) could be assigned to the following number of buildings for each borough: Manhattan (14), Bronx (26), Brooklyn (11), Queens (76), Staten Island (4). The number of buildings in the category "All" for each borough includes these buildings which could not be assigned a Community Board. In addition, 2 buildings in Manhattan are a part of Community Board 8 in the Bronx. These buildings are not included in the total for CB 8 in the Bronx but are represented in the Manhattan total and the total for "ALL" buildings. 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, 2015

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES	**0.3399**	**1.0872**	**8.72%**	**1.0936**
205	Social Security Insurance	0.0500	1.0326	3.26%	0.0000
206	Unemployment Insurance	0.0141	1.0371	3.71%	0.0000
208	Hotel Private Health/Welfare	0.0543	1.0563	5.63%	0.0000
209	Hotel Union Labor	0.3199	1.0400	4.00%	0.0000
210	SRO Union Labor	0.0125	1.0400	4.00%	0.0000
211	Apartment Value	0.1183	1.0441	4.41%	0.7602
212	Non-Union Superintendent	0.3071	1.0328	3.28%	0.6388
213	Non-Union Maid	0.0000	0.0000	NA	0.0000
214	Non-Union Desk Clerk	0.0000	0.0000	NA	0.0000
215	Non-Union Maintenance Worker	0.0000	0.0000	NA	0.0000
216	Non-Union Janitor/Porter	0.1237	1.0644	6.44%	1.2240
	LABOR COSTS	**0.1355**	**1.0418**	**4.18%**	**0.2637**
301	Fuel Oil #2	0.4841	0.8060	-19.40%	0.4777
302	Fuel Oil #4	0.0133	0.7379	-26.21%	0.5919
303	Fuel Oil #6	0.2739	0.7085	-29.15%	0.5292
403	Electricity #3, 82,000 KWH	0.1350	0.9342	-6.58%	0.0000
405	Gas #2, 65,000 therms	0.0171	0.8658	-13.42%	0.0000
406	Gas #3, 214,000 therms	0.0764	0.8558	-14.42%	0.0000
407	Steam #1, 1.2m lbs	0.0002	1.0031	0.31%	0.0000
	FUEL	**0.2344**	**0.8006**	**-19.94%**	**0.2730**
401	Electricity #1, 2,500 KWH	0.1583	1.0325	3.25%	0.0000
402	Electricity #2, 15,000 KWH	0.1547	0.9531	-4.69%	0.0000
404	Gas #1, 12,000 therms	0.0852	0.9271	-7.29%	0.0000
410	Water & Sewer	0.6019	1.0335	3.35%	0.0000
	UTILITIES	**0.0496**	**1.0119**	**1.19%**	**0.0000**
501	Repainting	0.1294	1.0394	3.94%	0.6437
502	Plumbing, Faucet	0.0535	1.0132	1.32%	0.5161
503	Plumbing, Stoppage	0.0499	1.0171	1.71%	0.7407
504	Elevator #1, 6 fl., 1 e.	0.0217	1.0228	2.28%	0.5482
505	Elevator #2, 13 fl., 2 e.	0.0190	1.0220	2.20%	0.6075
506	Elevator #3, 19 fl., 3 e.	0.0174	1.0311	3.11%	0.9045
507	Burner Repair	0.0170	1.0432	4.32%	2.5831
508	Boiler Repair, Tube	0.0196	1.0328	3.28%	2.4207
509	Boiler Repair, Weld	0.0198	1.0445	4.45%	0.8882
511	Range Repair	0.0826	1.0309	3.09%	1.3905
512	Roof Repair	0.0209	1.0172	1.72%	0.9544
513	Air Conditioner Repair	0.0250	1.0160	1.60%	1.1323
514	Floor Maint. #1, Studio	0.0005	1.0268	2.68%	1.4206
515	Floor Maint. #2, 1 Br.	0.0010	1.0123	1.23%	3.2934
516	Floor Maint. #3, 2 Br.	0.0089	1.0151	1.51%	3.5159

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Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
518	Linen/Laundry Service	0.1140	1.0600	6.00%	4.4377
801	Light Bulbs	0.0046	1.0577	5.77%	3.8442
802	Light Switch	0.0050	1.0307	3.07%	2.8922
803	Wet Mop	0.0132	1.0036	0.36%	2.2326
804	Floor Wax	0.0164	0.9710	-2.90%	2.9810
805	Paint	0.0446	1.0239	2.39%	2.7705
806	Pushbroom	0.0107	1.0545	5.45%	2.7426
807	Detergent	0.0139	1.0269	2.69%	1.9991
808	Bucket	0.0145	1.2084	20.84%	10.7880
809	Washers	0.0135	1.0183	1.83%	1.9750
810	Linens	0.0724	0.9613	-3.87%	2.3842
811	Pine Disinfectant	0.0069	1.0350	3.50%	3.3363
812	Window/Glass Cleaner	0.0063	1.0465	4.65%	3.4122
813	Switch Plate	0.0155	1.1375	13.75%	8.7045
814	Duplex Receptacle	0.0111	1.0535	5.35%	3.8442
815	Toilet Seat	0.0149	1.1325	13.25%	5.2339
816	Deck Faucet	0.0196	1.0613	6.13%	4.8452
901	Refrigerator #1	0.0026	1.0071	0.71%	1.6723
902	Refrigerator #2	0.0123	0.9945	-0.55%	2.8723
903	Air Conditioner #1	0.0070	1.0156	1.56%	4.4389
904	Air Conditioner #2	0.0083	1.0474	4.74%	1.3514
907	Range #1	0.0012	0.9988	-0.12%	2.9742
908	Range #2	0.0055	0.9410	-5.90%	2.4517
909	Carpet	0.0412	1.0065	0.65%	3.1218
910	Dresser	0.0199	0.9896	-1.04%	1.2395
911	Mattress & Box Spring	0.0186	1.0503	5.03%	3.3978
	MAINTENANCE	**0.1129**	**1.0307**	**3.07%**	**0.1539**
601	Management Fees	0.5367	1.0416	4.16%	0.6736
602	Accountant Fees	0.0600	1.0311	3.11%	1.2399
603	Attorney Fees	0.0850	1.0403	4.03%	1.7304
604	Newspaper Ads	0.0891	0.9998	-0.02%	0.8185
606	Lease Forms	0.0077	0.9961	-0.39%	3.7833
607	Bill Envelopes	0.0092	1.0796	7.96%	8.7018
409	Communications*	0.2123	1.0023	0.23%	0.0000
	ADMINISTRATIVE COSTS	**0.0896**	**1.0288**	**2.88%**	**0.4129**
701	INSURANCE COSTS	**0.0381**	**1.0725**	**7.25%**	**0.9471**
	ALL ITEMS	**1.0000**	**0.9979**	**-0.21%**	**0.3894**

Spec 409, "Communications," was labeled as "Telephone" in prior PIOCs, and included only the cost of landline telephone service. It now includes the cost of internet, cell, and landline phone service.

B.8 Expenditure Weights and Price Relatives, Lofts, 2015

Spec #	Item Description	Weights	Price Relative
101	TAXES	0.2839	4.18%
201	Payroll, Bronx, All	0.0000	2.01%
202	Payroll, Other, Union, Supts.	0.2422	2.86%
203	Payroll, Other, Union, Other	0.0000	2.99%
204	Payroll, Other, Non-Union, All	0.5332	4.04%
205	Social Security Insurance	0.0406	3.26%
206	Unemployment Insurance	0.0073	3.71%
207	Private Health & Welfare	0.1768	5.83%
	LABOR COSTS	0.0832	4.04%
301	Fuel Oil #2	0.2532	-19.40%
302	Fuel Oil #4	0.5367	-26.21%
303	Fuel Oil #6	0.1135	-29.15%
403	Electricity #3, 82,000 KWH	0.0000	-6.58%
405	Gas #2, 65,000 therms	0.0223	-13.42%
406	Gas #3, 214,000 therms	0.0612	-14.42%
407	Steam #1, 1.2m lbs	0.0100	0.31%
408	Steam #2, 2.6m lbs	0.0031	0.11%
	FUEL	0.1457	-23.5%
401	Electricity #1, 2,500 KWH	0.0101	3.25%
402	Electricity #2, 15,000 KWH	0.1174	-4.69%
404	Gas #1, 12,000 therms	0.0035	-7.29%
410	Water & Sewer - Frontage	0.8689	3.35%
	UTILITIES	0.0686	2.37%
501	Repainting	0.2717	3.94%
502	Plumbing, Faucet	0.0990	1.32%
503	Plumbing, Stoppage	0.0873	1.71%
504	Elevator #1, 6 fl., 1 e.	0.0371	0.0228
505	Elevator #2, 13 fl., 2 e.	0.0236	2.20%
506	Elevator #3, 19 fl., 3 e.	0.0132	3.11%
507	Burner Repair	0.0272	4.32%
508	Boiler Repair, Tube	0.0349	3.28%
509	Boiler Repair, Weld	0.0299	4.45%
510	Refrigerator Repair	0.0091	1.79%
511	Range Repair	0.0082	3.09%
512	Roof Repair	0.0543	1.72%
513	Air Conditioner Repair	0.0057	1.60%
514	Floor Maint. #1, Studio	0.0002	2.68%
515	Floor Maint. #2, 1 Br.	0.0003	1.23%
516	Floor Maint. #3, 2 Br.	0.0027	1.51%

(CONTINUED, TOP RIGHT)

Spec #	Item Description	Weights	Price Relative
801	Light Bulbs	0.0059	5.77%
802	Light Switch	0.0070	3.07%
803	Wet Mop	0.0059	0.36%
804	Floor Wax	0.0070	-2.90%
805	Paint	0.0429	2.39%
806	Pushbroom	0.0050	5.45%
807	Detergent	0.0055	2.69%
808	Bucket	0.0063	20.84%
809	Washers	0.0143	1.83%
811	Pine Disinfectant	0.0094	3.50%
812	Window/Glass Cleaner	0.0086	4.65%
813	Switch Plate	0.0069	13.75%
814	Duplex Receptacle	0.0049	5.35%
815	Toilet Seat	0.0158	13.25%
816	Deck Faucet	0.0207	6.13%
901	Refrigerator #1	0.0124	0.71%
902	Refrigerator #2	0.0594	-0.55%
903	Air Conditioner #1	0.0020	1.56%
904	Air Conditioner #2	0.0025	4.74%
905	Floor Runner	0.0114	0.04%
906	Dishwasher	0.0065	-1.71%
907	Range #1	0.0065	-0.12%
908	Range #2	0.0291	-5.90%
	MAINTENANCE	0.0909	2.72%
	ADMINISTRATIVE COSTS - LEGAL	0.0598	4.03%
601	Management Fees	0.8299	4.16%
602	Accountant Fees	0.1332	3.11%
604	Newspaper Ads	0.0102	-0.02%
606	Lease Forms	0.0089	-0.39%
607	Bill Envelopes	0.0106	7.96%
409	Communications*	0.0073	0.23%
	ADMINISTRATIVE COSTS - OTHER	0.0882	3.95%
701	INSURANCE COSTS	0.1798	7.25%
	ALL ITEMS	1.0000	0.41%

Spec 409, “Communications,” was labeled as “Telephone” in prior PIOCs, and included only the cost of landline telephone service. It now includes the cost of internet, cell, and landline phone service.

B.9 Expenditure Weights and Price Relative Percent Changes, All Apartments, New Methodology versus Old Methodology

Spec #	Item Description	Old Methodology Expenditure Weights	Old Methodology % Change	New Methodology Expenditure Weights	New Methodology % Change
101	TAXES	**0.2850**	**4.18%**	**0.2615**	**4.18%**
201	Payroll, Bronx, All (Union)	0.0971	2.01%	0.0971	2.01%
202	Payroll, Other, Union, Supts.	0.1005	2.86%	0.1005	2.86%
203	Payroll, Other, Union, Other	0.2501	2.99%	0.2501	2.99%
204	Payroll, Other, Non-Union, All	0.2906	4.04%	0.2906	4.04%
205	Social Security Insurance	0.0426	3.26%	0.0426	3.26%
206	Unemployment Insurance	0.0068	3.71%	0.0068	3.71%
207	Private Health & Welfare	0.2122	5.83%	0.2122	5.83%
	LABOR COSTS	**0.1220**	**3.81%**	**0.1601**	**3.81%**
301	Fuel Oil #2	0.3871	-19.40%	0.3871	-19.40%
302	Fuel Oil #4	0.1950	-26.21%	0.1950	-26.21%
303	Fuel Oil #6	0.1794	-29.15%	0.1794	-29.15%
403	Electricity #3, 82,000 KWH	0.0000	-6.58%	0.0000	-6.58%
405	Gas #2, 65,000 therms	0.0417	-13.42%	0.0417	-13.42%
406	Gas #3, 214,000 therms	0.1800	-14.42%	0.1800	-14.42%
407	Steam #1, 1.2m lbs	0.0127	0.31%	0.0127	0.31%
408	Steam #2, 2.6m lbs	0.0040	0.11%	0.0040	0.11%
	FUEL	**0.1996**	**-21.00%**	**0.1262**	**-21.00%**
401	Electricity #1, 2,500 KWH	0.0101	3.25%	0.0226	3.25%
402	Electricity #2, 15,000 KWH	0.1167	-4.69%	0.2607	-4.69%
404	Gas #1, 12,000 therms	0.0035	-7.29%	0.0078	-7.29%
410	Water & Sewer	0.8696	3.35%	0.7089	3.35%
	UTILITIES	**0.1195**	**2.37%**	**0.1106**	**1.17%**
501	Repainting	0.3291	3.94%	0.3291	3.94%
502	Plumbing, Faucet	0.1199	1.32%	0.1199	1.32%
503	Plumbing, Stoppage	0.1057	1.71%	0.1057	1.71%
504	Elevator #1, 6 fl., 1 e.	0.0449	2.28%	0.0449	2.28%
505	Elevator #2, 13 fl., 2 e.	0.0286	2.20%	0.0286	2.20%
506	Elevator #3, 19 fl., 3 e.	0.0159	3.11%	0.0159	3.11%
507	Burner Repair	0.0329	4.32%	0.0329	4.32%
508	Boiler Repair, Tube	0.0422	3.28%	0.0422	3.28%
509	Boiler Repair, Weld	0.0361	4.45%	0.0361	4.45%
510	Refrigerator Repair	0.0111	1.79%	0.0111	1.79%
511	Range Repair	0.0100	3.09%	0.0100	3.09%
512	Roof Repair	0.0658	1.72%	0.0658	1.72%
513	Air Conditioner Repair	0.0069	1.60%	0.0069	1.60%
514	Floor Maint. #1, Studio	0.0002	2.68%	0.0002	2.68%
515	Floor Maint. #2, 1 Br.	0.0004	1.23%	0.0004	1.23%
516	Floor Maint. #3, 2 Br.	0.0033	1.51%	0.0033	1.51%

(CONTINUED, TOP RIGHT)

Spec #	Item Description	Old Methodology Expenditure Weights	Old Methodology % Change	New Methodology Expenditure Weights	New Methodology % Change
801	Light Bulbs	0.0037	5.77%	0.0037	5.77%
802	Light Switch	0.0044	3.07%	0.0044	3.07%
803	Wet Mop	0.0037	0.36%	0.0037	0.36%
804	Floor Wax	0.0044	-2.90%	0.0044	-2.90%
805	Paint	0.0268	2.39%	0.0268	2.39%
806	Pushbroom	0.0031	5.45%	0.0031	5.45%
807	Detergent	0.0034	2.69%	0.0034	2.69%
808	Bucket	0.0039	20.84%	0.0039	20.84%
809	Washers	0.0089	1.83%	0.0089	1.83%
811	Pine Disinfectant	0.0059	3.50%	0.0059	3.50%
812	Window/Glass Cleaner	0.0053	4.65%	0.0053	4.65%
813	Switch Plate	0.0043	13.75%	0.0043	13.75%
814	Duplex Receptacle	0.0030	5.35%	0.0030	5.35%
815	Toilet Seat	0.0099	13.25%	0.0099	13.25%
816	Deck Faucet	0.0129	6.13%	0.0129	6.13%
901	Refrigerator #1	0.0041	0.71%	0.0041	0.71%
902	Refrigerator #2	0.0199	-0.55%	0.0199	-0.55%
903	Air Conditioner #1	0.0007	1.56%	0.0007	1.56%
904	Air Conditioner #2	0.0009	4.74%	0.0009	4.74%
905	Floor Runner	0.0038	0.04%	0.0038	0.04%
906	Dishwasher	0.0022	-1.71%	0.0022	-1.71%
907	Range #1	0.0022	-0.12%	0.0022	-0.12%
908	Range #2	0.0098	-5.90%	0.0098	-5.90%
	MAINTENANCE	**0.1343**	**2.95%**	**0.1626**	**2.95%**
601	Management Fees	0.7310	4.16%	0.7310	4.16%
602	Accountant Fees	0.1271	3.11%	0.1271	3.11%
603	Attorney Fees	0.1001	4.03%	0.1001	4.03%
604	Newspaper Ads	0.0085	-0.02%	0.0085	-0.02%
606	Lease Forms	0.0083	-0.39%	0.0083	-0.39%
607	Bill Envelopes	0.0084	7.96%	0.0084	7.96%
409	Communications	0.0165	0.23%	0.0165	0.23%
	ADMINISTRATIVE COSTS	**0.0682**	**3.90%**	**0.1303**	**3.90%**
701	INSURANCE COSTS	**0.0713**	**7.25%**	**0.0488**	**7.25%**
	ALL ITEMS	**1.0000**	**-1.07%**	**1.0000**	**0.52%**

Spec 409, “Communications,” was labeled as “Telephone” in prior PIOCs, and included only the cost of landline telephone service. It now includes the cost of internet, cell, and landline phone service.

C.1 Cross-Sectional Income and Expense Study, Estimated Average Operating & Maintenance Cost (2013) 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	**$221**	**$78**	**$124**	**$73**	**$26**	**$148**	**$111**	**$46**	**$30**	**$856**
11-19 units	$264	$73	$128	$74	$29	$160	$121	$50	$39	$938
20-99 units	$197	$68	$125	$73	$24	$144	$106	$45	$28	$812
100+ units	$376	$185	$100	$63	$34	$163	$142	$41	$26	$1,129
Bronx	$115	$66	$146	$79	$24	$134	$93	$48	$15	$720
11-19 units	$108	$79	$151	$82	$31	$134	$97	$51	$23	$756
20-99 units	$115	$64	$146	$79	$24	$134	$93	$48	$15	$718
100+ units	$119	$86	$135	$74	$21	$144	$91	$45	$12	$727
Brooklyn	$156	$56	$91	$71	$22	$133	$91	$42	$33	$695
11-19 units	$172	$59	$106	$71	$23	$149	$94	$45	$28	$747
20-99 units	$150	$54	$89	$71	$22	$130	$89	$42	$35	$682
100+ units	$179	$84	$69	$69	$23	$127	$108	$37	$27	$722
Manhattan	$379	$113	$134	$71	$32	$177	$154	$48	$43	$1,149
11-19 units	$401	$92	$139	$79	$37	$184	$166	$56	$60	$1,214
20-99 units	$333	$88	$137	$71	$28	$172	$144	$47	$41	$1,060
100+ units	$607	$288	$104	$53	$48	$193	$189	$43	$27	$1,552
Queens	$202	$65	$116	$66	$21	$134	$87	$40	$22	$754
11-19 units	$180	$46	$131	$62	$20	$132	$68	$42	$18	$699
20-99 units	$203	$62	$117	$66	$21	$135	$90	$40	$21	$756
100+ units	$230	$115	$86	$70	$19	$134	$100	$38	$39	$832
Core Man	$531	$137	$110	$61	$35	$186	$177	$49	$44	$1,331
11-19 units	$518	$89	$123	$72	$36	$193	$177	$57	$57	$1,321
20-99 units	$486	$99	$108	$60	$29	$177	$170	$47	$47	$1,223
100+ units	$680	$315	$100	$51	$52	$206	$201	$44	$21	$1,670
Upper Man	$217	$86	$158	$80	$29	$166	$128	$47	$41	$952
11-19 units	$225	$96	$163	$89	$39	$171	$150	$54	$64	$1,051
20-99 units	$213	$80	$160	$80	$27	$167	$124	$46	$36	$932
100+ units	$262	$159	$121	$63	$30	$129	$129	$36	$54	$984
City w/o Core	$159	$66	$126	$75	$24	$140	$98	$45	$27	$760
11-19 units	$177	$67	$130	$75	$27	$149	$101	$47	$33	$806
20-99 units	$155	$64	$127	$75	$23	$139	$97	$45	$26	$752
100+ units	$185	$103	$100	$70	$22	$134	$104	$40	$29	$786

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 is NOT adjusted for the results of the 1992 NYC Dept. 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 was too small to calculate reliable statistics. Owners are not required to report tax expenses; therefore, tax figures used in this report were calculated by the NYC Dept. of Finance.

Source: NYC Department of Finance, RPIE Filings.

C.2 Cross-Sectional Income and Expense Study, Estimated Average Operating & Maintenance Cost (2013) 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	**$272**	**$144**	**$85**	**$64**	**$38**	**$141**	**$132**	**$39**	**$44**	**$959**
11-19 units	$145	$83	$72	$60	$39	$133	$109	$44	$30	$716
20-99 units	$192	$92	$82	$65	$33	$131	$117	$40	$36	$788
100+ units	$359	$199	$88	$63	$42	$150	$148	$37	$52	$1,139
Bronx	$110	$89	$109	$75	$40	$111	$114	$40	$20	$707
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$106	$77	$111	$74	$39	$116	$108	$43	$21	$696
100+ units	$118	$108	$108	$75	$41	$103	$121	$35	$15	$725
Brooklyn	$167	$103	$63	$65	$31	$133	$116	$41	$48	$766
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$169	$89	$64	$66	$28	$134	$120	$42	$44	$756
100+ units	$175	$140	$63	$60	$36	$126	$102	$37	$50	$790
Manhattan	$638	$288	$103	$55	$51	$199	$205	$43	$54	$1,636
11-19 units	$554	$104	$91	$67	$52	$260	$204	$56	$20	$1,409
20-99 units	$401	$133	$94	$52	$38	$165	$164	$39	$50	$1,136
100+ units	$717	$342	$106	$55	$56	$209	$218	$44	$55	$1,802
Queens	$216	$115	$76	$62	$33	$124	$110	$33	$48	$818
11-19 units	$161	$74	$80	$57	$38	$122	$93	$38	$2	$666
20-99 units	$208	$90	$80	$62	$31	$124	$101	$34	$31	$762
100+ units	$230	$138	$72	$63	$34	$125	$118	$32	$67	$879
St. Island	$170	$126	$85	$56	$23	$126	$85	$34	$11	$718
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-	-	-	-	-
100+ units	-	-	-	-	-	-	-	-	-	-
Core Man	$729	$310	$101	$53	$52	$205	$212	$44	$60	$1,766
11-19 units	$554	$104	$91	$67	$52	$260	$204	$56	$20	$1,409
20-99 units	$510	$138	$80	$43	$36	$171	$174	$37	$57	$1,246
100+ units	$785	$357	$106	$55	$56	$212	$221	$46	$61	$1,900
Upper Man	$213	$185	$115	$65	$48	$174	$172	$39	$24	$1,035
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$184	$124	$121	$69	$42	$152	$144	$44	$37	$917
100+ units	-	-	-	-	-	-	-	-	-	-
City w/o Core	$176	$109	$81	$66	$35	$126	$115	$38	$40	$786
11-19 units	$132	$83	$71	$59	$38	$129	$106	$43	$30	$692
20-99 units	$166	$88	$83	$67	$32	$127	$112	$40	$34	$750
100+ units	$195	$138	$80	$65	$37	$124	$119	$34	$48	$839

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 is NOT adjusted for the results of the 1992 NYC Dept. 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 11-19 units in the Bronx, Brooklyn, Staten Island and Upper Manhattan; 20-99 unit buildings on Staten Island; as well as 100+ unit buildings on Staten Island and Upper Manhattan, was too small to calculate reliable statistics. Owners are not required to report tax expenses; therefore, tax figures used in this report were calculated by the NYC Dept. of Finance.

Source: NYC Department of Finance, RPIE Filings.

C.3 Cross-Sectional Income and Expense Study, Estimated Average Rent, Income and Costs (2013) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**$1,351**	**$1,517**	**$959**	**$1,120**	**$1,272**	**$856**	**$1,182**	**$1,337**	**$884**
11-19 units	$1,138	$1,260	$716	$1,165	$1,407	$938	$1,162	$1,392	$915
20-99 units	$1,130	$1,231	$788	$1,071	$1,194	$812	$1,081	$1,201	$807
100+ units	$1,573	$1,803	$1,139	$1,497	$1,759	$1,129	$1,549	$1,789	$1,135
Bronx	$960	$1,066	$707	$855	$957	$720	$874	$977	$718
11-19 units	-	-	-	$828	$950	$756	$831	$956	$752
20-99 units	$954	$1,031	$696	$851	$953	$718	$861	$961	$716
100+ units	$974	$1,116	$725	$935	$1,021	$727	$954	$1,068	$726
Brooklyn	$1,076	$1,184	$766	$1,000	$1,066	$695	$1,020	$1,097	$713
11-19 units	-	-	-	$1,007	$1,096	$747	$1,012	$1,103	$747
20-99 units	$1,064	$1,162	$756	$986	$1,046	$682	$994	$1,058	$689
100+ units	$1,070	$1,201	$790	$1,164	$1,249	$722	$1,106	$1,219	$764
Manhattan	$2,315	$2,720	$1,636	$1,473	$1,777	$1,149	$1,638	$1,962	$1,244
11-19 units	$1,693	$2,182	$1,409	$1,434	$1,891	$1,214	$1,436	$1,894	$1,216
20-99 units	$1,699	$1,923	$1,136	$1,400	$1,635	$1,060	$1,424	$1,658	$1,066
100+ units	$2,521	$2,985	$1,802	$1,951	$2,415	$1,552	$2,293	$2,756	$1,702
Queens	$1,171	$1,259	$818	$1,075	$1,129	$754	$1,123	$1,195	$787
11-19 units	$1,103	$1,187	$666	$978	$1,026	$699	$990	$1,041	$696
20-99 units	$1,131	$1,201	$762	$1,079	$1,130	$756	$1,092	$1,148	$758
100+ units	$1,208	$1,310	$879	$1,209	$1,288	$832	$1,208	$1,305	$868
St. Island	$969	$1,101	$718	-	-	-	$964	$1,069	$727
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-	$1,021	$1,098	$726
100+ units	-	-	-	-	-	-	-	-	-
Core Man	$2,519	$2,972	$1,766	$1,781	$2,191	$1,331	$1,987	$2,409	$1,453
11-19 units	$1,693	$2,182	$1,409	$1,598	$2,177	$1,321	$1,601	$2,177	$1,324
20-99 units	$1,942	$2,178	$1,246	$1,747	$2,058	$1,223	$1,761	$2,067	$1,225
100+ units	$2,671	$3,178	$1,900	$2,086	$2,608	$1,670	$2,425	$2,939	$1,804
Upper Man	$1,371	$1,555	$1,035	$1,142	$1,332	$952	$1,161	$1,351	$959
11-19 units	-	-	-	$1,183	$1,456	$1,051	$1,182	$1,449	$1,045
20-99 units	$1,214	$1,417	$917	$1,126	$1,301	$932	$1,130	$1,305	$932
100+ units	-	-	-	$1,297	$1,482	$984	$1,375	$1,554	$1,041
City w/o Core	$1,100	$1,204	$786	$1,004	$1,078	$737	$1,029	$1,111	$750
11-19 units	$1,119	$1,229	$692	$965	$1,032	$718	$985	$1,058	$714
20-99 units	$1,063	$1,152	$750	$986	$1,059	$723	$1,001	$1,076	$728
100+ units	$1,141	$1,262	$839	$1,142	$1,229	$792	$1,142	$1,252	$826

Notes: City, borough totals and building size categories are weighted. Cost figures in this table are NOT adjusted for the results of the 1992 NYC Dept. of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with 11-19 units in the Bronx, Brooklyn, Staten Island and Upper Manhattan; 20-99 unit buildings on Staten Island; as well as 100+ unit buildings on Staten Island and Upper Manhattan, was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings of all sizes in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.4 Cross-Sectional Income and Expense Study, Estimated Median Rent, Income and Costs (2013) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**$1,137**	**$1,216**	**$797**	**$1,024**	**$1,112**	**$786**	**$1,038**	**$1,127**	**$787**
11-19 units	$1,073	$1,284	$721	$1,087	$1,228	$868	$1,085	$1,235	$863
20-99 units	$1,075	$1,142	$742	$1,002	$1,080	$763	$1,011	$1,089	$761
100+ units	$1,236	$1,343	$944	$1,153	$1,286	$840	$1,215	$1,324	$920
Bronx	$955	$1,009	$669	$850	$936	$707	$859	$944	$703
11-19 units	-	-	-	$813	$904	$728	$813	$907	$721
20-99 units	$954	$995	$673	$852	$936	$704	$861	$942	$701
100+ units	$974	$1,060	$691	$947	$1,047	$720	$954	$1,052	$708
Brooklyn	$1,068	$1,146	$722	$959	$1,009	$662	$970	$1,024	$668
11-19 units	-	-	-	$954	$1,008	$699	$960	$1,014	$701
20-99 units	$1,056	$1,122	$693	$957	$1,005	$648	$966	$1,016	$654
100+ units	$1,094	$1,198	$772	$1,081	$1,182	$684	$1,084	$1,196	$742
Manhattan	$1,949	$2,240	$1,331	$1,375	$1,599	$1,029	$1,410	$1,633	$1,046
11-19 units	$1,573	$1,637	$1,243	$1,429	$1,785	$1,137	$1,433	$1,784	$1,138
20-99 units	$1,670	$1,891	$1,060	$1,332	$1,489	$969	$1,349	$1,510	$976
100+ units	$2,542	$2,983	$1,775	$1,879	$2,320	$1,506	$2,352	$2,744	$1,641
Queens	$1,153	$1,228	$777	$1,064	$1,094	$716	$1,091	$1,126	$734
11-19 units	$1,008	$1,105	$624	$981	$1,012	$666	$982	$1,013	$664
20-99 units	$1,128	$1,174	$750	$1,085	$1,114	$722	$1,097	$1,129	$731
100+ units	$1,202	$1,278	$882	$1,182	$1,292	$827	$1,202	$1,281	$864
St. Island	$857	$1,032	$640	-	-	-	$883	$1,041	$655
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-	$883	$963	$658
100+ units	-	-	-	-	-	-	-	-	-
Core Man	$2,172	$2,537	$1,472	$1,609	$1,892	$1,139	$1,647	$1,944	$1,163
11-19 units	$1,583	$1,933	$1,274	$1,541	$1,941	$1,195	$1,544	$1,941	$1,198
20-99 units	$1,884	$1,987	$1,124	$1,640	$1,837	$1,091	$1,660	$1,856	$1,094
100+ units	$2,719	$3,094	$1,851	$2,212	$2,597	$1,601	$2,491	$2,949	$1,763
Upper Man	$1,225	$1,295	$896	$1,028	$1,165	$857	$1,033	$1,169	$859
11-19 units	-	-	-	$1,011	$1,214	$916	$1,011	$1,213	$909
20-99 units	$1,144	$1,224	$823	$1,029	$1,155	$848	$1,032	$1,158	$847
100+ units	-	-	-	$1,193	$1,308	$894	$1,250	$1,349	$1,013
City w/o Core	$1,065	$1,142	$735	$942	$1,014	$716	$958	$1,029	$718
11-19 units	$983	$1,074	$650	$935	$1,004	$729	$939	$1,007	$723
20-99 units	$1,038	$1,096	$712	$940	$1,012	$712	$951	$1,020	$712
100+ units	$1,143	$1,224	$819	$1,068	$1,143	$741	$1,117	$1,196	$792

Notes: Cost figures in this table are NOT adjusted for the results of the 1992 NYC Dept. of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with 11-19 units in the Bronx, Brooklyn, Staten Island and Upper Manhattan; 20-99 unit buildings on Staten Island; as well as 100+ unit buildings on Staten Island and Upper Manhattan, was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings of all sizes in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.5 Cross-Sectional Income and Expense Study, Average Net Operating Income in 2013 per Apartment per Month by Building Size and Location

	Post-46	Pre-47	All
Citywide	**$557**	**$416**	**$454**
11-19 units	$545	$469	$477
20-99 units	$443	$383	$393
100+ units	$664	$630	$653
Bronx	$359	$236	$259
11-19 units	-	$194	$204
20-99 units	$335	$235	$245
100+ units	$391	$294	$342
Brooklyn	$418	$371	$383
11-19 units	-	$349	$356
20-99 units	$406	$364	$369
100+ units	$411	$527	$455
Manhattan	$1,084	$629	$718
11-19 units	$773	$677	$678
20-99 units	$788	$575	$591
100+ units	$1,183	$863	$1,055
Queens	$441	$375	$408
11-19 units	$521	$327	$345
20-99 units	$439	$374	$390
100+ units	$431	$456	$437
St. Island	$383	-	$342
11-19 units	-	-	-
20-99 units	-	-	$372
100+ units -	-	-	-

	Post-46	Pre-47	All
Core Man	$1,205	$860	$956
11-19 units	$773	$856	$853
20-99 units	$932	$835	$842
100+ units	$1,278	$938	$1,135
Upper Man	$521	$380	$392
11-19 units	-	$405	$404
20-99 units	$500	$369	$373
100+ units	-	$498	$513
City w/o Core	$418	$341	$361
11-19 units	$537	$314	$343
20-99 units	$402	$335	$348
100+ units	$423	$436	$427

Notes: City, borough totals and building size categories are weighted. Cost figures in this table are NOT adjusted for the results of the 1992 NYC Dept. of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with 11-19 units in the Bronx, Brooklyn, Staten Island and Upper Manhattan; 20-99 unit buildings on Staten Island; as well as 100+ unit buildings on Staten Island and Upper Manhattan, was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings of all sizes in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.6 Cross-Sectional Distribution of Operating Costs in 2013, by Building Size and Age

	Taxes	Maint.	Labor	Admin.	Utilities	Fuel	Misc.	Insurance	Total
Pre-47	25.8%	17.3%	9.1%	13.0%	11.5%	14.4%	3.5%	5.3%	100.0%
11-19 units	28.1%	17.1%	7.8%	12.9%	11.1%	13.7%	4.2%	5.3%	100.0%
20-99 units	24.3%	17.7%	8.4%	13.1%	12.0%	15.4%	3.5%	5.6%	100.0%
100+ units	33.3%	14.4%	16.3%	12.6%	8.6%	8.9%	2.3%	3.7%	100.0%
Post-46	28.4%	14.7%	15.0%	13.8%	10.6%	8.9%	4.6%	4.1%	100.0%
11-19 units	20.3%	18.6%	11.7%	15.3%	13.7%	10.1%	4.2%	6.1%	100.0%
20-99 units	24.4%	16.6%	11.6%	14.9%	12.4%	10.5%	4.6%	5.1%	100.0%
100+ units	31.5%	13.1%	17.5%	13.0%	9.2%	7.7%	4.6%	3.3%	100.0%
All Bldgs.	26.6%	16.5%	10.9%	13.2%	11.2%	12.8%	3.8%	5.0%	100.0%
11-19 units	27.4%	17.2%	8.1%	13.1%	11.3%	13.3%	4.2%	5.4%	100.0%
20-99 units	24.3%	17.5%	9.0%	13.4%	12.1%	14.5%	3.7%	5.5%	100.0%
100+ units	32.1%	13.5%	17.1%	12.9%	9.0%	8.1%	3.9%	3.4%	100.0%

Source: NYC Department of Finance, RPIE Filings.

C.7 Cross-Sectional Number of "Distressed" Buildings, 2013 RPIE Data

	Citywide	Bronx	Brooklyn	Manhattan	Queens	St. Island	Core Man	Upper Man
Pre-47								
11-19 units	369	70	72	201	24	2	114	87
20-99 units	546	172	81	249	44	0	103	146
100+ units	13	3	1	8	1	0	6	2
All	928	245	154	458	69	2	223	235
Post-46								
11-19 units	9	2	0	5	2	0	4	1
20-99 units	40	16	7	10	6	1	3	7
100+ units	14	3	2	7	2	0	5	2
All	63	21	9	22	10	1	12	10
All Bldgs.								
11-19 units	378	72	72	206	26	2	118	88
20-99 units	586	188	88	259	50	1	106	153
100+ units	27	6	3	15	3	0	11	4
All	991	266	163	480	79	3	235	245

Source: NYC Department of Finance, RPIE Filings.

C.8 Operating Cost-to-Income Ratios by Decile, 2013 RPIE Data

	# of Bldgs	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Citywide	14,564	0.49	0.54	0.59	0.63	0.67	0.72	0.77	0.83	0.95	3.83
Manhattan	6,048	0.47	0.52	0.56	0.59	0.64	0.69	0.74	0.82	0.96	3.83
Bronx	3,199	0.56	0.63	0.68	0.71	0.75	0.79	0.83	0.89	0.98	2.41
Brooklyn	3,335	0.49	0.55	0.59	0.62	0.66	0.70	0.74	0.80	0.90	1.85
Queens	1,904	0.50	0.55	0.59	0.62	0.65	0.70	0.74	0.80	0.89	2.87
St. Island	78	0.47	0.52	0.58	0.59	0.63	0.71	0.78	0.82	0.87	1.15

Source: NYC Department of Finance, RPIE Filings.

C.9 Cross-Sectional Sample, 2013 RPIE Data

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
Citywide	**1,784**	**187,321**	**12,779**	**472,728**	**14,564**	**660,083**
11-19 units	142	2,078	3,495	52,742	3,637	54,820
20-99 units	1,062	61,301	8,913	351,587	9,976	412,922
100+ units	580	123,942	371	68,399	951	192,341
Bronx	363	28,804	2,836	120,183	3,199	148,987
11-19 units	23	333	404	6,022	427	6,355
20-99 units	269	15,954	2,357	102,655	2,626	118,609
100+ units	71	12,517	75	11,506	146	24,023
Brooklyn	353	34,403	2,982	106,685	3,335	141,088
11-19 units	18	278	878	13,145	896	13,423
20-99 units	233	14,717	2,041	85,943	2,274	100,660
100+ units	102	19,408	63	7,597	165	27,005
Manhattan	466	64,717	5,581	191,196	6,048	255,947
11-19 units	54	807	1,828	27,623	1,882	28,430
20-99 units	208	10,749	3,584	123,955	3,793	134,738
100+ units	204	53,161	169	39,618	373	92,779
Queens	549	55,306	1,355	53,411	1,904	108,717
11-19 units	39	554	374	5,773	413	6,327
20-99 units	322	18,611	921	38,603	1,243	57,214
100+ units	188	36,141	60	9,035	248	45,176
St. Island	53	4,091	25	1,253	78	5,344
11-19 units	8	106	11	179	19	285
20-99 units	30	1,270	10	431	40	1,701
100+ units	15	2,715	4	643	19	3,358
Core Man	375	55,054	3,529	118,588	3,904	173,642
11-19 units	43	654	1,401	21,200	1,444	21,854
20-99 units	151	7,683	1,997	62,769	2,148	70,452
100+ units	181	46,717	131	34,619	312	81,336
Upper Man	91	9,663	2,052	72,608	2,144	82,305
11-19 units	11	153	427	6,423	438	6,576
20-99 units	57	3,066	1,587	61,186	1,645	64,286
100+ units	23	6,444	38	4,999	61	11,443

Source: NYC Department of Finance, RPIE Filings.

DU = Dwelling Unit

C.10 Longitudinal Income and Expense Study, Estimated Average Rent, Income and Costs Changes (2012-2013) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**3.9%**	**4.1%**	**5.3%**	**4.8%**	**4.6%**	**4.9%**	**4.5%**	**4.5%**	**5.0%**
11-19 units	10.6%	11.7%	4.7%	5.1%	5.0%	4.7%	5.6%	5.6%	4.7%
20-99 units	3.7%	4.2%	5.2%	4.6%	4.6%	5.1%	4.4%	4.5%	5.1%
100+ units	3.6%	3.5%	5.3%	5.5%	4.3%	3.7%	4.1%	3.8%	4.8%
Bronx	3.2%	3.6%	5.4%	4.5%	4.6%	4.3%	4.2%	4.4%	4.5%
11-19 units	-	-	-	6.0%	4.7%	4.4%	5.7%	4.6%	4.1%
20-99 units	2.9%	3.9%	5.6%	4.4%	4.6%	4.4%	4.2%	4.5%	4.5%
100+ units	3.6%	3.1%	5.4%	4.2%	4.5%	3.8%	3.8%	3.5%	4.8%
Brooklyn	4.9%	5.5%	5.4%	4.7%	4.7%	4.8%	4.8%	4.9%	5.0%
11-19 units	-	-	-	4.4%	4.5%	4.6%	6.3%	6.6%	5.1%
20-99 units	3.9%	4.8%	5.6%	4.7%	4.7%	5.1%	4.5%	4.7%	5.3%
100+ units	4.1%	3.8%	3.9%	5.2%	5.0%	2.1%	4.6%	4.3%	3.2%
Manhattan	3.3%	3.4%	6.1%	5.1%	4.7%	5.1%	4.6%	4.3%	5.4%
11-19 units	5.3%	8.4%	5.3%	5.5%	5.5%	4.7%	5.5%	5.5%	4.7%
20-99 units	4.3%	4.3%	6.4%	4.8%	4.6%	5.4%	4.7%	4.5%	5.5%
100+ units	3.1%	3.1%	6.0%	6.2%	4.3%	4.4%	4.1%	3.5%	5.4%
Queens	4.2%	4.2%	3.9%	4.2%	4.3%	5.2%	4.2%	4.3%	4.5%
11-19 units	-	-	-	4.4%	4.3%	4.5%	5.0%	5.1%	3.8%
20-99 units	3.8%	3.5%	3.6%	4.2%	4.4%	5.9%	4.1%	4.1%	5.1%
100+ units	4.2%	4.4%	4.3%	3.5%	3.5%	2.1%	4.1%	4.2%	3.9%
Staten Island	3.8%	4.2%	7.9%	-	-	-	3.8%	3.8%	7.9%
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-	3.0%	3.3%	6.7%
100+ units	-	-	-	-	-	-	-	-	-
Core Manhattan	3.1%	3.4%	5.2%	5.3%	4.7%	4.8%	4.5%	4.2%	5.0%
11-19 units	5.3%	8.4%	5.3%	5.0%	4.9%	4.9%	5.0%	5.0%	4.9%
20-99 units	4.1%	4.2%	5.5%	5.0%	4.8%	4.9%	4.9%	4.8%	5.0%
100+ units	2.9%	3.2%	5.2%	6.2%	4.2%	4.6%	4.0%	3.5%	5.0%
Upper Manhattan	4.9%	3.3%	13.6%	4.9%	4.7%	5.5%	4.9%	4.6%	6.2%
11-19 units	-	-	-	6.7%	6.9%	4.4%	6.7%	6.9%	4.4%
20-99 units	4.7%	4.6%	8.8%	4.5%	4.2%	5.9%	4.6%	4.3%	6.1%
100+ units	-	-	-	5.6%	4.8%	2.1%	5.3%	3.5%	10.1%
All City w/o Core	4.3%	4.4%	5.3%	4.6%	4.6%	4.9%	4.5%	4.6%	5.0%
11-19 units	10.9%	11.9%	4.6%	5.2%	5.1%	4.5%	5.9%	6.0%	4.5%
20-99 units	3.7%	4.2%	5.2%	4.5%	4.5%	5.1%	4.3%	4.5%	5.1%
100+ units	4.2%	3.9%	5.4%	4.6%	4.4%	2.6%	4.3%	4.0%	4.7%

Notes: City, borough totals and building size categories are weighted. Cost figures in this table are NOT adjusted for the results of the 1992 NYC Dept. of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with 11-19 units in the Bronx, Brooklyn, Staten Island, Queens and Upper Manhattan, as well as 20-99 and 100+ unit buildings on Staten Island and 100+ units buildings in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings in all categories in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.11 Longitudinal Income and Expense Study, Estimated Median Rent, Income and Costs Changes (2012-2013) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**3.6%**	**3.8%**	**3.6%**	**4.4%**	**4.9%**	**5.3%**	**4.2%**	**4.6%**	**5.0%**
11-19 units	3.5%	9.1%	-1.1%	4.7%	5.2%	4.2%	4.6%	5.3%	4.2%
20-99 units	3.3%	3.9%	3.3%	4.5%	4.8%	5.7%	4.4%	4.9%	5.4%
100+ units	3.7%	3.9%	2.4%	4.4%	3.9%	1.7%	4.2%	4.3%	3.5%
Bronx	4.8%	4.7%	6.8%	5.2%	4.8%	4.7%	5.0%	4.8%	4.8%
11-19 units	-	-	-	6.5%	5.8%	5.1%	5.9%	5.0%	5.4%
20-99 units	4.3%	5.3%	8.0%	4.9%	4.8%	4.8%	4.9%	4.9%	4.8%
100+ units	5.5%	2.4%	4.6%	4.6%	5.3%	-0.3%	6.8%	3.9%	3.3%
Brooklyn	4.8%	4.7%	6.3%	4.0%	4.7%	5.4%	4.2%	4.9%	5.7%
11-19 units	-	-	-	4.1%	4.3%	6.3%	4.4%	4.6%	6.5%
20-99 units	5.5%	4.7%	7.3%	4.0%	4.7%	5.4%	4.1%	4.8%	5.8%
100+ units	3.9%	3.3%	0.8%	4.2%	5.9%	3.9%	4.1%	3.3%	2.3%
Manhattan	3.1%	2.7%	9.6%	5.2%	4.5%	6.4%	5.0%	4.7%	5.9%
11-19 units	7.5%	2.4%	7.2%	4.4%	4.5%	5.3%	4.5%	4.3%	5.2%
20-99 units	4.6%	4.6%	5.1%	5.3%	3.3%	6.2%	4.8%	3.0%	6.5%
100+ units	7.1%	3.6%	7.2%	5.2%	4.4%	6.2%	6.3%	5.2%	7.8%
Queens	3.4%	3.4%	3.3%	4.6%	4.8%	6.5%	4.4%	4.0%	5.4%
11-19 units	-	-	-	3.0%	4.5%	5.4%	3.3%	4.2%	5.8%
20-99 units	3.3%	2.2%	2.2%	4.4%	4.7%	6.3%	4.5%	4.3%	5.5%
100+ units	4.4%	4.2%	6.3%	3.0%	7.8%	7.3%	4.4%	4.7%	6.1%
Staten Island	3.4%	7.4%	-0.5%	-	-	-	1.1%	5.7%	1.5%
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-	6.6%	7.2%	-0.5%
100+ units	-	-	-	-	-	-	-	-	-
Core Manhattan	1.7%	3.5%	3.7%	4.6%	4.8%	4.9%	5.1%	5.5%	3.9%
11-19 units	6.4%	6.3%	7.9%	4.3%	5.3%	3.9%	4.4%	5.3%	4.1%
20-99 units	3.2%	4.3%	3.3%	4.4%	5.0%	6.2%	5.0%	4.9%	5.9%
100+ units	3.1%	3.9%	9.1%	10.4%	1.9%	4.0%	6.5%	4.8%	6.2%
Upper Manhattan	6.6%	3.4%	7.1%	3.9%	6.1%	5.9%	3.9%	5.8%	5.8%
11-19 units	-	-	-	2.8%	8.0%	1.7%	2.7%	7.9%	1.5%
20-99 units	4.8%	6.7%	3.7%	4.2%	5.7%	6.4%	4.0%	5.7%	6.3%
100+ units	-	-	-	5.5%	1.6%	4.0%	5.3%	3.4%	11.0%
All City w/o Core	3.5%	4.2%	3.5%	4.2%	4.6%	5.3%	4.1%	4.6%	5.1%
11-19 units	5.9%	7.3%	5.2%	4.5%	4.1%	6.0%	4.7%	4.1%	6.0%
20-99 units	4.0%	3.9%	5.2%	4.1%	4.9%	5.2%	3.9%	4.7%	5.2%
100+ units	3.6%	3.2%	5.2%	2.9%	3.9%	1.2%	3.5%	2.9%	3.6%

Notes: Cost figures in this table are NOT adjusted for the results of the 1992 NYC Dept. of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with 11-19 units in the Bronx, Brooklyn, Staten Island, Queens and Upper Manhattan, as well as 20-99 and 100+ unit buildings on Staten Island and 100+ units buildings in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings in all categories in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.12 Longitudinal Income and Expense Study, Avg. Net Operating Income Changes (2012-2013) by Bldg. Size & Location

	Post-46	Pre-47	All
Citywide	**2.0%**	**4.1%**	**3.4%**
11-19 units	22.5%	5.8%	7.5%
20-99 units	2.4%	3.6%	3.4%
100+ units	0.6%	5.3%	2.0%
Bronx	0.0%	5.4%	4.0%
11-19 units	-	5.9%	6.2%
20-99 units	0.6%	5.3%	4.5%
100+ units	-1.0%	6.3%	1.0%
Brooklyn	5.8%	4.4%	4.8%
11-19 units	-	4.2%	9.4%
20-99 units	3.2%	4.0%	3.8%
100+ units	3.6%	9.3%	6.1%
Manhattan	-0.5%	4.0%	2.6%
11-19 units	14.6%	6.9%	7.0%
20-99 units	1.4%	3.1%	2.9%
100+ units	-1.0%	4.1%	0.6%
Queens	4.9%	2.6%	3.8%
11-19 units	-	3.9%	7.7%
20-99 units	3.3%	1.6%	2.3%
100+ units	4.7%	6.3%	5.0%
St. Island	-2.1%	-	-4.0%
11-19 units	-	-	-
20-99 units	-	-	-4.5%
100+ units	-	-	-

	Post-46	Pre-47	All
Core Manhattan	0.8%	4.5%	3.2%
11-19 units	14.6%	5.0%	5.1%
20-99 units	2.6%	4.7%	4.4%
100+ units	0.4%	3.5%	1.4%
Upper Manhattan	-13.5%	2.8%	0.8%
11-19 units	-	13.4%	13.4%
20-99 units	-2.8%	0.3%	0.1%
100+ units	-	10.5%	-8.4%
All City w/o Core	2.9%	4.0%	3.6%
11-19 units	22.9%	6.5%	9.3%
20-99 units	2.4%	3.2%	3.0%
100+ units	0.9%	8.0%	2.8%

Notes: City, borough totals and building size categories are weighted. The number of Post-46 rent stabilized buildings with 11-19 units in the Bronx, Brooklyn, Staten Island, Queens and Upper Manhattan, as well as 20-99 and 100+ unit buildings on Staten Island and 100+ units buildings in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings in all categories in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.13 Longitudinal Sample, 2012 & 2013 RPIE Data

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
Citywide	**1,599**	**171,298**	**11,049**	**415,573**	**12,649**	**586,905**
11-19 units	113	1,672	2,969	44,866	3,082	46,538
20-99 units	953	55,510	7,738	307,106	8,692	362,650
100+ units	533	114,116	342	63,601	875	177,717
Bronx	320	25,609	2,471	104,869	2,791	130,478
11-19 units	17	254	350	5,195	367	5,449
20-99 units	241	14,299	2,052	89,568	2,293	103,867
100+ units	62	11,056	69	10,106	131	21,162
Brooklyn	309	31,733	2,612	95,175	2,921	126,908
11-19 units	10	156	728	10,945	738	11,101
20-99 units	205	13,300	1,828	77,518	2,033	90,818
100+ units	94	18,277	56	6,712	150	24,989
Manhattan	419	57,192	4,747	166,291	5,166	223,483
11-19 units	51	764	1,555	23,538	1,606	24,302
20-99 units	188	9,645	3,038	105,544	3,226	115,189
100+ units	180	46,783	154	37,209	334	83,992
Queens	505	52,875	1,197	48,124	1,702	100,999
11-19 units	29	420	327	5,044	356	5,464
20-99 units	294	17,170	810	34,045	1,104	51,215
100+ units	182	35,285	60	9,035	242	44,320
St. Island	46	3,889	22	1,114	68	5,003
11-19 units	6	78	9	144	15	222
20-99 units	25	1,096	10	431	35	1,527
100+ units	15	2,715	3	539	18	3,254
Core Manhattan	341	48,313	3,090	106,042	3,431	154,355
11-19 units	42	639	1,215	18,407	1,257	19,046
20-99 units	141	7,124	1,758	55,293	1,899	62,417
100+ units	158	40,550	117	32,342	275	72,892
Upper Manhattan	78	8,879	1,657	60,249	1,735	69,128
11-19 units	9	125	340	5,131	349	5,256
20-99 units	47	2,521	1,280	50,251	1,327	52,772
100+ units	22	6,233	37	4,867	59	11,100

Source: NYC Department of Finance, RPIE Filings.

DU = Dwelling Unit

D.1 Occupancy Status

	ALL UNITS	Owner Units	Renter Units	Stabilized
Total Number of Units (occupied, vacant available, and vacant not available)	3,400,093[@]			
Number of Units (occupied and vacant, available)	3,217,522	1,033,225	2,184,296	1,029,918
Occupied Units	3,124,138	1,015,299	2,108,838	1,008,096
Bronx	482,316	102,231	380,084	228,534
Brooklyn	932,191	270,647	661,544	295,557
Manhattan	761,269	189,100	572,169	283,907
Queens	784,771	347,567	437,204	189,343
Staten Island	163,590	105,754	57,837	10,756
Vacant Units	275,955			
Vacant, for rent or sale	93,384	17,926	75,458	21,822
Bronx	17,416	2,545	14,871	6,229
Brooklyn	24,862	3,966	20,895	5,064
Manhattan	29,087	4,833	24,254	6,787
Queens	17,486	5,416	12,070	3,147
Staten Island	4,535	1,167	3,368	594
Asking Rent				
<$800	-	-	6,659	1,264
$800-$999	-	-	10,387	4,110
$1,000-$1,249	-	-	14,155	6,197
$1,250-$1,499	-	-	9,326	3,895
$1,500-$1,749	-	-	8,218	2,074
$1,750-$1,999	-	-	3,424	1,661
$2,000-$2,499	-	-	5,600	1,579
$2,500+	-	-	17,689	1,042
Vacant, not for rent or sale	182,571	-	-	-
Bronx	18,409	-	-	-
Brooklyn	50,803	-	-	-
Manhattan	63,509	-	-	-
Queens	39,511	-	-	-
Staten Island	10,338	-	-	-
Dilapidated	3,503			
Rented-Not Yet Occupied	5,213	-	-	-
Sold-Not Yet Occupied	6,570	-	-	-
Undergoing Renovation	42,434	-	-	-
Awaiting Renovation	18,524	-	-	-
Non-Residential Use	2,819	-	-	-
Legal Dispute	10,860	-	-	-
Awaiting Conversion	610	-	-	-
Held for Occasional Use	54,764	-	-	-
Unable to Rent or Sell	18,079	-	-	-
Held Pending Sale of Building	7,940	-	-	-
Held for Planned Demolition	597	-	-	-
Held for Other Reasons	9,485	-	-	-
(Not Reported)	1,172	-	-	-

[@] 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
766,296	263,622	27,039	47,953	187,714	42,952	848,721	Number of Units (occupied and vacant, available)
748,761	259,335	27,039	45,312	184,853	42,335	801,203	Occupied Units
188,233	40,301	1,146	6,660	51,054	11,734	80,956	Bronx
230,297	65,261	7,292	17,378	60,059	11,367	269,891	Brooklyn
225,620	58,287	14,845	14,585	53,530	13,822	191,480	Manhattan
101,668	87,674	3,756	5,148	15,857	3,000	220,100	Queens
2,944	7,812	0	1,540	4,353	2,412	38,776	Staten Island
							Vacant Units
17,535	4,287	0	2,641	2,861	617	47,518	Vacant, for rent or sale
4,700	1,529	0	1,440	903	370	5,929	Bronx
4,202	862	0	217	890	7	14,717	Brooklyn
6,192	595	0	793	874	240	15,560	Manhattan
2,233	914	0	191	195	0	8,537	Queens
208	386	0	0	0	0	2,774	Staten Island
							Asking Rent
1,072	192	0	405	2,176	261	2,553	<$800
3,378	731	0	759	0	7	5,511	$800-$999
5,665	532	0	173	477	341	6,968	$1,000-$1,249
3,090	805	0	602	0	5	4,824	$1,250-$1,499
1,479	596	0	212	208	0	5,723	$1,500-$1,749
1,661	0	0	163	0	5	1,596	$1,750-$1,999
1,191	388	0	326	0	0	3,695	$2,000-$2,499
0	1,042	0	0	0	0	16,647	$2,500+
-	-	-	-	-	-	-	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)	3,400,093@			
Number of Units (occupied and vacant, available)	3,217,522	32.1%	67.9%	47.2%
Occupied Units	3,124,138	32.5%	67.5%	47.8%
Bronx	15.4%	10.1%	18.0%	22.7%
Brooklyn	29.8%	26.7%	31.4%	29.3%
Manhattan	24.4%	18.6%	27.1%	28.2%
Queens	25.1%	34.2%	20.7%	18.8%
Staten Island	5.2%	10.4%	2.7%	1.1%
Vacant Units	275,955			
Vacant, for rent or sale	93,384	19.2%	80.8%	28.9%
Bronx	18.6%	14.2%	19.7%	28.5%
Brooklyn	26.6%	22.1%	27.7%	23.2%
Manhattan	31.1%	27.0%	32.1%	31.1%
Queens	18.7%	30.2%	16.0%	14.4%
Staten Island	4.9%	6.5%	4.5%	2.7%
Asking Rent				
<$800	-	-	8.8%	5.8%
$800-$999	-	-	13.8%	18.8%
$1,000-$1,249	-	-	18.8%	28.4%
$1,250-$1,499	-	-	12.4%	17.8%
$1,500-$1,749	-	-	10.9%	9.5%
$1,750-$1,999	-	-	4.5%	7.6%
$2,000-$2,499	-	-	7.4%	7.2%
$2,500+	-	-	23.4%	4.8%
Vacant, not for rent or sale	182,571			
Bronx	10.1%	-	-	-
Brooklyn	27.8%	-	-	-
Manhattan	34.8%	-	-	-
Queens	21.6%	-	-	-
Staten Island	5.7%	-	-	-
Dilapidated	1.9%			
Rented-Not Yet Occupied	2.9%	-	-	-
Sold-Not Yet Occupied	3.6%	-	-	-
Undergoing Renovation	23.2%	-	-	-
Awaiting Renovation	10.1%	-	-	-
Non-Residential Use	1.5%	-	-	-
Legal Dispute	5.9%	-	-	-
Awaiting Conversion	0.3%	-	-	-
Held for Occasional Use	30.0%	-	-	-
Unable to Rent or Sell	9.9%	-	-	-
Held Pending Sale of Building	4.3%	-	-	-
Held for Planned Demolition	0.3%	-	-	-
Held for Other Reasons	5.2%	-	-	-
(Not Reported)	0.6%	-	-	-

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

Rent Stabilized Units *Pre-1947*	*Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Total Number of Units
74.4%	25.6%	1.2%	2.2%	8.6%	2.0%	38.9%	Number of Units (occupied and vacant, available)
74.3%	25.7%	1.3%	2.1%	8.8%	2.0%	38.0%	Occupied Units
25.1%	15.5%	4.2%	14.7%	27.6%	27.7%	10.1%	Bronx
30.8%	25.2%	27.0%	38.4%	32.5%	26.9%	33.7%	Brooklyn
30.1%	22.5%	54.9%	32.2%	29.0%	32.6%	23.9%	Manhattan
13.6%	33.8%	13.9%	11.4%	8.6%	7.1%	27.5%	Queens
0.4%	3.0%	0.0%	3.4%	2.4%	5.7%	4.8%	Staten Island
							Vacant Units
80.4%	19.6%	-	3.5%	3.8%	0.8%	63.0%	Vacant, for rent or sale
26.8%	35.7%	-	54.5%	31.6%	60.0%	12.5%	Bronx
24.0%	20.1%	-	8.2%	31.1%	1.1%	31.0%	Brooklyn
35.3%	13.9%	-	30.0%	30.5%	38.9%	32.7%	Manhattan
12.7%	21.3%	-	7.2%	6.8%	0.0%	18.0%	Queens
1.2%	9.0%	-	0.0%	0.0%	0.0%	5.8%	Staten Island
							Asking Rent
6.1%	4.5%	-	15.3%	76.1%	42.1%	5.4%	<$800
19.3%	17.1%	-	28.8%	0.0%	1.1%	11.6%	$800-$999
32.3%	12.4%	-	6.6%	16.7%	55.1%	14.7%	$1,000-$1,249
17.6%	18.8%	-	22.8%	0.0%	0.8%	10.2%	$1,250-$1,499
8.4%	13.9%	-	8.0%	7.3%	0.0%	12.0%	$1,500-$1,749
9.5%	0.0%	-	6.2%	0.0%	0.8%	3.4%	$1,750-$1,999
6.8%	9.1%	-	12.3%	0.0%	0.0%	7.8%	$2,000-$2,499
0.0%	24.3%	-	0.0%	0.0%	0.0%	35.0%	$2,500+
							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				
$1-$299	-	-	86,766	7,135
$300-$399	-	-	37,201	5,370
$400-$499	-	-	40,871	8,441
$500-$599	-	-	45,991	13,959
$600-$699	-	-	60,561	25,733
$700-$799	-	-	91,601	49,041
$800-$899	-	-	116,622	72,098
$900-$999	-	-	151,563	98,771
$1,000-$1,249-	-	-	449,585	271,883
$1,250-$1,499-	-	-	276,529	162,094
$1,500-$1,749	-	-	236,568	117,630
$1,750-$1,999	-	-	112,963	63,529
$2,000-$2,499	-	-	124,691	56,738
$2,500+	-	-	223,936	39,064
(No Cash Rent)	-	-	(53,391)	(16,611)
Mean	-	-	$1,446	$1,317
Mean/Room	-	-	$505	$499
Median	-	-	$1,200	$1,200
Median/Room	-	-	$360	$375
Monthly Cost of Gas/Electric (One Bill)				
Mean	$176	$162	$136	$123
Median	$120	$138	$110	$100
Monthly Cost of Electric (Paid Separately)				
Mean	$125	$162	$104	$97
Median	$100	$138	$90	$80
Monthly Cost of Utility Gas (Paid Separately)				
Mean	$107	$177	$54	$39
Median	$50	$150	$30	$30
Monthly Cost of Water/Sewer				
Mean	$98	$100	$67	-
Median	$83	$83	$58	-
Monthly Cost of Other Fuels				
Mean	$269	$279	$201	-
Median	$250	$250	$150	-
Monthly Mortgage Payments				
Mean	-	$2,174	-	-
Median	-	$1,834	-	-
Monthly Insurance Payments				
Mean	-	$119	-	-
Median	-	$83	-	-
Monthly Property Taxes				
Mean	-	$405	-	-
Median	-	$333	-	-

@ All households, including owners and renters.

Rent Stabilized Units Pre-1947	Rent Stabilized Units Post-1946	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Monthly Contract Rent
5,445	1,691	3,587	786	55,944	11,150	8,162	$1-$299
5,165	205	1,645	558	22,461	2,884	4,283	$300-$399
7,087	1,353	1,359	851	22,322	1,184	6,715	$400-$499
11,553	2,407	1,563	0	20,730	869	8,870	$500-$599
22,053	3,680	1,632	2,390	17,588	1,616	11,602	$600-$699
36,320	12,721	1,550	2,598	15,218	2,653	20,541	$700-$799
59,233	12,865	741	3,036	7,491	2,855	30,399	$800-$899
77,431	21,340	3,016	4,167	6,077	1,523	38,009	$900-$999
214,011	57,871	4,495	13,842	10,016	4,826	144,522	$1,000-$1,249
113,104	48,990	1,526	6,955	4,645	3,688	97,621	$1,250-$1,499
81,987	35,642	2,632	3,234	1,637	1,603	109,833	$1,500-$1,749
48,044	15,485	1,090	1,159	0	1,442	45,743	$1,750-$,1999
42,054	14,684	813	1,744	0	2,464	62,933	$2,000-$2,499
13,222	25,842	1,181	3,774	0	2,729	177,189	$2,500+
(12,053)	(4,558)	(209)	(217)	(723)	(848)	(34,783)	(No Cash Rent)
$1,246	$1,522	$1,034	$1,343	$518	$974	$1,882	Mean
$472	$571	$287	$464	$150	$383	$615	Mean/Room
$1,153	$1,300	$900	$1,157	$448	$800	$1,500	Median
$367	$417	$233	$325	$120	$267	$389	Median/Room
							Monthly Cost of Gas/Electric (One Bill)
$122	$131	$116	$90	$138	$109	$162	Mean
$104	$100	$90	$66	$130	$85	$120	Median
							Monthly Cost of Electric (Paid Separately)
$96	$100	$98	$79	$94	$95	$113	Mean
$80	$80	$80	$75	$71	$75	$100	Median
							Monthly Cost of Utility Gas (Paid Separately)
$37	$51	$37	$83	$82	$51	$72	Mean
$27	$30	$25	$50	$70	$40	$40	Median
							Monthly Cost of Water/Sewer
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Other Fuels
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Mortgage Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Insurance Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Property Taxes
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median

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

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

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
Monthly Contract Rent				
$0-$299	-	-	4.2%	0.7%
$300-$399	-	-	1.8%	0.5%
$400-$499	-	-	2.0%	0.9%
$500-$599	-	-	2.2%	1.4%
$600-$699	-	-	2.9%	2.6%
$700-$799	-	-	4.5%	4.9%
$800-$899	-	-	5.7%	7.3%
$900-$999	-	-	7.4%	10.0%
$1,000-$1,249	-	-	21.9%	27.4%
$1,250-$1,499	-	-	13.5%	16.3%
$1,500-$1,749	-	-	11.5%	11.9%
$1,750-$1,999	-	-	5.5%	6.4%
$2,000-$2,499	-	-	6.1%	5.7%
$2,500+	-	-	10.9%	3.9%
(No Cash Rent)	-	-	-	-
Mean	-	-	-	-
Mean/Room	-	-	-	-
Median	-	-	-	-
Median/Room	-	-	-	-
Monthly Cost of Gas/Electric (One Bill)				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Electric (Paid Separately)				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Utility Gas (Paid Separately)				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Water/Sewer				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Other Fuels				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Mortgage Payments				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Insurance Payments				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Property Taxes				
Mean	-	-	-	-
Median	-	-	-	-

@ All households, including owners and renters.

Totals may not add to 100% due to rounding.

Rent Stabilized Units Pre-1947	Rent Stabilized Units Post-1946	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Monthly Contract Rent
0.7%	0.7%	13.4%	1.7%	30.4%	26.9%	1.1%	$0-$299
0.7%	0.1%	6.1%	1.2%	12.2%	7.0%	0.6%	$300-$399
1.0%	0.5%	5.1%	1.9%	12.1%	2.9%	0.9%	$400-$499
1.6%	0.9%	5.8%	0.0%	11.3%	2.1%	1.2%	$500-$599
3.0%	1.4%	6.1%	5.3%	9.6%	3.9%	1.5%	$600-$699
4.9%	5.0%	5.8%	5.8%	8.3%	6.4%	2.7%	$700-$799
8.0%	5.0%	2.8%	6.7%	4.1%	6.9%	4.0%	$800-$899
10.5%	8.4%	11.2%	9.2%	3.3%	3.7%	5.0%	$900-$999
29.0%	22.7%	16.8%	30.7%	5.4%	11.6%	18.9%	$1,000-$1,249
15.4%	19.2%	5.7%	15.4%	2.5%	8.9%	12.7%	$1,250-$1,499
11.1%	14.0%	9.8%	7.2%	0.9%	3.9%	14.3%	$1,500-$1,749
6.5%	6.1%	4.1%	2.6%	0.0%	3.5%	6.0%	$1,750-$1,999
5.7%	5.8%	3.0%	3.9%	0.0%	5.9%	8.2%	$2,000-$2,499
1.8%	10.1%	4.4%	8.4%	0.0%	6.6%	23.1%	$2,500+
-	-	-	-	-	-	-	(No Cash Rent)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Mean/Room
-	-	-	-	-	-	-	Median
-	-	-	-	-	-	-	Median/Room
							Monthly Cost of Gas/Electric (One Bill)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Electric (Paid Separately)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Utility Gas (Paid Separately)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Water/Sewer
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Other Fuels
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Mortgage Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Insurance Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Property Taxes
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median

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

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

Totals may not add to 100% due to rounding.

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
2013 Total Household Income				
Loss, no income or<$5000	139,658	32,562	107,096	45,931
$5000-$9999	167,105	16,741	150,365	68,689
$10,000-$19,999	358,772	76,882	281,890	133,425
$20,000-$29,999	313,522	65,586	247,936	127,969
$30,000-$39,999	282,158	68,071	214,087	107,169
$40,000-$49,999	243,928	66,339	177,589	95,211
$50,000-$59,999	205,538	64,551	140,986	76,714
$60,000-$69,999	185,170	60,234	124,936	64,029
$70,000-$79,999	162,554	54,492	108,062	50,299
$80,000-$89,999	148,360	59,266	89,095	45,547
$90,000-$99,999	107,901	41,175	66,726	29,967
$100,000-$124,999	240,635	108,998	131,638	64,149
$125,000-$149,999	142,485	66,705	75,780	34,064
$150,000+	426,351	233,698	192,653	64,933
Mean	$86,586	$127,769	$66,759	$60,030
Median	$50,376	$80,000	$41,500	$40,600
Contract Rent to Income Ratio				
<10%	-	-	97,465	44,095
10%-19%	-	-	414,171	191,777
20%-29%	-	-	444,370	196,209
30%-39%	-	-	282,453	134,509
40%-49%	-	-	173,890	89,448
50%-59%	-	-	110,489	54,225
60%-69%	-	-	91,064	48,818
70%-79%	-	-	61,330	29,569
80%+			332,027	178,403
(Not Computed/No Rent)	-	-	101,579	41,043
Mean	-	-	42.0%	43.9%
Median	-	-	31.0%	33.0%
Households in Poverty				
Households Below 100% of Poverty Level	523,340	79,352	443,988	201,337
Households at or Above 100% of Poverty Level	2,600,797	935,947	1,664,850	806,759
Households Below 125% of Poverty Level	679,072	114,479	564,593	257,583
Households at or Above 125% of Poverty Level	2,445,065	900,821	1,544,245	750,514
Households Receiving Public Assistance¥	505,724	65,964	439,760	212,758
Households Not Receiving Public Assistance	2,306,597	831,524	1,475,074	697,584
(Do Not Know/Not Reported)	(311,816)	(117,812)	(194,004)	(97,755)
Households Receiving TANF/FAP§	85,695	5,733	79,961	41,510
Households Receiving Safety Net	21,606	2,036	19,570	11,133
Households Receiving SSI	227,247	35,983	191,264	90,759
Households Receiving Other Public Assistance	291,047	32,579	258,468	117,036
Households Receiving Rent Subsidy				
Households Receiving Section 8 Certif./Voucher	-	-	144,481	87,352
Households Receiving Shelter Allowance	-	-	47,138	27,199
Households Receiving SCRIE∞	-	-	26,874	19,299
Households Receiving Another Federal Housing Subsidy	-	-	17,864	7,939
Households Receiving Another State/City Housing Subsidy	-	-	53,415	25,306

§Temporary Assistance for Needy Families/Family Assistance Program; ∞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**	
							2013 Total Household Income
33,540	12,391	1,757	2,531	15,531	3,948	37,397	Loss, no income or<$5000
54,405	14,284	2,131	5,052	35,183	10,310	29,000	$5000-$9999
104,945	28,480	6,858	8,115	51,023	12,774	69,696	$10,000-$19,999
98,098	29,871	3,338	6,987	29,589	4,391	75,662	$20,000-$29,999
80,024	27,147	2,080	4,959	19,724	2,600	77,555	$30,000-$39,999
70,296	24,915	2,074	3,832	12,892	604	62,976	$40,000-$49,999
59,402	17,312	1,076	2,975	6,338	912	52,972	$50,000-$59,999
45,811	18,217	1,394	1,533	6,066	808	51,106	$60,000-$69,999
38,361	11,938	983	1,707	3,650	975	50,448	$70,000-$79,999
32,883	12,663	408	1,554	2,216	73	39,297	$80,000-$89,999
22,268	7,700	214	1,697	398	726	33,725	$90,000-$99,999
43,903	20,246	1,679	1,151	1,070	708	62,881	$100,000-$124,999
23,851	10,213	1,660	596	781	520	38,159	$125,000-$149,999
40,975	23,958	1,389	2,623	392	2,987	120,328	$150,000+
$54,486	$76,035	$49,413	$46,675	$24,389	$38,903	$88,194	Mean
$40,000	$46,000	$28,800	$29,840	$18,000	$12,360	$58,000	Median
							Contract Rent to Income Ratio
33,148	10,947	3,493	2,065	12,088	2,461	33,263	<10%
139,751	52,027	6,140	4,957	39,219	6,835	165,243	10%-19%
144,884	51,326	2,919	7,989	52,177	9,056	176,020	20%-29%
99,642	34,866	3,023	5,618	30,941	3,557	104,806	30%-39%
66,392	23,056	2,540	3,057	12,204	2,665	63,976	40%-49%
40,751	13,475	1,766	2,606	6,051	1,540	44,302	50%-59%
38,667	10,151	758	2,665	4,231	1,471	33,121	60%-69%
22,772	6,796	631	1,726	3,909	1,041	24,454	70%-79%
132,385	46,018	4,895	13,620	18,571	11,154	105,384	80%+
30,369	10,673	874	1,008	5,462	2,556	50,635	(Not Computed/No Rent))
44.2%	43.3%	41.2%	53.7%	35.1%	49.2%	40.2%	Mean
33.3%	32.3%	30.7%	46.3%	28.1%	34.3%	30.0%	Median
							Households in Poverty
157,716	43,621	6,081	12,588	83,784	19,871	120,328	Households Below 100% of Poverty Level
591,045	215,713	20,958	32,724	101,069	22,465	680,876	Households at or Above 100% of Poverty Level
202,160	55,422	7,360	15,790	102,040	25,775	156,045	Households Below 125% of Poverty Level
546,601	203,913	19,679	29,521	82,813	16,560	645,158	Households at or Above 125% of Poverty Level
173,422	39,336	4,444	10,494	89,798	21,543	100,723	Households Receiving Public Assistance¥
506,470	191,114	19,806	31,284	87,901	18,981	619,518	Households Not Receiving Public Assistance
(68,870)	(28,885)	(2,789)	(3,533)	(7,153)	(1,811)	(80,962)	(Do Not Know/Not Reported)
37,356	4,154	0	1,301	16,245	2,304	18,601	Households Receiving TANF/FAP§
9,520	1,613	0	183	3,624	238	4,393	Households Receiving Safety Net
71,797	18,962	2,350	5,669	45,635	13,474	33,377	Households Receiving SSI
94,122	22,915	2,279	7,143	52,659	11,523	67,828	Households Receiving Other Public Assistance
							Households Receiving Rent Subsidy
68,906	18,446	568	9,772	4,534	11,556	30,698	Households Receiving Section 8 Certif./Voucher
24,782	2,417	222	537	8,236	396	10,548	Households Receiving Shelter Allowance
15,755	3,544	1,933	745	188	3,071	1,638	Households Receiving SCRIE∞
6,096	1,843	0	1,830	1,544	2,737	3,814	Households Receiving Another Federal Housing Subsidy
21,270	4,036	164	3,050	8,597	1,147	15,152	Households Receiving Another State/City Housing Subsidy

¥ 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.

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

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

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
2013 Total Household Income				
Loss, no income or<$5000	4.5%	3.2%	5.1%	4.6%
$5000-$9999	5.3%	1.6%	7.1%	6.8%
$10,000-$19,999	11.5%	7.6%	13.4%	13.2%
$20,000-$29,999	10.0%	6.5%	11.8%	12.7%
$30,000-$39,999	9.0%	6.7%	10.2%	10.6%
$40,000-$49,999	7.8%	6.5%	8.4%	9.4%
$50,000-$59,999	6.6%	6.4%	6.7%	7.6%
$60,000-$69,999	5.9%	5.9%	5.9%	6.4%
$70,000-$79,999	5.2%	5.4%	5.1%	5.0%
$80,000-$89,999	4.7%	5.8%	4.2%	4.5%
$90,000-$99,999	3.5%	4.1%	3.2%	3.0%
$100,000-$124,999	7.7%	10.7%	6.2%	6.4%
$125,000-$149,999	4.6%	6.6%	3.6%	3.4%
$150,000+	13.6%	23.0%	9.1%	6.4%
Mean	-	-	-	-
Median	-	-	-	-
Contract Rent to Income Ratio				
<10%	-	-	4.9%	4.6%
10%-19%	-	-	20.6%	19.8%
20%-29%	-	-	22.1%	20.3%
30%-39%	-	-	14.1%	13.9%
40%-49%	-	-	8.7%	9.2%
50%-59%	-	-	5.5%	5.6%
60%-69%	-	-	4.5%	5.0%
70%-79%	-	-	3.1%	3.1%
80%+			16.5%	18.4%
(Not Computed/No Rent)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-
Households in Poverty				
Households Below 100% of Poverty Level	16.8%	7.8%	21.1%	20.0%
Households at or Above 100% of Poverty Level	83.2%	92.2%	78.9%	80.0%
Households Below 125% of Poverty Level	21.7%	11.3%	26.8%	25.6%
Households at or Above 125% of Poverty Level	78.3%	88.7%	73.2%	74.4%
Households Receiving Public Assistance¥	18.0%	7.3%	23.0%	23.4%
Households Not Receiving Public Assistance	82.0%	92.7%	77.0%	76.6%
(Not Reported)	-	-	-	-
Households Receiving TANF/FAP§	3.0%	0.6%	4.2%	4.6%
Households Receiving Safety Net	0.8%	0.2%	1.0%	1.2%
Households Receiving SSI	8.1%	4.0%	10.0%	10.0%
Households Receiving Other Public Assistance	10.4%	3.6%	13.6%	12.9%
Households Receiving Rent Subsidy				
Households Receiving Section 8 Certif./Voucher	-	-	7.2%	9.0%
Households Receiving Shelter Allowance	-	-	2.4%	2.8%
Households Receiving SCRIE∞	-	-	6.7%	9.8%
Households Receiving Another Federal Housing Subsidy	-	-	0.9%	0.8%
Households Receiving Another State/City Housing Subsidy	-	-	2.7%	2.6%

§Temporary Assistance for Needy Families/Family Assistance Program; ∞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**	
							2013 Total Household Income
4.5%	4.8%	6.5%	5.6%	8.4%	9.3%	4.7%	Loss, no income or<$5000
7.3%	5.5%	7.9%	11.1%	19.0%	24.4%	3.6%	$5000-$9999
14.0%	11.0%	25.4%	17.9%	27.6%	30.2%	8.7%	$10,000-$19,999
13.1%	11.5%	12.3%	15.4%	16.0%	10.4%	9.4%	$20,000-$29,999
10.7%	10.5%	7.7%	10.9%	10.7%	6.1%	9.7%	$30,000-$39,999
9.4%	9.6%	7.7%	8.5%	7.0%	1.4%	7.9%	$40,000-$49,999
7.9%	6.7%	4.0%	6.6%	3.4%	2.2%	6.6%	$50,000-$59,999
6.1%	7.0%	5.2%	3.4%	3.3%	1.9%	6.4%	$60,000-$69,999
5.1%	4.6%	3.6%	3.8%	2.0%	2.3%	6.3%	$70,000-$79,999
4.4%	4.9%	1.5%	3.4%	1.2%	0.2%	4.9%	$80,000-$89,999
3.0%	3.0%	0.8%	3.7%	0.2%	1.7%	4.2%	$90,000-$99,999
5.9%	7.8%	6.2%	2.5%	0.6%	1.7%	7.8%	$100,000-$124,999
3.2%	3.9%	6.1%	1.3%	0.4%	1.2%	4.8%	$125,000-$149,999
5.5%	9.2%	5.1%	5.8%	0.2%	7.1%	15.0%	$150,000+
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Contract Rent to Income Ratio
4.6%	4.4%	13.3%	4.7%	6.7%	6.2%	4.4%	<10%
19.5%	20.9%	23.5%	11.2%	21.9%	17.2%	22.0%	10%-19%
20.2%	20.6%	11.2%	18.0%	29.1%	22.8%	23.5%	20%-29%
13.9%	14.0%	11.6%	12.7%	17.2%	8.9%	14.0%	30%-39%
9.2%	9.3%	9.7%	6.9%	6.8%	6.7%	8.5%	40%-49%
5.7%	5.4%	6.7%	5.9%	3.4%	3.9%	5.9%	50%-59%
5.4%	4.1%	2.9%	6.0%	2.4%	3.7%	4.4%	60%-69%
3.2%	2.7%	2.4%	3.9%	2.2%	2.6%	3.3%	70%-79%
18.4%	18.5%	18.7%	30.7%	10.4%	28.0%	14.0%	80%+
-	-	-	-	-	-	-	(Not Computed/No Rent)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Households in Poverty
21.1%	16.8%	22.5%	27.8%	45.3%	46.9%	15.0%	Households Below 100% of Poverty Level
78.9%	83.2%	77.5%	72.2%	54.7%	53.1%	85.0%	Households at or Above 100% of Poverty Level
27.0%	21.4%	27.2%	34.8%	55.2%	60.9%	19.5%	Households Below 125% of Poverty Level
73.0%	78.6%	72.8%	65.2%	44.8%	39.1%	80.5%	Households at or Above 125% of Poverty Level
25.5%	17.1%	18.3%	25.1%	50.5%	53.2%	14.0%	Households Receiving Public Assistance¥
74.5%	82.9%	81.7%	74.9%	49.5%	46.8%	86.0%	Households Not Receiving Public Assistance
-	-	-	-	-	-	-	(Not Reported)
5.5%	1.8%	0.0%	3.1%	9.2%	5.7%	2.6%	Households Receiving TANF/FAP§
1.4%	0.7%	0.0%	0.4%	2.1%	0.6%	0.6%	Households Receiving Safety Net
10.6%	8.2%	9.7%	13.5%	25.9%	33.4%	4.6%	Households Receiving SSI
13.9%	10.0%	9.5%	17.2%	30.0%	28.8%	9.4%	Households Receiving Other Public Assistance
							Households Receiving Rent Subsidy
9.6%	7.4%	2.2%	21.9%	2.5%	30.1%	4.1%	Households Receiving Section 8 Certif./Voucher
3.5%	1.0%	0.9%	1.2%	4.6%	1.0%	1.4%	Households Receiving Shelter Allowance
11.3%	6.1%	10.1%	4.7%	0.3%	14.5%	1.9%	Households Receiving SCRIE∞
0.9%	0.7%	0.0%	4.2%	0.9%	7.1%	0.5%	Households Receiving Another Federal Housing Subsidy
3.0%	1.6%	0.6%	7.0%	4.8%	3.0%	2.0%	Households Receiving Another State/City Housing Subsidy

¥ 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.

* 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

	All Households@	Owner Households	Renter Households	Stabilized
Year Moved Into Current Dwelling				
2011-2014	944,520	131,405	813,114	350,800
2008-2010	454,980	95,647	359,333	167,422
2005-2007	293,372	109,735	183,637	84,604
2002-2004	245,980	102,287	143,693	67,029
1999-2001	233,781	107,957	125,825	63,535
1996-1998	163,861	75,512	88,349	51,120
1993-1995	149,660	69,245	80,415	50,276
1990-1992	106,487	46,708	59,780	36,028
1987-1989	79,527	41,373	38,153	24,155
1984-1986	74,108	40,684	33,424	16,235
1981-1983	52,885	24,739	28,146	17,767
1971-1980	197,599	95,898	101,701	65,026
Prior to 1971	127,378	74,112	53,267	14,099
Household Composition				
Married Couples	1,182,265	546,149	636,116	284,713
w/o Other Household Members	433,937	203,813	230,124	104,977
With Children <18 Years of Age	371,821	141,252	230,568	98,909
w/o Children <18 Years of Age	205,282	121,262	84,021	41,495
With Other Household Members	171,225	79,822	91,403	39,332
Female Householder	1,216,918	307,391	909,527	440,118
w/o Other Household Members	581,270	176,793	404,477	206,001
With Children <18 Years of Age	153,823	17,617	136,206	58,091
w/o Children <18 Years of Age	325,723	83,795	241,927	117,828
With Other Household Members	156,103	29,186	126,917	58,198
Male Householder	724,954	161,759	563,195	283,265
w/o Other Household Members	426,399	93,427	332,972	175,881
With Children <18 Years of Age	14,361	3,792	10,569	4,137
w/o Children <18 Years of Age	244,010	54,143	189,867	86,789
With Other Household Members	40,184	10,398	29,786	16,458
Race of Householder				
White, non-Hispanic	1,291,978	540,656	751,322	359,262
Black, non-Hispanic	669,612	187,726	481,886	217,394
Puerto Rican	252,928	42,203	210,725	97,395
Other Spanish/Hispanic	487,190	79,544	407,646	225,310
Asian/Pacific Islander, non-Hispanic	387,835	156,169	231,666	98,030
American/Aleut/Eskimo, non-Hispanic	12,981	3,843	9,138	3,583
Two or more races, non-Hispanic	21,614	5,159	16,456	7,125
Age of Householder				
Under 25 years	109,220	6,744	102,477	44,104
25-34	588,055	72,111	515,944	248,596
35-44	638,419	171,955	466,465	209,265
45-54	603,221	223,461	379,760	184,230
55-61	383,356	170,098	213,258	110,977
62-64	135,651	63,683	71,968	38,252
65-74	374,292	168,188	206,104	103,370
75-84	200,349	93,357	106,991	48,498
85 or more years	91,575	45,702	45,872	20,803
Mean	50	56	47	47
Median	48	56	44	45

@ 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
261,227	89,572	2,324	11,751	30,545	10,552	407,143	2011-2014
116,965	50,457	181	7,631	24,937	6,944	152,219	2008-2010
61,057	23,547	159	3,210	18,328	5,903	71,434	2005-2007
50,215	16,815	166	4,809	15,951	4,513	51,225	2002-2004
50,091	13,444	578	3,373	16,575	4,283	37,482	1999-2001
42,016	9,104	357	2,704	12,258	3,014	18,896	1996-1998
37,392	12,883	279	2,937	10,677	1,744	14,503	1993-1995
28,985	7,044	0	1,379	9,178	1,434	11,760	1990-1992
18,252	5,904	0	769	6,931	537	5,761	1987-1989
11,671	4,564	207	1,372	5,380	1,339	8,890	1984-1986
14,432	3,335	370	1,090	4,480	1,347	3,093	1981-1983
47,501	17,525	1,734	3,644	17,512	521	13,266	1971-1980
8,958	5,141	20,685	643	12,101	205	5,532	Prior to 1971
							Household Composition
200,286	84,427	4,729	11,460	29,188	7,493	298,533	Married Couples
71,060	33,917	3,265	5,071	12,807	4,175	99,828	w/o Other Household Members
69,265	29,644	1,075	3,005	6,935	2,456	118,188	With Children <18 Years of Age
27,944	13,551	388	1,988	5,766	531	33,853	w/o Children <18 Years of Age
32,017	7,315	0	1,397	3,680	331	46,665	With Other Household Members
332,396	107,722	16,136	21,584	126,134	22,913	282,643	Female Householder
151,808	54,193	12,017	10,701	46,395	15,624	113,738	w/o Other Household Members
45,474	12,617	256	3,785	29,095	1,783	43,196	With Children <18 Years of Age
87,608	30,221	2,770	5,228	28,791	3,344	83,967	w/o Children <18 Years of Age
47,506	10,692	1,093	1,870	21,853	2,161	41,742	With Other Household Members
216,079	67,187	6,175	12,267	29,531	11,930	220,027	Male Householder
132,046	43,835	4,298	7,941	19,532	8,798	116,522	w/o Other Household Members
2,040	2,097	0	729	1,182	394	4,128	With Children <18 Years of Age
68,119	18,670	1,699	2,759	7,015	2,440	89,165	w/o Children <18 Years of Age
13,874	2,584	178	838	1,802	297	10,213	With Other Household Members
							Race of Householder
249,356	109,906	15,988	14,549	8,601	9,942	342,980	White, non-Hispanic
164,009	53,385	4,195	17,752	81,736	9,165	151,644	Black, non-Hispanic
81,166	16,228	1,950	4,398	47,486	9,279	50,217	Puerto Rican
185,688	39,622	3,333	3,803	36,871	8,791	129,539	Other Hispanic
59,605	38,424	1,385	4,633	8,193	4,790	114,634	Asian/Pacific Islander, non-Hisp
2,609	973	188	177	1,184	191	3,815	American/Aleut/Eskimo, non-Hisp
6,328	797	0	0	781	176	8,374	Two or more races, non-Hispanic
							Age of Householder
34,275	9,830	168	2,046	5,851	1,029	49,278	Under 25 years
187,521	61,076	1,066	4,996	22,156	3,424	235,706	25-34
159,029	50,236	1,814	7,024	33,778	4,492	210,092	35-44
140,020	44,210	2,491	8,349	34,737	6,973	142,979	45-54
81,256	29,721	1,348	6,157	24,757	3,610	66,408	55-61
31,059	7,193	650	3,147	9,630	1,065	19,224	62-64
71,911	31,459	8,976	8,053	28,714	8,377	48,614	65-74
31,336	17,162	5,810	3,912	20,150	9,533	19,088	75-84
12,355	8,448	4,717	1,628	5,079	3,832	9,814	85 or more years
46	49	69	54	54	62	43	Mean
44	46	72	55	53	65	40	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				
2011-2014	30.2%	12.9%	38.6%	34.8%
2008-2010	14.6%	9.4%	17.0%	16.6%
2005-2007	9.4%	10.8%	8.7%	8.4%
2002-2004	7.9%	10.1%	6.8%	6.6%
1999-2001	7.5%	10.6%	6.0%	6.3%
1996-1998	5.2%	7.4%	4.2%	5.1%
1993-1995	4.8%	6.8%	3.8%	5.0%
1990-1992	3.4%	4.6%	2.8%	3.6%
1987-1989	2.5%	4.1%	1.8%	2.4%
1984-1986	2.4%	4.0%	1.6%	1.6%
1981-1983	1.7%	2.4%	1.3%	1.8%
1971-1980	6.3%	9.4%	4.8%	6.5%
Prior to 1971	4.1%	7.3%	2.5%	1.4%
Household Composition				
Married Couples	37.8%	53.8%	30.2%	28.2%
w/o Other Household Members	13.9%	20.1%	10.9%	10.4%
With Children <18 Years of Age	11.9%	13.9%	10.9%	9.8%
w/o Children <18 Years of Age	6.6%	11.9%	4.0%	4.1%
With Other Household Members	5.5%	7.9%	4.3%	3.9%
Female Householder	39.0%	30.3%	43.1%	43.7%
w/o Other Household Members	18.6%	17.4%	19.2%	20.4%
With Children <18 Years of Age	4.9%	1.7%	6.5%	5.8%
w/o Children <18 Years of Age	10.4%	8.3%	11.5%	11.7%
With Other Household Members	5.0%	2.9%	6.0%	5.8%
Male Householder	23.2%	15.9%	26.7%	28.1%
w/o Other Household Members	13.6%	9.2%	15.8%	17.4%
With Children <18 Years of Age	0.5%	0.4%	0.5%	0.4%
w/o Children <18 Years of Age	7.8%	5.3%	9.0%	8.6%
With Other Household Members	1.3%	1.0%	1.4%	1.6%
Race of Householder				
White, non-Hispanic	41.4%	53.3%	35.6%	35.6%
Black, non-Hispanic	21.4%	18.5%	22.9%	21.6%
Puerto Rican	8.1%	4.2%	10.0%	9.7%
Other Spanish/Hispanic	15.6%	7.8%	19.3%	22.4%
Asian/Pacific Islander, non-Hispanic	12.4%	15.4%	11.0%	9.7%
American/Aleut/Eskimo, non-Hispanic	0.4%	0.4%	0.4%	0.4%
2 or more races, non-Hispanic	0.7%	0.5%	0.8%	0.7%
Age of Householder				
Under 25 years	3.5%	0.7%	4.9%	4.4%
25-34	18.8%	7.1%	24.5%	24.7%
35-44	20.4%	16.9%	22.1%	20.8%
45-54	19.3%	22.0%	18.0%	18.3%
55-61	12.3%	16.8%	10.1%	11.0%
62-64	4.3%	6.3%	3.4%	3.8%
65-74	12.0%	16.6%	9.8%	10.3%
75-84	6.4%	9.2%	5.1%	4.8%
85 or more years	2.9%	4.5%	2.2%	2.1%
Mean	-	-	-	-
Median	-	-	-	-

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

Rent Stabilized Units Pre-1947	Rent Stabilized Units Post-1946	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Year Moved Into Current Dwelling
34.9%	34.5%	8.6%	25.9%	16.5%	24.9%	50.8%	2011-2014
15.6%	19.5%	0.7%	16.8%	13.5%	16.4%	19.0%	2008-2010
8.2%	9.1%	0.6%	7.1%	9.9%	13.9%	8.9%	2005-2007
6.7%	6.5%	0.6%	10.6%	8.6%	10.7%	6.4%	2002-2004
6.7%	5.2%	2.1%	7.4%	9.0%	10.1%	4.7%	1999-2001
5.6%	3.5%	1.3%	6.0%	6.6%	7.1%	2.4%	1996-1998
5.0%	5.0%	1.0%	6.5%	5.8%	4.1%	1.8%	1993-1995
3.9%	2.7%	0.0%	3.0%	5.0%	3.4%	1.5%	1990-1992
2.4%	2.3%	0.0%	1.7%	3.7%	1.3%	0.7%	1987-1989
1.6%	1.8%	0.8%	3.0%	2.9%	3.2%	1.1%	1984-1986
1.9%	1.3%	1.4%	2.4%	2.4%	3.2%	0.4%	1981-1983
6.3%	6.8%	6.4%	8.0%	9.5%	1.2%	1.7%	1971-1980
1.2%	2.0%	76.5%	1.4%	6.5%	0.5%	0.7%	Prior to 1971
							Household Composition
26.7%	32.6%	17.5%	25.3%	15.8%	17.7%	37.3%	Married Couples
9.5%	13.1%	12.1%	11.2%	6.9%	9.9%	12.5%	w/o Other Household Members
9.3%	11.4%	4.0%	6.6%	3.8%	5.8%	14.8%	With Children <18 Years of Age
3.7%	5.2%	1.4%	4.4%	3.1%	1.3%	4.2%	w/o Children <18 Years of Age
4.3%	2.8%	0.0%	3.1%	2.0%	0.8%	5.8%	With Other Household Members
44.4%	41.5%	59.7%	47.6%	68.2%	54.1%	35.3%	Female Householder
20.3%	20.9%	44.4%	23.6%	25.1%	36.9%	14.2%	w/o Other Household Members
6.1%	4.9%	0.9%	8.4%	15.7%	4.2%	5.4%	With Children <18 Years of Age
11.7%	11.7%	10.2%	11.5%	15.6%	7.9%	10.5%	w/o Children <18 Years of Age
6.3%	4.1%	4.0%	4.1%	11.8%	5.1%	5.2%	With Other Household Members
28.9%	25.9%	22.8%	27.1%	16.0%	28.2%	27.5%	Male Householder
17.6%	16.9%	15.9%	17.5%	10.6%	20.8%	14.5%	w/o Other Household Members
0.3%	0.8%	0.0%	1.6%	0.6%	0.9%	0.5%	With Children <18 Years of Age
9.1%	7.2%	6.3%	6.1%	3.8%	5.8%	11.1%	w/o Children <18 Years of Age
1.9%	1.0%	0.7%	1.8%	1.0%	0.7%	1.3%	With Other Household Members
							Race of Householder
33.3%	42.4%	59.1%	32.1%	4.7%	23.5%	42.8%	White, non-Hispanic
21.9%	20.6%	15.5%	39.2%	44.2%	21.6%	18.9%	Black, non-Hispanic
10.8%	6.3%	7.2%	9.7%	25.7%	21.9%	6.3%	Puerto Rican
24.8%	15.3%	12.3%	8.4%	19.9%	20.8%	16.2%	Other Spanish/Hispanic
8.0%	14.8%	5.1%	10.2%	4.4%	11.3%	14.3%	Asian/Pacific Islander, non-Hisp
0.3%	0.4%	0.7%	0.4%	0.6%	0.5%	0.5%	American/Aleut/Eskimo, non-Hisp
0.8%	0.3%	0.0%	0.0%	0.4%	0.4%	1.0%	2 or more races, non-Hispanic
							Age of Householder
4.6%	3.8%	0.6%	4.5%	3.2%	2.4%	6.2%	Under 25 years
25.0%	23.6%	3.9%	11.0%	12.0%	8.1%	29.4%	25-34
21.2%	19.4%	6.7%	15.5%	18.3%	10.6%	26.2%	35-44
18.7%	17.0%	9.2%	18.4%	18.8%	16.5%	17.8%	45-54
10.9%	11.5%	5.0%	13.6%	13.4%	8.5%	8.3%	55-61
4.1%	2.8%	2.4%	6.9%	5.2%	2.5%	2.4%	62-64
9.6%	12.1%	33.2%	17.8%	15.5%	19.8%	6.1%	65-74
4.2%	6.6%	21.5%	8.6%	10.9%	22.5%	2.4%	75-84
1.7%	3.3%	17.4%	3.6%	2.7%	9.1%	1.2%	85 or more years
-	-	-	-	-	-	-	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	525,933	108,346	417,587	215,109
Additional Heating Not Required	2,279,741	791,277	1,488,464	693,284
(Not Reported)	(318,464)	(115,676)	(202,788)	(99,703)
Heating Breakdowns	382,284	66,692	315,592	176,643
No Breakdowns	2,417,396	828,360	1,589,036	730,351
(Not Reported)	(324,457)	(120,247)	(204,210)	(101,102)
Broken Plaster/Peeling Paint	415,573	60,149	355,424	191,499
No Broken Plaster/Peeling Paint	2,390,638	840,663	1,549,976	716,608
(Not Reported)	(317,926)	(114,488)	(203,438)	(99,990)
Cracked Interior Walls or Ceilings	339,750	42,250	297,500	167,497
No Cracked Interior Walls or Ceilings	2,475,897	861,055	1,614,842	743,977
(Not Reported)	(308,491)	(111,995)	(196,496)	(96,622)
Holes in Floor	139,462	10,527	128,934	79,586
No Holes in Floor	2,647,368	882,099	1,765,269	824,281
(Not Reported)	(337,308)	(122,673)	(214,635)	(104,229)
Rodent Infestation	521,490	83,330	438,159	256,579
No Infestation	2,293,226	818,865	1,474,360	655,287
(Not Reported)	(309,422)	(113,104)	(196,318)	(96,230)
Cockroach Infestation	643,658	87,576	556,082	295,883
No Infestation	2,135,637	806,623	1,329,014	604,413
(Don’t Know/Not Reported)	(344,843)	(121,100)	(223,742)	(107,801)
Toilet Breakdown	307,160	78,850	228,311	118,600
No Toilet Breakdown/No Facilities	2,537,623	831,552	1,706,071	805,767
(Not Reported)	(279,355)	(104,898)	(174,457)	(83,730)
Water Leakage Inside Unit	474,888	95,388	379,499	218,684
No Water Leakage	2,340,244	807,806	1,532,438	692,661
(Not Reported)	(309,006)	(112,105)	(196,901)	(96,751)
Units in Buildings w. No Maintenance Defects	1,347,876	539,889	807,987	338,892
Units in Buildings w. 1 Maintenance Defect	648,273	208,783	439,489	203,085
Units in Buildings w. 2 Maintenance Defects	325,298	71,230	254,068	136,867
Units in Buildings w. 3 Maintenance Defects	185,407	25,969	159,438	91,838
Units in Buildings w. 4 Maintenance Defects	96,453	8,829	87,624	53,764
Units in Buildings w. 5+ Maintenance Defects	81,885	3,231	78,654	47,555
(Not Reported)	(438,945)	(157,367)	(281,578)	(136,094)
Condition of Neighboring Buildings				
Excellent	628,994	289,768	339,226	135,261
Good	1,531,201	499,697	1,031,504	502,562
Fair	537,704	101,117	436,587	222,596
Poor Quality	118,635	13,403	105,232	50,299
(Not Reported)	(307,604)	(111,316)	(196,288)	(97,378)
Boarded Up/Broken Windows in Neighborhood	164,558	45,284	119,274	52,465
No Boarded Up/Broken Windows in Neighborhood	2,862,965	942,176	1,920,789	918,548
(Not Reported)	(96,614)	(27,840)	(68,775)	(37,083)

@ All housing units, including owners and renters.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Maintenance Quality (Units Experiencing:)
169,054	46,055	4,704	7,757	53,025	8,797	128,194	Additional Heating Required
506,082	187,202	19,439	34,669	120,301	30,725	590,044	Additional Heating Not Required
(73,625)	(26,078)	(2,896)	(2,885)	(11,526)	(2,812)	(82,965)	(Not Reported)
146,622	30,021	5,302	3,151	44,815	5,346	80,334	Heating Breakdowns
528,500	201,852	18,633	39,027	128,469	33,933	638,623	No Breakdowns
(73,639)	(27,462)	(3,103)	(3,134)	(11,568)	(3,056)	(82,246)	(Not Reported)
158,075	33,424	8,682	5,340	76,365	4,170	69,370	Broken Plaster/Peeling Paint
517,120	199,488	15,245	37,092	96,572	35,342	649,117	No Broken Plaster/Peeling Paint
(73,567)	(26,423)	(3,113)	(2,880)	(11,916)	(2,823)	(82,717)	(Not Reported)
145,682	21,815	6,566	2,031	56,501	3,626	61,280	Cracked Interior Walls or Ceilings
532,411	211,566	17,577	40,401	117,789	35,898	659,200	No Cracked Interior Walls or Ceilings
(70,668)	(25,954)	(2,896)	(2,880)	(10,562)	(2,812)	(80,724)	(Not Reported)
71,704	7,882	2,497	368	18,017	1,443	27,024	Holes in Floor
600,152	224,129	21,646	41,456	154,933	37,894	685,059	No Holes in Floor
(76,906)	(27,323)	(2,896)	(3,488)	(11,902)	(2,999)	(89,121)	(Not Reported)
212,569	44,009	5,165	9,160	49,064	6,649	111,542	Rodent Infestation
465,794	189,493	18,978	33,036	124,362	32,869	609,828	No Infestation
(70,398)	(25,832)	(2,896)	(3,115)	(11,426)	(2,817)	(79,834)	(Not Reported)
231,013	64,870	6,153	11,665	110,081	7,561	124,739	Cockroach Infestation
438,269	166,144	17,765	30,071	60,077	31,535	585,152	No Infestation
(79,480)	(28,320)	(3,122)	(3,576)	(14,695)	(3,238)	(91,311)	(Don't Know/Not Reported)
88,774	29,826	1,959	6,041	30,153	3,650	67,907	Toilet Breakdown
601,400	204,367	21,866	36,030	144,953	36,217	661,238	No Toilet Breakdown/No Facilities
(58,588)	(25,142)	(3,214)	(3,240)	(9,746)	(2,468)	(72,059)	(Not Reported)
183,037	35,647	6,294	7,059	51,364	7,705	88,393	Water Leakage Inside Unit
494,723	197,938	17,849	35,261	122,063	32,011	632,593	No Water Leakage
(71,002)	(25,749)	(2,896)	(2,992)	(11,426)	(2,619)	(80,217)	(Not Reported)
228,016	110,876	8,659	17,696	39,389	17,604	385,748	Units in Buildings w. No Maintenance Defects
148,107	54,978	6,288	13,648	38,167	9,780	168,521	Units in Buildings w. 1 Maintenance Defect
107,864	29,003	2,754	6,088	29,231	6,911	72,216	Units in Buildings w. 2 Maintenance Defects
77,680	14,158	2,578	1,128	28,352	2,470	33,071	Units in Buildings w. 3 Maintenance Defects
47,530	6,233	966	374	16,542	994	14,984	Units in Buildings w. 4 Maintenance Defects
41,089	6,467	1,822	899	13,748	463	14,167	Units in Buildings w. 5+ Maintenance Defects
(98,474)	(37,620)	(3,972)	(5,479)	(19,424)	(4,113)	(112,496)	(Not Reported)
							Condition of Neighboring Buildings
90,502	44,759	5,936	7,859	7,381	6,151	176,639	Excellent
363,445	139,117	12,782	23,655	66,084	20,430	405,991	Good
181,755	40,841	4,702	9,802	70,827	11,312	117,348	Fair
41,665	8,634	551	1,116	29,649	1,226	22,391	Poor Quality
(71,394)	(25,984)	(3,069)	(2,880)	(10,911)	(3,217)	(78,833)	(Not Reported)
43,247	9,218	1,037	187	9,599	1,717	54,270	Boarded Up/Broken Windows in Neighborhood
678,777	239,772	25,220	42,926	168,222	39,859	726,014	No Boarded Up/Broken Windows in Neighborhood
(26,738)	(10,345)	(783)	(2,199)	(7,031)	(759)	(20,919)	(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	18.7%	12.0%	21.9%	23.7%
Additional Heating Not Required	81.3%	88.0%	78.1%	76.3%
(Not Reported)	-	-	-	-
Heating Breakdowns	13.7%	7.5%	16.6%	19.5%
No Breakdowns	86.3%	92.5%	83.4%	80.5%
(Not Reported)	-	-	-	-
Broken Plaster/Peeling Paint	14.8%	6.7%	18.7%	21.1%
No Broken Plaster/Peeling Paint	85.2%	93.3%	81.3%	78.9%
(Not Reported)	-	-	-	-
Cracked Interior Walls or Ceilings	12.1%	4.7%	15.6%	18.4%
No Cracked Interior Walls or Ceilings	87.9%	95.3%	84.4%	81.6%
(Not Reported)	-	-	-	-
Holes in Floor	5.0%	1.2%	6.8%	8.8%
No Holes in Floor	95.0%	98.8%	93.2%	91.2%
(Not Reported)	-	-	-	-
Rodent Infestation	18.5%	9.2%	22.9%	28.1%
No Infestation	81.5%	90.8%	77.1%	71.9%
(Not Reported)	-	-	-	-
Cockroach Infestation	23.2%	9.8%	29.5%	32.9%
No Infestation	76.8%	90.2%	70.5%	67.1%
(Not Reported)	-	-	-	-
Toilet Breakdown	10.8%	8.7%	11.8%	12.8%
No Toilet Breakdown	89.2%	91.3%	88.2%	87.2%
(Not Reported)	-	-	-	-
Water Leakage Inside Unit	16.9%	10.6%	19.8%	24.0%
No Water Leakage	83.1%	89.4%	80.2%	76.0%
(Not Reported)	-	-	-	-
Units in Buildings w. No Maintenance Defects	50.2%	62.9%	44.2%	38.9%
Units in Buildings w. 1 Maintenance Defect	24.1%	24.3%	24.1%	23.3%
Units in Buildings w. 2 Maintenance Defects	12.1%	8.3%	13.9%	15.7%
Units in Buildings w. 3 Maintenance Defects	6.9%	3.0%	8.7%	10.5%
Units in Buildings w. 4 Maintenance Defects	3.6%	1.0%	4.8%	6.2%
Units in Buildings w. 5+ Maintenance Defects	3.0%	0.4%	4.3%	5.5%
(Not Reported)	-	-	-	-
Condition of Neighboring Buildings				
Excellent	22.3%	32.1%	17.7%	14.9%
Good	54.4%	55.3%	53.9%	55.2%
Fair	19.1%	11.2%	22.8%	24.4%
Poor Quality	4.2%	1.5%	5.5%	5.5%
(Not Reported)	-	-	-	-
Boarded Up/Broken Windows in Neighborhood	5.4%	4.6%	5.8%	5.4%
No Boarded Up/Broken Windows in Neighborhood	94.6%	95.4%	94.2%	94.6%
(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:)							
Additional Heating Required	25.0%	19.7%	19.5%	18.3%	30.6%	22.3%	17.8%
Additional Heating Not Required	75.0%	80.3%	80.5%	81.7%	69.4%	77.7%	82.2%
(Not Reported)	-	-	-	-	-	-	-
Heating Breakdowns	21.7%	12.9%	22.2%	7.5%	25.9%	13.6%	11.2%
No Breakdowns	78.3%	87.1%	77.8%	92.5%	74.1%	86.4%	88.8%
(Not Reported)	-	-	-	-	-	-	-
Broken Plaster/Peeling Paint	23.4%	14.4%	36.3%	12.6%	44.2%	10.6%	9.7%
No Broken Plaster/Peeling Paint	76.6%	85.6%	63.7%	87.4%	55.8%	89.4%	90.3%
(Not Reported)	-	-	-	-	-	-	-
Cracked Interior Walls or Ceilings	21.5%	9.3%	27.2%	4.8%	32.4%	9.2%	8.5%
No Cracked Interior Walls or Ceilings	78.5%	90.7%	72.8%	95.2%	67.6%	90.8%	91.5%
(Not Reported)	-	-	-	-	-	-	-
Holes in Floor	10.7%	3.4%	10.3%	0.9%	10.4%	3.7%	3.8%
No Holes in Floor	89.3%	96.6%	89.7%	99.1%	89.6%	96.3%	96.2%
(Not Reported)	-	-	-	-	-	-	-
Rodent Infestation	31.3%	18.8%	21.4%	21.7%	28.3%	16.8%	15.5%
No Infestation	68.7%	81.2%	78.6%	78.3%	71.7%	83.2%	84.5%
(Not Reported)	-	-	-	-	-	-	-
Cockroach Infestation	34.5%	28.1%	25.7%	27.9%	64.7%	19.3%	17.6%
No Infestation	65.5%	71.9%	74.3%	72.1%	35.3%	80.7%	82.4%
(Not Reported)	-	-	-	-	-	-	-
Toilet Breakdown	12.9%	12.7%	8.2%	14.4%	17.2%	9.2%	9.3%
No Toilet Breakdown	87.1%	87.3%	91.8%	85.6%	82.8%	90.8%	90.7%
(Not Reported)	-	-	-	-	-	-	-
Water Leakage Inside Unit	27.0%	15.3%	26.1%	16.7%	29.6%	19.4%	12.3%
No Water Leakage	73.0%	84.7%	73.9%	83.3%	70.4%	80.6%	87.7%
(Not Reported)	-	-	-	-	-	-	-
Units in Buildings w. No Maintenance Defects	35.1%	50.0%	37.5%	44.4%	23.8%	46.1%	56.0%
Units in Buildings w. 1 Maintenance Defect	22.8%	24.8%	27.3%	34.3%	23.1%	25.6%	24.5%
Units in Buildings w. 2 Maintenance Defects	16.6%	13.1%	11.9%	15.3%	17.7%	18.1%	10.5%
Units in Buildings w. 3 Maintenance Defects	11.9%	6.4%	11.2%	2.8%	17.1%	6.5%	4.8%
Units in Buildings w. 4 Maintenance Defects	7.3%	2.8%	4.2%	0.9%	10.0%	2.6%	2.2%
Units in Buildings w. 5+ Maintenance Defects	6.3%	2.9%	7.9%	2.3%	8.3%	1.2%	2.1%
(Not Reported)	-	-	-	-	-	-	-
Condition of Neighboring Buildings							
Excellent	13.4%	19.2%	24.8%	18.5%	4.2%	15.7%	24.5%
Good	53.7%	59.6%	53.3%	55.7%	38.0%	52.2%	56.2%
Fair	26.8%	17.5%	19.6%	23.1%	40.7%	28.9%	16.2%
Poor Quality	6.2%	3.7%	2.3%	2.6%	17.0%	3.1%	3.1%
(Not Reported)	-	-	-	-	-	-	-
Boarded Up/Broken Windows in Neighborhood	6.0%	3.7%	3.9%	0.4%	5.4%	4.1%	7.0%
No Boarded Up/Broken Windows in Neighborhood	94.0%	96.3%	96.1%	99.6%	94.6%	95.9%	93.0%
(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 Mortgage Interest Rates and Terms, 2015

Lending Institution	Rate (%)	Points	Term (yrs)	Type	New Volume	Refin Volume
5	3.25%	0.50	5 yrs	fxd	NR	NR
28	3.75%	NR	NR	adj	NR	NR
30	4.63%	1.00	See below	both	NR	NR
35	4.00%	0.00	See below	fxd	39	27
37	6.25%	1.00	10 yrs	fxd	NR	7
40	4.88%	2.25	See below	fxd	2	NR
117	3.00%	0.00	150 BPS	fxd	140	180
209	3.75%	0.50	5 over 5 year CMT	fxd	20	10
301	3.50%	0.30	135 (months)	fxd	2	NR
401	5.70%	0.75	30 yr	fxd	90	6
AVERAGE	**4.27%**	**0.70**	**†**	**†**	**49**	**46**

§ Amortization **Adj** = adjustable rate mortgage † No average computed **NR** = no response to this question * Balloon

BPS Basis Points

Additional Institution Term Info: 30 = 320, 380, 410 over 10 yr t-bill 35 = 10 yr * based on 30 yr payout 40 = 10/25 * 15 yr self-liquidating

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: 2015 NYC Rent Guidelines Board Mortgage Survey

E.2 Typical Characteristics of Rent Stabilized Buildings, 2015

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
5	75%	NR	3%	20-49	NR	NR
28	80%	1.25	0.5%	50-99	$500	$1,000
30	80%	1.25	5%	20-49	$600	$900
35	70%	1.20	3%	11-19	$550	$1,350
37	65%	1.20	3%	1-10	$482	$1,000
40	68%	1.20	5%	1-10	NR	NR
117	75%	1.25	4%	50-99	$580	$1,150
209	75%	1.25	3%	1-10	$529	$1,450
301	70%	NR	3%	50-99	$850	$3,700
401	83%	1.15	3%	100+	$692	$1,253
AVERAGE	**74.0%**	**1.22**	**3.25%**	**†**	**$598**	**$1,475**

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: 2015 NYC Rent Guidelines Board Mortgage Survey

E.3 Interest Rates and Terms for New Financing, Longitudinal Study, 2014-2015

	Interest Rates		Points		Term		Type	
Lending Inst.	2015	2014	2015	2014	2015	2014	2015	2014
28	3.75%	NR	NR	0.0	NR	5, 7, 10 yrs	adj	both
30	4.63%	5.00%	1.0	1.0	SEE BELOW	30/30 yr or 7 or 10/30	both	fxd
35	4.00%	4.00%	0.0	0.0	SEE BELOW	7/5 *	fxd	adj
37	6.25%	6.65%	1.0	1.0	10 yrs	10 yrs	fxd	fxd
40	4.88%	6.13%	2.25	1.25	SEE BELOW	15 yr or 10/25 *	fxd	fxd
117	3.00%	3.25%	0.0	0.00	150 bps	5 yrs	fxd	fxd
209	3.75%	NR	0.5	NR	5 over 5 year CMT	NR	fxd	NR
301	3.50%	4.25%	0.3	0.25	135 months	10 yr/30 yr §	fxd	fxd
401	5.70%	5.95%	0.75	0.75	30 yr	30 yrs	fxd	fxd
AVERAGE	**4.38%**	**5.03%**	**0.73**	**0.53**	†	†	†	†

NR indicates no response to this question † No average computed § Amortization * Balloon
Adj = adjustable rate mortgage **BPS** Basis Points

Additional Institution Term Info: 30 = 320, 380, 410 over 10 yr t-bill 35 = 10 yr * based on 30 yr payout 40 = 10/25 * 15 yr self-liquidating

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: 2014 and 2015 NYC Rent Guidelines Board Mortgage Surveys

E.4 Lending Standards and Relinquished Rental Income, Longitudinal Study, 2014-2015

	Max Loan-to-Value		Debt Service Coverage		V&C Losses	
Lending Inst.	2015	2014	2015	2014	2015	2014
28	80%	75%	1.25	1.30	1%	2%
30	80%	NR	1.25	1.25	5%	5%
35	70%	65%	1.20	1.20	3%	3%
37	65%	65%	1.20	1.20	3%	3%
40	68%	68%	1.20	1.30	5%	5%
117	75%	75%	1.25	1.25	4%	4%
209	75%	70%	1.25	1.25	3%	1%
301	70%	NR	NR	NR	3%	NR
401	83%	83%	1.15	1.15	3%	3%
AVERAGE	**73.9%**	**71.4%**	**1.22**	**1.24**	**3.28%**	**3.25%**

NR indicates no response to this question

Note: Average loan-to-value and debt service coverage ratios are calculated using the midpoint when a range is given by the lending institution.

Source: 2014 and 2015 NYC Rent Guidelines Board Mortgage Surveys

E.5 Retrospective of New York City's Housing Market, 1982-2015

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%	34,514	31,902
2008	6.1%	34,715	33,911
2009	6.5%	6,665	6,057
2010	6.3%	7,406	6,727
2011	5.8%	10,326	8,936
2012	4.6%	11,170	10,334
2013	4.4%	18,963 ◆	17,995
2014	4.9%	21,456 Ø	20,483 Ø
2015	4.3%	•	•

b Prior to 1984, Bergen Co., NJ permit figures are included.

Ø Figures are preliminary.

◆ This figure has been revised from the preliminary figure reported last year to reflect the final adjusted count.

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

E.6 2015 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**

Interest rate : __________ % (current) __________ % (12 mo. average for 2014)

Points : __________

Terms: Current 5, 7 and 10 yr spreads over swap rates and note commitment fee amount:

____

____

____

____

Type: Fixed / Adjustable *(circle one)*

Special conditions: __________________________

____

1b. How many loans were made by your institution in 2014 for new permanent financing of *rent stabilized buildings?*

Number of loans: ____________________

2. How many loans did your institution **refinance** in 2014 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?

____

____

____

____

____

1

II. Underwriting Criteria for Rent Stabilized Buildings

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

		N.A.
Maximum LTV:	______________	❑
Minimum DSCR or Debt Yield:	______________	❑

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 ________ %.

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

3

18. Please estimate, *on average*, what percentage of Net Operating Income (NOI) 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. 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. Findings will be published in the 2015 *Mortgage Survey Report*, which will be released by the end of April.

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E.7 Rent Stabilized Building Sales Volume, Citywide and by Borough, and Percent Change, 2005-2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Citywide*	**1,816**	**1,433**	**1,474**	**1,021**	**521**	**541**	**709**	**1,135**	**1,431**	**1,356**
% Change from Prior Yr	**-**	***-21.1%***	***2.9%***	***-30.7%***	***-49.0%***	***3.8%***	***31.1%***	***60.1%***	***26.1%***	***-5.2%***
Bronx	264	224	319	171	100	131	130	204	245	302
% Change from Prior Yr	-	*-15.2%*	*42.4%*	*-46.4%*	*-41.5%*	*31.0%*	*-0.8%*	*56.9%*	*20.1%*	*23.3%*
Brooklyn	750	593	520	426	199	185	258	396	472	494
% Change from Prior Yr	-	*-20.9%*	*-12.3%*	*-18.1%*	*-53.3%*	*-7.0%*	*39.5%*	*53.5%*	*19.2%*	*4.7%*
Manhattan	598	403	470	243	146	144	225	419	466	393
% Change from Prior Yr	-	*-32.6%*	*16.6%*	*-48.3%*	*-39.9%*	*-1.4%*	*56.3%*	*86.2%*	*11.2%*	*-15.7%*
Queens	204	213	165	181	76	81	96	116	248	167
% Change from Prior Yr	-	*4.4%*	*-22.5%*	*9.7%*	*-58.0%*	*6.6%*	*18.5%*	*20.8%*	*113.8%*	*-32.7%*

*Note: Staten Island buildings are excluded due to the small number of buildings sold.

Source: NYC Department of Finance

E.8 Rent Stabilized Building Median Sales Price, Sales Volume, and Percentage Change in Sales, by Borough and Building Size, 2013-2014

	2013 Median Sale Price	2014 Median Sale Price	2013 # of Sales	2014 # of Sales	Change in Sales from 2013-14
Citywide					
All buildings*	$2,562,500	$3,200,000	1,431	1,356	-5.2%
6-10 units	$1,000,000	$1,200,000	622	601	-3.4%
11-19 units	$2,874,290	$3,500,000	202	187	-7.4%
20-99 units	$5,000,000	$5,900,000	558	535	-4.1%
100+ units	$22,000,000	$22,500,000	49	33	-32.7%
Bronx					
All buildings*	$2,893,750	$3,458,486	245	302	23.3%
6-10 units	$765,000	$845,000	43	61	41.9%
11-19 units	$1,487,500	$1,440,000	22	33	50.0%
20-99 units	$3,700,000	$4,800,000	171	201	17.5%
Brooklyn					
All buildings*	$1,179,740	$1,595,000	472	494	4.7%
6-10 units	$900,000	$1,200,000	320	326	1.9%
11-19 units	$1,925,000	$2,400,000	58	57	-1.7%
20-99 units	$4,500,000	$5,787,500	86	104	20.9%
Manhattan					
All buildings*	$5,712,066	$6,859,361	466	393	-15.7%
6-10 units	$4,375,000	$3,775,000	131	104	-20.6%
11-19 units	$4,711,711	$7,000,000	93	81	-12.9%
20-99 units	$7,192,076	$7,800,000	221	195	-11.8%
Queens					
All buildings*	$1,649,351	$1,310,000	248	167	-32.7%
6-10 units	$875,000	$1,075,000	128	110	-14.1%
11-19 units	$1,950,000	$2,767,500	29	16	-44.8%
20-99 units	$5,606,515	$9,400,000	80	35	-56.3%

Note: Staten Island buildings, as well as all 100+ unit buildings by borough, are excluded due to the small number of buildings sold.

* "All buildings" totals include buildings with 100 or more units. Therefore, these figures may not equal the sum of their subsets. In addition, Citywide figures do not contain Staten Island building sales.

Source: NYC Department of Finance

F.1 Average Annual Employment Statistics by Area, 2003-2014

Unemployment Rate	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bronx	10.0%	9.2%	7.5%	6.7%	6.7%	7.4%	11.9%	12.8%	12.4%	12.8%	11.8%	9.8%
Brooklyn	9.0%	7.6%	6.2%	5.4%	5.3%	5.9%	9.8%	10.3%	9.8%	10.0%	9.4%	7.7%
Manhattan	7.5%	6.2%	5.0%	4.3%	4.2%	4.8%	8.4%	8.1%	7.5%	7.8%	7.2%	6.1%
Queens	7.4%	6.3%	5.2%	4.5%	4.4%	4.9%	8.3%	8.7%	8.2%	8.4%	7.8%	6.4%
Staten Island	7.4%	6.4%	5.2%	4.5%	4.5%	5.0%	8.1%	8.8%	8.3%	8.7%	7.8%	7.2%
NYC	**8.3%**	**7.1%**	**5.8%**	**5.0%**	**5.0%**	**5.6%**	**9.3%**	**9.5%**	**9.1%**	**9.4%**	**8.8%**	**7.2%**
U.S.	**6.0%**	**5.5%**	**5.1%**	**4.6%**	**4.6%**	**5.8%**	**9.3%**	**9.6%**	**8.9%**	**8.1%**	**7.4%**	**6.2%**
Labor Force Participation Rate												
NYC Δ	58.3%	58.8%	59.2%	59.0%	59.1%	59.7%	59.9%	60.0%	59.7%	60.1%	60.3%	60.5%
U.S.	66.2%	66.0%	66.0%	66.2%	66.0%	66.0%	65.4%	64.7%	64.1%	63.7%	63.2%	62.9%
Employment-Population Ratio												
NYC Δ	53.4%	54.6%	55.8%	56.1%	56.1%	56.4%	54.3%	54.3%	54.2%	54.4%	55.0%	56.1%
U.S.	62.3%	62.3%	62.7%	63.1%	63.0%	62.2%	59.3%	58.5%	58.4%	58.6%	58.6%	59.0%
Gross City Product (NYC)												
(billions, in 2009 $)	534.0	546.2	566.5	588.6	611.8	609.4	595.9	614.2	629.5	637.5	662.9	683.4
% Change	-1.11%	2.29%	3.72%	3.90%	3.94%	-0.39%	-2.22%	3.07%	2.49%	1.27%	3.99%	3.08%
Gross Domestic Product (U.S.)												
(billions, in 2009 $)	13,271.1	13,773.5	14,234.2	14,613.8	14,873.7	14,830.4	14,418.7	14,783.8	15,020.6	15,369.2	15,710.3	16,085.3
% Change	2.81%	3.79%	3.34%	2.67%	1.78%	-0.29%	-2.78%	2.53%	1.60%	2.32%	2.22%	2.39%

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. The NYS Dept. of Labor also periodically revises unemployment rates, and rates reflected here might not match those figures reported in prior years.

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.

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

F.2 Average Payroll Employment by Industry for NYC, 2005-2014 (in thousands)

Industry Employment	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2013-2014 Change
Manufacturing	113.9	106.1	101.0	95.6	81.6	76.3	75.7	76.3	76.4	76.0	-0.5%
Construction, Natural Resources & Mining	113.3	118.5	127.3	132.7	120.8	112.5	112.3	116.1	122.2	127.7	4.5%
Trade, Transport & Utilities	548.2	559.0	570.5	574.5	552.4	559.1	574.7	589.3	603.8	618.4	2.4%
Leisure & Hospitality	276.7	284.9	297.8	310.2	308.5	322.2	342.2	365.7	385.4	406.8	5.6%
Financial Activities	445.1	458.3	467.6	465.0	434.2	428.6	439.5	439.1	437.9	448.8	2.5%
Information	162.8	164.9	166.9	169.5	165.3	166.0	170.9	175.8	179.6	184.5	2.7%
Professional & Business Svcs.	556.0	571.9	592.3	603.5	569.4	575.8	598.3	620.4	643.6	668.9	3.9%
Educational & Health Svcs.	677.4	693.3	703.9	718.1	734.0	752.4	769.2	786.2	813.2	846.6	4.1%
Other Services	153.2	154.3	157.7	160.8	160.3	160.6	165.2	170.4	174.9	179.5	2.6%
Total Private Sector	3,046.6	3,111.2	3,184.9	3,229.8	3,126.4	3,153.4	3,247.9	3,339.4	3,437.1	3,557.2	3.5%
Government ‡	555.6	555.2	559.0	564.1	567.0	558.0	550.6	546.1	544.4	545.0	0.1%
City of New York	449.8	450.4	453.9	458.5	462.1	451.4	451.7	450.0	450.1	452.4	0.5%
Total	**3,602.3**	**3,666.4**	**3,743.9**	**3,793.9**	**3,693.3**	**3,711.5**	**3,798.5**	**3,885.5**	**3,981.5**	**4,102.2**	**3.0%**

Notes: Totals may not add up due to rounding. Figures may have been revised from prior years by the NYS Department of Labor. Total excludes farm employment but includes unclassified jobs.

‡ 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, 2006-2014 (2014 dollars)

Industry	2006	2007	2008	2009	2010	2011	2012	2013	2014	2013-14 % Change
Construction	$70,651	$73,115	$74,723	$75,637	$75,996	$75,493	$73,622	$73,490	$73,211	-0.4%
Manufacturing	$56,984	$59,425	$58,473	$57,072	$56,467	$57,326	$54,374	$52,358	$53,588	2.3%
Transportation	$51,958	$53,688	$51,215	$51,456	$51,983	$52,066	$51,251	$51,158	$53,639	4.9%
Trade*	$54,194	$55,637	$53,637	$51,365	$51,109	$52,013	$51,622	$52,748	$51,832	-1.7%
Finance and Insurance	$284,859	$327,507	$311,328	$250,856	$283,538	$285,905	$259,315	$275,973	$291,557	5.6%
Real Estate	$65,399	$70,593	$68,572	$64,562	$64,717	$66,214	$66,572	$68,434	$70,442	2.9%
Admin/Waste/Edu/Health**	$50,910	$51,725	$51,681	$52,000	$52,455	$52,013	$51,244	$51,300	$51,361	0.1%
Arts, Entertainment & Rec	$68,717	$72,682	$68,336	$67,676	$69,379	$68,914	$65,245	$63,798	$64,831	1.6%
Accomm & Food Svcs.	$31,769	$32,256	$32,008	$30,646	$30,809	$30,920	$30,634	$30,512	$31,062	1.8%
Other Svcs.	$45,042	$46,095	$46,854	$46,637	$48,023	$47,540	$44,667	$44,317	$44,751	1.0%
Professional & Tech Svcs.	$113,611	$117,056	$118,802	$116,119	$116,147	$119,917	$117,220	$117,647	$120,035	2.0%
Management of Companies	$193,468	$212,188	$198,545	$170,962	$197,734	$202,653	$192,344	$191,102	$190,478	-0.3%
Information	$114,742	$117,779	$116,829	$111,981	$114,804	$116,934	$117,858	$122,447	$127,937	4.5%
Utilities	$103,901	$107,951	$103,571	$98,526	$103,142	$104,770	$115,428	--$^{\Delta}$	--$^{\Delta}$	--$^{\Delta}$
Unclassified/Agri/Mining***	$39,696	$42,779	$42,617	$37,367	$41,934	$42,727	$40,924	$40,472	$42,712	5.5%
Private Sector	$89,922	$96,749	$94,131	$84,852	$88,023	$88,927	$84,666	$85,787	$87,474	2.0%
Government	$62,043	$61,503	$60,212	$61,068	$61,473	$61,856	$60,358	$59,836	$60,860	1.7%
Total Industries	**$85,641**	**$91,433**	**$89,062**	**$81,218**	**$83,944**	**$84,956**	**$81,203**	**$82,164**	**$83,874**	**2.1%**

Note: Each year refers to the first three quarters of that year, and the fourth quarter of the prior year. The New York State Department of Labor revises the statistics annually. Real wages reflect 2013 dollars and differ from those found in this table in prior years.

*The Wholesale Trade and Retail Trade sectors have been combined into one category. **The Administrative and Waste Service, Educational Services, and Health Care and Social Assistance Service have been combined into one category. ***The Unclassified; Agriculture, Forestry, Fishing Hunting; and Mining sectors have been combined into one category.

Δ Wages for the this industry were not reported by the NYS Dept. of Labor during this time period due to the small number of respondents, and corresponding privacy concerns.

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

F.4 Average Nominal Wage Rates by Industry for NYC, 2006-2014

Industry	2006	2007	2008	2009	2010	2011	2012	2013	2014	2013-14 % Change
Construction	$59,646	$63,337	$67,396	$68,738	$70,232	$71,478	$71,262	$72,449	$73,211	1.1%
Manufacturing	$48,108	$51,478	$52,739	$51,866	$52,184	$54,277	$52,631	$51,617	$53,588	3.8%
Transportation	$43,865	$46,508	$46,193	$46,762	$48,040	$49,296	$49,608	$50,434	$53,639	6.4%
Trade*	$45,753	$48,196	$48,378	$46,680	$47,232	$49,247	$49,967	$52,001	$51,832	-0.3%
Finance and Insurance	$240,490	$283,707	$280,801	$227,972	$262,032	$270,698	$251,002	$272,064	$291,557	7.2%
Real Estate	$55,212	$61,152	$61,848	$58,673	$59,809	$62,692	$64,438	$67,465	$70,442	4.4%
Admin/Waste/Edu/Health**	$42,980	$44,807	$46,614	$47,256	$48,476	$49,246	$49,601	$50,574	$51,361	1.6%
Arts, Entertainment & Rec	$58,014	$62,961	$61,635	$61,502	$64,117	$65,249	$63,153	$62,894	$64,831	3.1%
Accomm & Food Svcs.	$26,821	$27,942	$28,869	$27,850	$28,472	$29,275	$29,652	$30,080	$31,062	3.3%
Other Svcs.	$38,026	$39,930	$42,260	$42,383	$44,380	$45,012	$43,235	$43,689	$44,751	2.4%
Professional & Tech Svcs.	$95,915	$101,401	$107,153	$105,526	$107,338	$113,538	$113,462	$115,981	$120,035	3.5%
Management of Companies	$163,334	$183,811	$179,076	$155,367	$182,736	$191,873	$186,178	$188,395	$190,478	1.1%
Information	$96,870	$102,027	$105,373	$101,766	$106,097	$110,714	$114,080	$120,713	$127,937	6.0%
Utilities	$87,718	$93,514	$93,415	$89,538	$95,318	$99,197	$111,728	--$^{\Delta}$	--$^{\Delta}$	--$^{\Delta}$
Unclassified/Agri/Mining***	$33,513	$37,058	$38,438	$33,959	$38,753	$40,454	$39,612	$39,899	$42,712	7.1%
Private Sector	$75,916	$83,810	$84,900	$77,112	$81,347	$84,196	$81,952	$84,572	$87,474	3.4%
Government	$52,380	$53,278	$54,308	$55,497	$56,811	$58,566	$58,423	$58,989	$60,860	3.2%
Total Industries	**$72,302**	**$79,205**	**$80,329**	**$73,809**	**$77,577**	**$80,437**	**$78,600**	**$81,000**	**$83,874**	**3.1%**

Note: Each year refers to the first three quarters of that year, and the fourth quarter of the prior year. The NYS Department of Labor revises the statistics annually.

*The Wholesale Trade and Retail Trade sectors have been combined into one category. **The Administrative and Waste Service, Educational Services, and Health Care and Social Assistance Service have been combined into one category. ***The Unclassified; Agriculture, Forestry, Fishing Hunting; and Mining sectors have been combined into one category.

Δ Wages for the this industry were not reported by the NYS Dept. of Labor during this time period due to the small number of respondents, and corresponding privacy concerns.

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

F.5 Consumer Price Index for All Urban Consumers, NY-Northeastern NJ, 2004-2014

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
March	203.4	212.4	218.2	224.6	233.1	235.1	240.1	245.6	251.9	256.6	260.0
June	206.0	210.7	222.6	228.3	238.6	237.2	240.8	248.5	252.4	256.9	261.4
September	205.9	215.8	222.9	228.3	240.1	238.6	241.5	250.6	254.6	258.5	261.1
December	206.8	214.2	221.3	229.4	233.0	238.4	241.9	248.3	253.6	257.3	258.1
Quarterly Average	205.5	213.3	221.3	227.6	236.2	237.3	241.1	248.2	253.1	257.3	260.1
Yearly Average	204.8	212.7	220.7	226.9	235.8	236.8	240.9	247.7	252.6	256.8	260.2

12-month percentage change in the CPI

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
March	3.20%	4.42%	2.73%	2.91%	3.82%	0.83%	2.14%	2.30%	2.55%	1.87%	1.32%
June	4.62%	2.28%	5.65%	2.54%	4.52%	-0.59%	1.54%	3.19%	1.57%	1.78%	1.73%
September	3.16%	4.81%	3.29%	2.43%	5.16%	-0.63%	1.22%	3.76%	1.59%	1.55%	0.99%
December	3.76%	3.58%	3.31%	3.66%	1.58%	2.32%	1.45%	2.66%	2.11%	1.47%	0.31%
Quarterly Average	3.68%	3.77%	3.74%	2.88%	3.77%	0.47%	1.58%	2.98%	1.96%	1.67%	1.09%
Yearly Average	**3.54%**	**3.86%**	**3.76%**	**2.83%**	**3.90%**	**0.44%**	**1.71%**	**2.85%**	**1.97%**	**1.68%**	**1.32%**

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

F.6 Housing Court Actions, 1983-2014

Year	Filings	Calendared	Evictions & Possessions	Year	Filings	Calendared	Evictions & Possessions
1983	373,000	93,000	26,665	1999	276,142	123,399	22,676
1984	343,000	85,000	23,058	2000	276,159	125,787	23,830
1985	335,000	82,000	20,283	2001	277,440	130,897	21,369*
1986	312,000	81,000	23,318	2002	331,309	132,148	23,697
1987	301,000	77,000	25,761	2003	318,077	133,074	23,236
1988	299,000	92,000	24,230	2004	261,085	121,999	22,010
1989	299,000	99,000	25,188	2005	261,457	119,265	21,945
1990	297,000	101,000	23,578	2006	256,747	122,379	23,491
1991	302,000	114,000	20,432	2007	251,390	121,793	24,171
1992	289,000	122,000	22,098	2008	246,147	120,420	24,600
1993	295,000	124,000	21,937	2009	251,871	123,149	26,449
1994	294,000	123,000	23,970	2010	213,066**	127,396	25,655
1995	266,000	112,000	22,806	2011	221,182	126,315	27,636
1996	278,000	113,000	24,370	2012	217,914	132,860	28,743
1997	274,000	111,000	24,995	2013	215,497	122,463	28,849
1998	278,156	127,851	23,454	**2014**	**208,158**	**127,334**	**26,857**

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.

**Due to an administrative change at NYCHA relating to their handling of late rent payments, the number of non-payment filings decreased dramatically. If not for this change, the drop in non-payment filings between 2009 and 2010 would have been significantly less, or nonexistent.

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

F.7 Homeless Statistics, 1982-2014

Year	Single Adults	Children	Families (inc. children)	Total Individuals
1982	3,786	2,507	1,005	7,584
1983	5,061	4,887	1,960	12,468
1984	6,228	7,432	2,981	17,491
1985	7,217	9,196	3,688	21,154
1986	8,890	10,493	4,286	24,896
1987	9,628	11,163	4,986	27,225
1988	9,675	11,401	5,091	27,646
1989	9,342	8,614	4,105	23,254
1990	8,535	6,966	3,591	20,131
1991	7,689	8,867	4,581	22,498
1992	6,922	9,607	5,270	23,494
1993	6,413	9,760	5,626	23,748
1994	6,235	9,610	5,629	23,431
1995	6,532	9,927	5,627	23,950
1996	7,020	9,945	5,692	24,554
1997	7,090	8,437	4,793	22,145
1998	6,875	8,054	4,558	21,277
1999	6,778	8,826	4,965	22,575
2000	6,934	9,290	5,192	23,712
2001	7,479	11,427	6,154	27,799
2002	7,750	14,952	8,071	34,576
2003	8,199	16,705	9,203	38,310
2004	8,612	15,705	8,922	37,319
2005	8,174	13,534	8,194	33,687
2006	7,662	12,597	8,339	32,430
2007	6,942	14,060	9,075	34,109
2008	6,530	14,327	8,856	33,554
2009	6,764	15,326	9,719	35,915
2010	7,825	14,788	9,635	36,175
2011	8,543	15,501	9,573	37,765
2012	9,047	18,068	10,705	43,295
2013	9,862	21,163	12,062	49,408
2014	**10,591**	**23,511**	**13,317**	**54,122**

Note: Data presented are the annual averages of the Dept. of Homeless Services shelter population. Street homelessness is not quantified in this data.

Source: New York City Department of Homeless Services

F.8 Housing and Vacancy Survey Data, Rent Stabilized Apartments, 2011 and 2014

	2011[1]		2014[2]	
	Number	Percent	Number	Percent
Household Income				
<$5,000/Loss/No Income	50,567	5.3%	45,931	4.6%
$5,000 to $9,999	78,016	8.1%	68,689	6.8%
$10,000 to $14,999	75,667	7.9%	67,045	6.7%
$15,000 to $19,999	70,637	7.4%	66,380	6.6%
$20,000 to $24,999	64,639	6.7%	71,504	7.1%
$25,000 to $29,999	55,784	5.8%	56,465	5.6%
$30,000 to $34,999	57,365	6.0%	61,000	6.1%
$35,000 to $39,999	49,981	5.2%	46,169	4.6%
$40,000 to $49,999	90,797	9.4%	95,211	9.4%
$50,000 to $59,999	72,509	7.5%	76,714	7.6%
$60,000 to $69,999	56,806	5.9%	64,029	6.4%
$70,000 to $79,999	53,914	5.6%	50,299	5.0%
$80,000 to $89,999	37,375	3.9%	45,547	4.5%
$90,000 to $99,999	28,821	3.0%	29,967	3.0%
$100,000 to $124,999	49,282	5.1%	64,149	6.4%
$125,000 to $149,999	25,899	2.7%	34,064	3.4%
$150,000 or More	42,812	4.5%	64,933	6.4%
Median	$37,000	-	$40,600	-
Mean	$51,367	-	$60,030	-
Contract Rent				
<$200	2,760	0.3%	2,521	0.3%
$200 to $299	6,187	0.7%	4,614	0.5%
$300 to $399	6,766	0.7%	5,370	0.5%
$400 to $499	11,879	1.3%	8,441	0.9%
$500 to $599	23,937	2.5%	13,959	1.4%
$600 to $699	42,934	4.5%	25,733	2.6%
$700 to $799	72,226	7.6%	49,041	4.9%
$800 to $899	101,486	10.7%	72,098	7.3%
$900 to $999	122,179	12.9%	98,771	10.0%
$1,000 to $1,249	263,560	27.8%	271,883	27.4%
$1,250 to $1,499	133,306	14.1%	162,094	16.3%
$1,500 to $1,749	89,454	9.4%	117,630	11.9%
$1,750 to $1,999	41,781	4.4%	63,529	6.4%
$2,000 or More	28,345	3.0%	95,802	9.7%
No Cash Rent	14,069	-	16,611	-
Median	$1,050	-	$1,200	-
Mean	$1,137	-	$1,317	-
Contract-Rent-to-Income Ratio				
<10%	47,858	5.2%	44,095	4.6%
10% to 14%	80,265	8.8%	82,804	8.6%
15% to 19%	106,840	11.7%	108,973	11.3%
20% to 24%	103,692	11.4%	106,903	11.1%
25% to 29%	85,595	9.4%	89,306	9.2%
30% to 34%	74,226	8.1%	75,595	7.8%
35% to 39%	48,025	5.3%	58,914	6.1%
40% to 49%	78,151	8.6%	89,448	9.2%
50% to 59%	50,588	5.5%	54,225	5.6%
60% to 69%	39,963	4.4%	48,818	5.0%
70% to 79%	36,792	4.0%	29,569	3.1%
80% or More	160,732	17.6%	178,403	18.4%
Not Computed	48,142	-	41,043	-
Median	31.9%	-	33.0%	-
Mean	43.1%	-	43.9%	-

1. 2011 HVS reflects 2010 incomes.
2. 2014 HVS reflects 2013 incomes.

Note: 2011 and 2014 data values are imputed.

Source: 2011 and 2014 New York City Housing and Vacancy Survey Tables, U.S. Bureau of the Census.

G.1 Permits Issued For Housing Units in New York City, 1960-2015

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	2,482	12,744	9,700	7,730	1,255	**33,911**
2009	1,647	1,003	1,363	1,474	570	**6,057**
2010	1,064	2,093	704	2,358	508	**6,727**
2011	1,116	1,522	2,535	3,182	581	**8,936**
2012	2,552	3,353	2,328	1,428	673	**10,334**
2013	2,638	6,140	4,856	3,161	1,200	**17,995**
2014	**1,885**	**7,551**	**5,435**	**4,900**	**712**	**20,483**
2015 (1st Qtr)Ω	561 (379)	3,574 (1,725)	1,154 (1,809)	782 (1,067)	112 (121)	6,183 (5,101)

Ω First three months of 2015. The number of permits issued in the first three months of 2014 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), 2006-2014

Year/Borough	1-Family	2-Family	3/4 Family	5 or More-Family	Total Buildings
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*
2008					
Bronx	43.4%	17.7%	23.1%	15.8%	373
Brooklyn	0.0%	25.0%	18.7%	56.3%	787
Manhattan	2.0%	0.0%	0.0%	98.0%	152
Queens	18.5%	42.3%	14.8%	24.4%	755
Staten Island	50.4%	40.1%	0.5%	9.0%	367
Citywide	*20.1%*	*30.0%*	*14.3%*	*35.7%*	*2,434*
2009					
Bronx	38.1%	14.4%	20.6%	26.9%	160
Brooklyn	0.8%	28.2%	38.9%	32.1%	131
Manhattan	0.0%	0.0%	11.8%	88.2%	34
Queens	29.7%	43.3%	16.0%	11.0%	418
Staten Island	48.0%	49.8%	0.0%	2.2%	271
Citywide	*31.2%*	*37.1%*	*15.3%*	*16.5%*	*1,014*
2010					
Bronx	9.2%	38.5%	23.1%	29.2%	65
Brooklyn	3.6%	31.4%	27.9%	37.1%	140
Manhattan	0.0%	18.2%	9.1%	72.7%	11
Queens	12.4%	67.2%	11.2%	9.2%	509
Staten Island	71.9%	27.2%	0.6%	0.3%	349
Citywide	*30.3%*	*47.3%*	*10.6%*	*11.8%*	*1,074*
2011					
Bronx	1.5%	35.3%	19.1%	44.1%	68
Brooklyn	0.0%	44.3%	30.5%	25.3%	174
Manhattan	3.6%	0.0%	3.6%	92.9%	28
Queens	21.5%	57.0%	11.9%	9.6%	386
Staten Island	52.5%	47.2%	0.0%	0.3%	341
Citywide	*26.5%*	*48.3%*	*11.3%*	*13.8%*	*997*
2012					
Bronx	5.9%	39.3%	17.0%	37.8%	135
Brooklyn	0.4%	20.5%	36.9%	42.2%	249
Manhattan	9.5%	4.8%	0.0%	85.7%	42
Queens	26.8%	41.9%	16.9%	14.4%	284
Staten Island	64.1%	34.6%	0.0%	1.3%	298
Citywide	*27.8%*	*32.5%*	*16.2%*	*23.5%*	*1,008*
2013					
Bronx	2.4%	41.6%	12.0%	44.0%	125*
Brooklyn	0.0%	19.8%	31.6%	48.6%	364*
Manhattan	1.6%	7.8%	0.0%	90.6%	64*
Queens	39.3%	32.6%	13.3%	14.8%	399*
Staten Island	55.9%	42.5%	0.2%	1.4%	431*
Citywide	*29.1%*	*32.0%*	*13.3%*	*25.7%*	*1,383**
2014					
Bronx	**0.0%**	**33.3%**	**20.4%**	**46.3%**	**108***
Brooklyn	**0.0%**	**19.3%**	**25.8%**	**55.0%**	**400***
Manhattan	**1.3%**	**9.0%**	**2.6%**	**87.2%**	**78***
Queens	**47.8%**	**25.4%**	**10.5%**	**16.3%**	**448***
Staten Island	**68.1%**	**31.1%**	**0.2%**	**0.6%**	**479***
Citywide	***35.8%***	***25.3%***	***11.6%***	***27.4%***	***1,513****

Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch.
*Figures updated 07/15.

G.3 New Dwelling Units Completed in New York City, 1960-2014

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	4,422	7,109	7,498	5,907	1,446	**26,382**
2008 π	4,217	7,254	6,118	5,437	1,019	**24,045**
2009 π	2,964	7,522	8,110	4,969	887	**24,452**
2010 π	3,948	7,181	7,801	4,401	714	**24,045**
2011 π	3,417	4,728	2,375	2,852	612	**13,984**
2012 π	1,413	3,611	1,159	2,632	640	**9,455**
2013 π	1,272	3,948	3,126	3,854	482	**12,682**
2014 π	**1,660**	**4,485**	**2,231**	**2,961**	**530**	**11,867**

Note: Dwelling unit count is based on the number of Certificates of Occupancy issued by NYC Department of Buildings, or equivalent action by the Empire State Development Corporation or NYS Dormitory Authority. Prior year's data may be adjusted and may not match prior reports.

π Data from 2004-2014 now includes Final Certificates of Occupancy (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, 2009-2014

	2009	2010	2011*	2012	2013	2014
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
Private Plans						
New Construction	335 (7,270)	235 (4,907)	185 (3,785)	121 (2,810)	151 (3,753)	210 (5,155)
Rehabilitation	1 (73)	0	2 (14)	11 (106)	21 (649)	37 (462)
Conversion (Non-Eviction)	29 (725)	20 (812)	20 (457)	25 (1,539)	18 (843)	20 (3,956)
Conversion (Eviction)	0	0	0	0	0	0
Private Total	**365 (8,068)**	**255 (5,719)**	**207 (4,256)**	**157 (4,455)**	**190 (5,245)**	**267 (9,573)**
	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)	13 (274	4 (59)	9 (209)	3 (97)	0	0
HPD Total	**13 (274)**	**4 (59)**	**9 (209)**	**3 (97)**	**0**	**0**
Grand Total	**378 (8,342)**	**259 (5,778)**	**216 (4,465)**	**160 (4,552)**	**190 (5,245)**	**267 (9,573)**

*Figures corrected and differ from those found in the *2012 Housing Supply Report*
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, 1987-2014

Year	New Construction	Conversion Eviction	Conversion Non-Eviction	Rehabilitation	Total New Construction Conversion & Rehab	Units in HPD Sponsored Plans
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
2008	13,998	241	2,582	130	**16,951**	241
2009	7,270	274	725	73	**8,342**	274
2010	4,916	59	812	0	**5,787**	59
2011	4,625	209	505	14	**5,353**	209
2012	2,810	97	1,539	106	**4,552**	97
2013	3,753	0	843	649	5,245	0
2014	**5,155**	**0**	**3,956**	**462**	9,573	**0**

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, 2012-2014

Buildings Newly Receiving Certificates for 421-a Exemptions, 2012-2014

	2012			2013			2014		
	Certificates	Buildings	Units	Certificates	Buildings	Units	Certificates	Buildings	Units
Bronx	39	61	1,441	34	51	800	37	63	980
Brooklyn	143	197	3,028	152	208	2,921	107	148	2,209
Manhattan	52	52	4,862	56	57	2,493	29	27	2,203
Queens	92	166	1,521	79	97	1,515	62	90	1,553
Staten Island	1	1	4	4	6	161	0	0	0
TOTAL	**327**	**477**	**10,856**	**325**	**419**	**7,890**	**235**	**328**	**6,945**

Buildings Newly Receiving J-51 Tax Abatements and Exemptions, 2012-2014

	2012			2013			2014		
	Buildings	Units	Certified Cost ($1,000s)	Buildings	Units	Certified Cost ($1,000s)	Buildings	Units	Certified Cost ($1,000s)
Bronx	218	12,455	$30,607	297	28,511	$26,919	170	8,520	$13,171
Brooklyn	293	12,149	$22,430	194	6,635	$19,091	276	14,265	$26,517
Manhattan	115	5,265	$17,586	58	4,405	$6,719	69	3,678	$10,702
Queens	555	16,017	$12,072	1,355	15,928	$10,003	875	14,043	$10,885
Staten Island	0	0	$0	2	180	$200	16	281	$1,976
TOTAL	**1,181**	**45,886**	**$82,695**	**1,906**	**55,659**	**$62,933**	**1,406**	**40,787**	**$63,249**

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, 1981-2014

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

Year	421-a	J-51
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
2008	4,521	64,478
2009	4,613	37,867
2010	5,895	50,263
2011	11,007	54,775
2012	10,856	45,886
2013	7,890	55,659
2014	**6,945**	**40,787**

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

G.8 Building Demolitions in New York City, 1985-2014

	Bronx		Brooklyn		Manhattan		Queens		Staten Island		Total	
Year	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total	**5+ Units**	**Total**
1985	81	157	3	101	59	73	3	133	1	31	147	495
1986	48	96	14	197	19	38	3	273	4	67	88	671
1987	14	55	2	130	22	33	1	273	6	83	45	574
1988	3	34	2	169	25	44	2	269	0	160	32	676
1989	6	48	8	160	20	38	3	219	0	109	37	574
1990	4	29	3	133	20	28	5	119	0	71	32	380
1991	10	33	15	95	9	14	1	68	0	32	35	242
1992	12	51	6	63	2	5	1	41	0	33	21	193
1993	0	17	4	94	0	1	3	51	0	5	7	168
1994	3	14	4	83	5	5	2	42	0	8	14	152
1995	2	18	0	81	0	0	2	37	0	17	4	153
1996	-	30	-	123	-	25	-	118	-	84	-	380
1997	-	29	-	127	-	51	-	168	-	119	-	494
1998	-	71	-	226	-	103	-	275	-	164	-	839
1999	-	67	-	211	-	53	-	227	-	159	-	717
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	-	1,128	-	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
2008	-	206	-	925	-	252	-	1,082	-	215	-	2,680
2009	-	166	-	467	-	153	-	663	-	177	-	1,626
2010	-	121	-	326	-	76	-	464	-	129	-	1,116
2011	-	93	-	308	-	124	-	463	-	141	-	1,129
2012	-	121	-	284	-	144	-	434	-	139	-	1,122
2013	-	105	-	367	-	145	-	453	-	216	-	1,286
2014	-	**125**	-	**454**	-	**121**	-	**555**	-	**258**	-	**1,513**

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, 1994-2014

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
2008	1,856	55	0	101	35	865	4,767	887	8,566
2009	2,438	18	112	0	36	0	5,413	519	8,536
2010	7,596	80	0	0	9	0	4,211	451	12,347
2011	3,155	498	0	0	6	0	3,982	438	8,079
2012	2,509	108	132	0	17	0	3,834	360	6,960
2013	5,975	407	0	0	26	0	1,967	309	8,684
2014	3,110	243	318	0	21	0	5,279	211	9,182
Total	**62,231**	**3,406**	**4,814**	**5,630**	**784**	**2,484**	**44,727**	**37,903**	**161,979**

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. Since 2003, 421-a data is obtained from DHCR, which provides 12 months worth of data from April 1 to March 31 of the following year, as shown above.

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 individual years between 1994 and 2002 are not available; only an aggregate is available.

421-g Note: The 421-g tax incentive program provides 14-year tax exemption and abatement benefits for the conversion of commercial buildings to multiple dwellings in the Lower Manhattan Abatement Zone, generally defined as the area south of the centerline of Murray, Frankfort and Dover Streets, excluding Battery Park City and the piers. All rental units in the project become subject to rent stabilization for the duration of the benefits. Since the program required building permits be dated on or before June 30, 2006, it is not expected to add any further units.

Sources: NYC 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, 2014

	Bronx	Brooklyn	Manhattan	Queens	S.I.	Total
4421-a	216	1,106	1,371	417	0	3,110
420-c	2,870	857	1,014	538	0	5,279
J-51	0	69	0	70	104	243
Mitchell-Lama Buyouts (City & State)	0	0	318	0	0	318
Lofts	0	6	15	0	0	21
Formerly Controlled	27	36	107	41	0	211
Total Additions	**3,113**	**2,074**	**2,825**	**1,066**	**104**	**9,182**

Sources: NYC 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 Deregulation by Borough, 1994-2014

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
2008	10	50	198	20	0	278
2009	16	57	364	20	0	457
2010	9	44	256	27	0	336
2011	6	38	149	19	0	212
2012	5	31	119	10	0	165
2013	3	32	74	18	0	127
2014	4	21	149	12	0	186
Total	**89**	**405**	**5,290**	**200**	**0**	**5,984**

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

H.4 Subtractions from the Stabilized Housing Stock Due to High Rent/Vacancy Deregulation by Borough, 1994-2014

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
2008	447	1,884	8,600	1,787	82	12,800
2009	537	2,013	8,718	2,195	94	13,557
2010	581	2,154	7,807	2,290	79	12,911
2011	654	2,256	6,378	2,032	44	11,364
2012	281	1,189	4,289	922	32	6,713
2013	197	994	2,924	654	32	4,801
2014	309	1,247	3,572	1,056	51	6,235
Total	**4,128**	**18,338**	**100,346**	**15,971**	**625**	**139,408**

Note: Registration of deregulated units with DHCR is voluntary and not required. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years. Also see Endnote 8.

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

H.5 Subtractions from the Stabilized Housing Stock, 1994-2014

Year	High Rent/ High Income Deregulation	High Rent/ Vacancy Deregulation	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
2008	278	12,800	1,405	376	176	421	56	1,321	16,833
2009	457	13,557	1,153	1,075	286	441	62	1,557	18,588
2010	336	12,911	1,130	657	143	274	32	1,424	16,907
2011	212	11,364	1,098	415	230	174	29	653	14,175
2012	165	6,713	924	336	244	481	74	562	9,499
2013	127	4,801	774	757	188	308	31	611	7,597
2014	186	6,235	789	1,011	137	226	13	416	9,013
Total	**5,984**	**139,408**	**47,685**	**21,934**	**15,106**	**8,763**	**2,275**	**24,810**	**265,965**

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 Deregulation Note: Registration of deregulated units with DHCR is voluntary and not required. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years. Also see Endnote 8.

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, 2014

	Bronx	Brooklyn	Manhattan	Queens	S.I.	Total
High Rent/High Income Deregulation	4	21	149	12	0	186
High Rent/Vacancy Deregulation	309	1,247	3,572	1,056	51	6,235
Co-op/Condo Conversion	66	174	252	292	5	789
421-a Expirations	0	1	977	33	0	1,011
J-51 Expirations	2	16	119	0	0	137
Substantial Rehabilitation	0	112	112	2	0	226
Commercial/Professional Conversion	1	1	4	7	0	13
Other	12	139	221	44	0	416
Total Subtractions	**394**	**1,711**	**5,406**	**1,446**	**56**	**9,013**

High Rent/Vacancy Deregulation Note: Registration of deregulated units with DHCR is voluntary and not required. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years. Also see Endnote 8.

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“

1/60th 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 loan that is partially amortized, meaning 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 (Condo): 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 (Co-op): 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, “High-Rent/High-Income Deregulation” and “High-Rent Vacancy Deregulation.” See these individual terms for more 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 currently qualify for this benefit, a household of any size must make a combined household income no more than $50,000 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): Part of NYS Homes & Community Renewal (HCR), 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.

High-Rent/High-Income Deregulation ("Luxury Decontrol"): The change in an apartment's status from being rent regulated to being deregulated because the household income of the tenant's in the apartment exceeds a certain threshold AND the rent of the apartment exceeds a certain threshold. These guidelines were modified with the passage of the Rent Act of 2015. Refer to the NYS Division of Housing for the most current information about these thresholds.

High-Rent/Vacancy Deregulation ("Vacancy Decontrol"): A process by which a rent regulated unit becomes deregulated upon the vacancy of the prior tenant, when the rent of the apartment exceeds a certain threshold. These guidelines were modified with the passage of the Rent Act of 2015. Refer to the NYS Division of Housing for the most current information about these thresholds.

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 18,000 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" or "1/60th"): 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 (if there are 35 units or less in the building) or 1/60th or 1.67% of the cost of qualifying improvements to the legal rent of those units excluding finance charges (if there are more than 35 units in the building). E.g. (in a building with 35 units or less), (1) if an apartment's legal rent was $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 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 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 2012 to the same data in 2011.

Low Rent Supplement: See "Supplemental Adjustment."

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 is called the Maximum Collectible Rent (MCR). The MCR generally is less than the MBR. By law, the MCR cannot be increased by more than 7.5% per year for each year of the two year MBR cycle unless there are Major Capital Improvements or individual apartment rent increases. For example, if a tenant's rent (MCR) on 12/31/01 was $600, and the MBR was $700, then on 1/1/02 (effective date of MBR) the rent (MCR) would rise 7.5% to $645 and the MBR ceiling would rise by 10.5% (the 2002-03 MBR factor) to $773.50. On 1/1/03, the MBR would remain the same (since MBRs cover a two-year period), but the MCR would rise by another 7.5% to $693.38.

Mean and Medians: 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.

NYC 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 Guidelines 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 Act of 2011: The law passed by the New York State Legislature in June, 2011 which revised several regulations of rent stabilized units. Most notably, it provides for a maximum of one vacancy increase a year, modified the way individual apartment improvements are calculated, and raised the thresholds for both high-rent/vacancy deregulation and high-rent/high-income deregulation.

Rent Act of 2015: The law passed by the New York State Legislature in June, 2015 which revised several regulations of rent stabilized units. Most notably, it raised the rent thresholds for deregulation of rent stabilized units, altered the formula for calculating Major Capital Improvement Increases, and altered the formula for calculating vacancy lease increases.

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 Guidelines 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.

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 Citizen 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 currently $50,000 per year or less 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 of Finance (DOF) 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 the Department of Finance.

Shelter Allowance: A rental grant provided to households receiving public assistance under the Family Assistance Program (FAP).

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 (and following Acts) 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"). Changes to the formula for those apartments previously paying a preferential rent were also enacted in the Rent Act of 2015. For the 2015-2016 guideline period, the one-year vacancy guideline is 18% and the two-year guideline is 20%. With the passage of the Rent Act of 2011, as of June 24, 2011, landlords are permitted only one vacancy allowance per calendar year, regardless of the number of vacancies.

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 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.

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