Rent Stabilized Housing in New York City:
A Summary of Rent Guidelines Board Research, 1994

December, 1994

Table of Contents

Appendices

Letter from the Chairman

From the perspective of the Rent Guidelines Board (RGB), the year ending 30 June 1994 saw New York City's residential real estate market, at best, "hold its own." At worst, various parts of that market are in crisis. As a result of continuing trends, the RGB's Spring, 1994 deliberations often were concerned with taking those actions within the RGB's purview- however limited those actions may have been- to stem the tide of "distressed" housing. To state it bluntly, the majority of RGB members believed that action at many levels of government is needed to assist private housing units that, for a myriad of reasons, have become so uneconomical to operate that their private sector owners increasingly are abandoning them.

Such abandonment serves the interests of no one:

1. Owners lose their investments;
2. Other potential owners are discouraged from committing their capital and other resources to such housing ventures.
3. The city itself loses much-needed revenues when such units leave the tax rolls.
4. The city's Department of Housing Preservation & Development often is forced to extend its already-strained resources to care for these properties.
5. Tenant's are faced with the prospect of yet more "once-affordable" housing becoming unhabitable and unavailable.
6. The neighborhoods in which these units are located become increasingly blighted; and
7. A malaise afflicts all efforts to systematically address this unfortunate situation.

Factors Leading To Distressed Housing Conditions

Of course, a brief note such as this cannot address all the causes that have helped create this disturbing condition, especially given the complexities of many of these factors and the lack of consensus about others. Having so stated that, the RGB nevertheless believes that among the core factors producing this crisis is that properties that produce little or no profit also tend to be occupied by tenants who have the least ability to pay more in rents (due to such factors as job losses or other income erosion).

Adding to this unfortunate mix is that landlords of these properties have seen their already slim net operating incomes eroded over the years by increased taxes, water and sewer charges, the looming nightmare of lead poisoning and the costs of its abatement, etc.

While the RGB can take these taxes, water and sewer costs and other such factors into account when determining the yearly rent increases, it currently is powerless to address the underlying factors that result in these costs.

Yet another cause that's not limited to the distressed housing sector is growing rent

collection losses, which often more than offset the intended beneficial effect of the RGB guideline increases. At its hearings, the RGB heard a host of owners claim that if they could just collect all the rents that lawfully were due, at least they would have a fighting chance of preventing their properties from being distressed. Especially in small buildings, though, the failure of even one or two tenants to pay their rent can make the difference between at least breaking even versus abandonment.

Failure of the New York City Housing Court System

At this juncture, the RGB would be remiss if it failed to voice its concern that the New York City Housing Court purportedly has failed to provide good faith, well-intentioned landlords with the prompt and effective remedies that at least theoretically are available to such landlords. We voice no direct criticism at any particular party, nor do I, as chairman, believe it proper to detail the improvements that several board members noted they would hope to see instituted in that court system.

Still, the RGB could not help but be struck by the widespread dissatisfaction with the current Housing Court realities as expressed by both tenants and landlords, but especially the latter.

Failing Tenant Income

As with all such studies, there is a danger of distortions at the extreme that might produce inaccurate averages. Nevertheless, while the <u>average</u> real incomes of all rent stabilized tenants declined somewhat in the early 1990s, the ability to pay rent of those with low incomes fell the furthest. While the wealthiest quartile of rent stabilized households experienced average income losses of nearly 5% during this period, due to a loosening in the upper end of the market those tenants' rents actually fell by an average of 4%.

Conversely, real incomes among those in the poorest quartile fell by 8.5%, while their rents increased by nearly 4%. As a result, in the city's poorest neighborhoods collection losses rose, and the owners of distressed properties slipped further into tax arrears. Consequently, absent extraordinary measures by other agencies whose actions affect the residential housing market, a sharp rise in tax foreclosures appears inevitable.

Making the RGB's job more difficult was the conflicting evidence concerning this income decline. Some statistics seemed to indicate that there was a general decline in income resulting from the city, regional and national recession of the past few years. Other statistics seemed to indicate that the middle and upper level income strata fared relatively well, while the lower income level was especially harder hit. If accurate, this latter explanation would help underscore the concerns about distressed housing.

Just as there was much discussion among RGB members as to the impact of the SCRIE program (i.e. the "Senior Citizen Rent Increase Exemption"), so too were there suggestions that part of the solution might lie with a so-called "low income SCRIE." The RGB realizes that such a program would require city and state coordination and approval, and certainly would involve significant financial costs to those governing authorities. Rather than endorsing such a concept at this time, the RGB instead hopes

that the pertinent authorities would review the feasibility and propriety of such a rent relief program for the truly indigent.

Single Room Occupancy (SRO) Conditions

Perhaps no concern appeared so insolvable or elicited such heart-rending testimony as the issue of what generally is referred to as SRO housing. Frankly, the persons who rent these quarters often are among the most vulnerable and pitiable, and just as often, these SROs are all that stand between a person's sleeping in a relatively warm, dry room versus sleeping on a park bench or street grate.

Unfortunately, the conditions in these facilities often are deplorable. (For instance, shortly after the RGB concluded its 1993-94 duties, the scandal and seizure of the Kenmore Hotel erupted.) Certainly, there are many honorable persons who attempt to maintain SRO buildings, but the RGB heard considerable amounts of testimony regarding unsanitary conditions, rooms that barely approached what most persons would consider a minimal level of habitability, and buildings in which the physical safety of the tenants could not be guaranteed.

Deplorably, it seems that a number of universities have engaged in these practices in buildings in which they have housed students.

As shockingly, far from having "minimal" rents, a good number of buildings apparently had rents that would have afforded the tenant other options. After paying these rents, many tenants often had little money left to meet their other needs.

In fairness to the operators, the RGB heard testimony that SROs essentially were in a "Catch-22" situation: the RGB recently has approved only the most minimal increases (the 2% increase approved for this year was not uncommon), thereby depriving the operators of the funds to upgrade their facilities. (Other testimony, though, questioned whether these operators would invest greater increases in their buildings versus simply pocketing any additional monies.)

The SRO situation is unfortunate for many reasons, not the least of which is that in an ideal situation SROs could provide suitable living for a number of those currently in distressed housing. In many instances, these occupants would be quite content with a warm, safe single room with adequate toilet facilities. Unfortunately, what once was a staple of the New York City housing stock - respectable single room occupancy facilities - appear increasingly to be an endangered species.

The declining number of SROs coupled with the increasing number of homes (over the past ten years) seemingly would indicate that this is a crisis situation that has been ignored for far too long.

"Middle Sector" Housing

Having just described the worrisome conditions of the lower end of the residential housing market, the best that might be said for the middle segment is that it roughly held its own. Again, though, generalized statistics may lead to erroneous conclusions.

Landlords with large numbers of units were better able to buffer themselves by obtaining economically beneficial economies of scale. Still, as a general rule, operating costs increased about 3.5% per year during the past three years, while

adjustments in legal rents have averaged about 3%. Thus, while one might conclude that RGB-approved rent increases more or less offset rising costs, it would appear that landlords in even this seemingly sound segment of the market were unable to accumulate any significant cash reserves, either to meet emergencies or else provide for improvement and expansion.

Thus, while these landlords have been able to "hold their own," there appears to be little incentive for large amounts of private capital to flow into new housing projects, except either at the "high rent" end or in conjunction with favorable tax laws to induce such new construction.

One bright spot during the past few years is that the decline of interest rates allowed many prudent landlords to refinance their mortgages, thus lowering their costs significantly. Moreover, in this sector of the rental market landlords tend to face much lower losses arising from nonpayment by tenants.

Unfortunately, recent interest rate increases by the federal reserve banks probably will soon foreclose this option for landlords who have not yet acted.

The Increasing Difficulty of the RGB's Duties

The RGB's mandated duties are to limit any undue effects on New York City's private housing market resulting from the legislatively-determined housing shortage. That is, the RGB is charged with countering the raw market power that private owners otherwise would have in a market in which demand is deemed to be so much in excess of supply.

The RGB performs this duty by making rent adjustments after reviewing a variety of "neutral" criteria, such as changes in operating and financing costs. This process is difficult enough, and the RGB is sensitive to both tenant and landlord complaints that the formula currently used either fails to reflect certain realities or otherwise factors them into the equation in an incomplete fashion.

It also has frustrated RGB members that they must set "across the board" rates, although all board members are painfully aware that a luxury apartment on Central Park South occupied by a high income tenant hardly is interchangeable with an apartment in a depressed part of this city which is occupied by a tenant whose income barely is above the poverty level. Thus, denied the ability to make "scalpel-like" incisions, the RGB instead must conduct this sensitive task with the blunt instrument of uniform guidelines.

Moreover, while this task is difficult enough even in those housing sectors where landlords are relatively solvent and tenants are relatively stable and affluent, it is all but a nightmarish process as regards the lower income and outright distressed sectors. While the RGB must take a generalized approach in setting rates, which perforce must factor into the equation those statistics from the middle and upper rental levels, in fact these generalized conclusions often fail to address the actual problems in the lower end housing market. A few percentage points increase in rent simply can't offset the effect of one or two tenants failing to pay rent in an apartment building of twenty units. Nor, conversely, can many of those other similarly situated tenants afford to pay much more than even the most "modest" of increase. Thus, RGB decisions risk being made as much on "politically sensitive" grounds as on good faith, objective, economic grounds.

As was noted by the RGB's former executive director, Timothy Collins:

> *When rent collections are weak because of declining tenant incomes or various other social and institutional factors, the coordinates conventionally used to neutralize the effects of the housing shortage on rent levels lose precision. Discussions of where rents should turn then descend into rather murky debates about how to spread economic pain in an even-handed or fair-minded way. In the short run, this may be a practical and unavoidable way to deal with exigent circumstances. After all, the primary purpose of appointing a Rent Board to study industry conditions and to adopt annual rent adjustments [as opposed to using a mechanical formula] is to inject a humane sense of flexibility into the process. In the long run, however, a regulatory process driven by aberrant pressures runs the risk of losing all sense of purpose and direction.*

Summary

Those concerned with the RGB's functions continually should bear two considerations in mind. First, the RGB was meant to counteract the effects of what the state legislature determined was and is a continuing acute housing shortage. Such regulations, however, were never meant to either guarantee any owner a profit (i.e. thereby saving an incompetent owner from his own folly) or serve as an adjunct to the social welfare programs (i.e. protecting poor tenants from economic forces that would be in effect, even if the housing shortage did not exist).

Second, the rent regulations are themselves premised on exigent circumstances. Thus, as a corollary to the first point, piling yet more extraordinary measures on a program that itself is an extraordinary measure over time may result in the program being used for purposes for which it was never intended.

Thus, in sum, raising rents on all tenants to immunize owners from the effects of a recession or, conversely, holding down rents to preserve affordability for tenants who are suffering under the same downturn, would recast the RGB into an agency intent on "social engineering" and reallocating wealth in a highly subjective and often arbitrary manner. Over time, such an approach could only undermine the coherence, usefulness and legitimacy of the system.

The RGB's multi-faceted mandate is to (a) protect tenants from any untoward rent increase resulting from the current housing shortage; (b) guarantee landlords a fair and equitable return on their investments and efforts; and (c) protect and promote New York City's overall housing stock. While many would argue that these goals often are in conflict, the Rent Guidelines Board nevertheless shall endeavor, as it has in the past, to perform these duties to the best of its ability and in accordance with its legislative mandates.

Final Note

In closing, I would like to thank the RGB's staff for another year of outstanding work. What once was an administrative backwater has become one of the premier housing policy resources and authorities in the city, state and nation. In particular, I wish to recognize Doug Hillstrom's continuing leadership in producing the type of outstanding research and scholarship that is found throughout this volume.

I also wish to express my gratitude to all eight other board members who have been so

gracious to me during my first year as chair. Although we've all not agreed on every policy or approach - nor were we expected to - I appreciate the contributions of each to the practical work of the board and to their efforts in stimulating those outside the RGB to reevaluate the city's and state's approach to housing policy. I can say without hyperbole their expertise, dedication, and sacrifice is greatly underappreciated by the general public.

Finally, on behalf of the RGB's members and staff I wish to extend our collective best wishes and my personal gratitude to Tim Collins, our very able executive director and legal counsel, who is departing after seven years of outstanding effort. His scholarship was exemplary, his integrity stood unchallenged, his devotion to the RGB's mission was steadfast, and his service to the board members and especially the chair was outstanding. He will be sorely missed.

Edward S. Hochman, Esq.
Chairman
New York City Rent Guidelines Board

Acknowledgements

This volume summarizes all the major research projects - including the 1994 Price Index of Operating Costs (PIOC) - produced by the staff of the Rent Guidelines Board during the 1994 guideline "season." We accept full responsibility for the analysis and findings contained herein.

The PIOC is certainly the most resource intensive project undertaken by the RGB. The index requires hundreds of hours of staff time to complete; by the time the PIOC is wrapped up, the endurance of its participants is usually stretched to the limit.

This year Andrew McLaughlin was in charge of the vendor and owner surveys, which are critical elements of the PIOC. Andrew did an exceptional job organizing materials for the survey and supervising our temporary work crew. The quality of the data gathered was better than ever and the productivity of the survey staff reached an all time high. As usual, Speedwell Inc. worked with RGB staff to compute the tax and water/sewer components of the price index. They also reviewed the final draft of the PIOC. Key contributions were also made by Speedwell to our study of tax arrears in rent stabilized housing.

Everyone on the RGB research staff contributed to the PIOC in some way. Jed Friedman calculated the fuel oil cost component. Andrew McLaughlin gathered data on changes in utilities and labor costs. Ted Fields was primarily responsible for our PIOC projection for 1995.

Finally, no acknowledgements would be complete without mentioning our PIOC temporary survey workers. Many thanks for diligent efforts to: Shirley Alexander, Penny Z. Blake, Sonia Cumberbatch, Tyrone Riggins and Lavern Shakes.

Apart from their work on the PIOC, the RGB staff should be commended for several other efforts. As a new staff member, Ted Fields coaxed the highest response rate ever from bankers for our mortgage survey. In addition, Ted's piece on rent skewing in stabilized housing clearly outlined a very complicated issue and provided important new insights. Jed Friedman's work on the 1994 Tax Arrears Study was exemplary and further clarified this very important issue.

The RGB also benefitted greatly from the assistance of several city and state agencies. The Department of Finance (DOF) helped to prepare files used in computing changes in real estate taxes for the PIOC. For the fifth consecutive year, DOF also supplied the RGB with crucial data from owner income and expense (I&E) filings. Alisa Avruch produced much of this information, often under tight time constraints. We would like to thank Julie Walpert for acting as liaison with the DOF on these and other matters and Doug Layne for help with other Finance Department issues. James Rheingrover provided updated and improved figures on real estate sales prices.

Commissioner Wright and the Department of Housing Preservation and Development (HPD) helped with several projects, including provision of data on tax abatements and

in rem housing. A number of other agencies supported this year's research agenda. The Department of City Planning supplied the RGB with important data on real estate tax arrearages. Co-op conversion data was obtained from the New York State Attorney General's Office. The New York State Public Service Commission and the New York City Water Board and Department of Environmental Protection also provided information and relevant data for a number of this year's research projects.

Finally, two disclaimers must be made regarding this report. First, this volume includes only RGB staff research. The Board was also provided with a wide variety of additional sources of information, including Speedwell Inc.'s report *The Impact of Metered Billing for Water and Sewer on Multifamily Housing in New York,* and written submissions and oral testimony from building owners, tenants, housing scholars, public officials and other interested parties. In addition, although this report does include a summary of the Board's guidelines for 1994-95, it is not intended as an explanation of these guidelines. Those who are interested in this issue should consult the Board's explanatory statements which are issued in conjunction with this year's rent orders.

Timothy Collins
Executive Director

Douglas Hillstrom
Director of Research

New in 1994

This is the sixth annual compilation of research from the Rent Guidelines Board. Although a fair amount of the material in *Rent Stabilized Housing in New York City* remains the same from year to year (e.g. the Price Index of Operating Costs for Rent Stabilized Apartments), much of the research is new or somehow improved each season. We think it is useful to point out a few of this year's highlights, as well as new material in the appendices which might be useful for your own studies.

Last year the RGB completed its first comprehensive assessment of tax arrears in rent stabilized housing. Using a variety of data sources - including information on tax arrears, registered rents, and landlord income and expense data - the study presented a sobering picture. The magnitude of tax delinquency was increasing sharply and many owners had failed to take action to avoid foreclosure by the city.

Although the report documented serious problems in the low rent housing stock, it was unclear at that time whether conditions had stabilized or would continue to worsen. There were some positive signs. Landlord redemption of properties was not significantly lower than in previous years. There was hope the economy was beginning to strengthen. Finally, it appeared that bank foreclosure proceedings would restore the economic viability of many of the properties which had been part of the speculative fever of the eighties.

Our report ***Tax Arrears in Rent Stabilized Buildings, 1994 (p. 48)*** dashed all hope of an imminent recovery in the troubled low rent stock. The report found that tax arrears continued to worsen in the rent stabilized sector in 1993. Both the number of buildings in arrears and the mean level of arrears increased substantially. For buildings that were behind on tax payments in both 1992 and 1993, the average amount owed increased by ONE-THIRD. Most troubling of all, the report found a sharp reduction in the willingness of landlords to redeem their properties. As tax arrears have mounted, fewer landlords have the means or inclination to take back their properties from the city.

Last year's report on the New York City Housing and Vacancy Survey (*The NYC Housing and Vacancy Survey: A Ten Year Retrospective (1981-1991)*) was a rather positive assessment of the decade. Despite the litany of complaints the Rent Guidelines Board hears each year from both landlords and tenants, the HVS data showed that BOTH groups gained during the eighties. Tenant incomes rose faster than inflation and they had more income to spend on non-housing goods by the end of the decade. Owners' rents rose substantially faster than the rate of inflation and also outpaced the RGB's Price Index of Operating Costs.

But what a difference two years can make. Our report comparing data from the 1991 and 1993 Housing and Vacancy Surveys shows how a deep recession can undo the progress of a decade. In the ***1993 Housing and Vacancy Survey Report, (p. 70)*** we found that the period 1991 to 1993 was kind to neither tenant nor landlord. The deepening

recession made it impossible for many landlords to raise rents as fast as the guidelines for rent stabilized apartments allowed. On the tenant side of the equation, income plummeted 10% in real terms and the median rent-to-income ratio increased substantially, from 26% in 1991 to 28% in 1993. The report also found that income inequality, which increased greatly in the eighties, continued to grow from 1991 to 1993.

Apart from adjusting rents from year to year, the Rent Guidelines Board also bears some responsibility for ensuring that rents are "fair." A common criticism of rent regulation is that it increases rent inequities among tenants by promoting "rent skewing", in which identical apartments become differently priced over time due to variations in their turnover rates. Since the Board's policies (e.g. the vacancy allowance) often influence turnover rates, an understanding of the rent skewing issue is crucial.

Rent Skewing in Stabilized Housing (p.62) examines the issue in detail. The report includes an examination of the theoretical literature as well as some new empirical work by RGB staff. Review of the existing literature uncovered theoretical and empirical evidence of skewing in both regulated and unregulated housing markets. Statistical analysis of 1993 data from two hundred and twenty rent stabilized buildings as well as the cross-sectional data set of the 1991 HVS revealed statistically significant skewing of rents for comparable apartments in both stabilized and unregulated rental buildings within the city.

The study also found similar average annual "length of occupancy" discounts (one measure of skewing) for sitting tenants in both the regulated and unregulated sectors, but generally higher average total discounts for tenants in stabilized units than for those in unregulated rentals. This was due to the tendency of tenants to occupy their stabilized dwellings for longer periods than unregulated units. Thus, New York's rent stabilization system encourages stabilized tenants to stay in their units longer than renters in the unregulated sector, leading to higher total levels of rent skewing in stabilized apartments than in unregulated ones.

Owner Income and Expense

1994 Price Indices of Operating Costs

Prior to establishing its annual guidelines, the Rent Guidelines Board (RGB) is obligated by law to examine operating and maintenance costs that are incurred by owners of stabilized buildings. In the early 70's, the RGB relied heavily on its Price Index of Operating Costs for Rent Stabilized Apartment Houses (PIOC) to measure changes in these charges and costs. However, since the late 70's, some critics as well as Rent Guidelines Board members felt that additional data was needed to determine the profitability of stabilized housing beyond an annual price survey.

The PIOC measures the price change in a market basket of goods and services which are used in the operation and maintenance of stabilized buildings. The original PIOC expenditure weights and market basket were devised by the U.S. Bureau of Labor Statistics (BLS) which was retained by the RGB as the PIOC contractor from 1970 to 1981. From 1982 to 1990, the PIOC was prepared by private consulting firms. In 1991, the RGB staff's growing expertise and familiarity made it possible to move the PIOC "in house." This is the fourth year that the RGB staff has produced the PIOC.

In order to address the ongoing concerns about the accuracy of the PIOC methodology in estimating cost changes, the RGB commissioned the PIOC contractors to undertake various PIOC-related studies in the 80's. However, for a variety of reasons, these studies did not lead to substantive changes in the PIOC market basket, methodology, or the way the study was administered.

Beginning with the 1991 PIOC, many changes have been made to facilitate the data collection process and to insure the quality of PIOC price data. Staff has reorganized and computerized the PIOC vendor database, updated the mailing list for the owner survey, and completely redesigned the owner survey mailing materials. In addition, price quotes for fuel oil are gathered on a monthly basis rather than once a year.

Following completion of the 1993 PIOC, further efforts have been made to improve the quality of data collection and our understanding of the PIOC. These efforts and improvements allowed us to hire fewer data collectors for a shorter period of time each year since the PIOC was brought "in house". In 1991 twelve temps were hired for a ten week period while this year half as many data collectors worked six weeks to complete the survey.

Since 1989, RGB staff has completed a substantial amount of research designed to evaluate the accuracy of the PIOC. The major topics of concern have been the reliability of the 1982 expenditure study (which re-weighted the PIOC components), the overall accuracy of the

PIOC, and the precision of various PIOC components.

The availability of landlord income and expense (I&E) information from the Department of Finance made it possible to examine the reliability of the PIOC expenditure weights. In general, the I&E information confirmed that the PIOC weights are fairly accurate. In recent years staff has also been able to compare actual increases in costs (Finance I&E data) with changes in the PIOC. Last year we found that the PIOC measurement (5.5%) was higher than the I&E data would suggest (3.4%). This year's comparison found a 4.2% increase in both I&E costs and in the PIOC from 1991-1992. This comparison further supports the accuracy of the Price Index.

An effort to gauge the accuracy of the PIOC by comparing its findings with actual expense data will continue. While the controversy concerning the accuracy and legitimacy of the PIOC may never be fully resolved, efforts will be made to improve the PIOC on both an administrative and technical basis.

Rent Stabilized Apartments

Summary

The overall increase in the Price Index of Operating Costs for Rent Stabilized Apartment Houses in New York City (PIOC) between April 1993 and April 1994 was 2.0%, the lowest increase since 1978. In last year's PIOC projection we predicted a low Price Index "due to smaller increases in the Taxes and Utilities components." As it turns out, eight out of the nine Price Index components either remained the same or increased at a slower rate than last year's PIOC.

Change in Components of the Price Index of Operating Costs for Rent Stabilized Apartments, April, 1993 to April, 1994

Taxes	2.3%
Labor Costs	4.3%
Utilities Costs	2.1%
Fuel Costs	-0.5%
Contractor Services	0.9%
Administrative Costs	3.7%
Insurance Costs	0.8%
Parts & Supplies	1.0%
Replacement Costs	1.6%
Overall	**2.0%**

Declining worldwide oil prices, falling property tax assessments, and the inability of contractors to raise prices were some of the manifestations of economic weakness or lack of inflationary pressures which are reflected in this year's PIOC.

Last year the tax rate rose a scant two-tenths of a percent, and since fully two-thirds of stabilized buildings had reached their maximum assessments, values did not increase much either, resulting in a low tax increase (3.1%). This year tax assessments actually decreased but an increase in the tax rate still resulted in a property tax increase of 2.3%.

Labor costs were up 4.3%, a smaller increase than last year (5.6%). The rate of increase in labor costs has been extremely consistent during the past eight years, ranging from 4.3% to 5.7% .

As we noted in the 1991 PIOC report, Contractor Services and Administrative Costs are largely labor-based and depend to a great extent on the strength of the local economy. Although economic conditions in New York City have improved slightly, inflationary pressures are still

firmly in check. As a result, increases in the Contractor Services and Administrative Costs components (0.9% and 3.7% respectively) are among the lowest in the last ten years.

In last year's fuel oil projection we assumed a "slight upward production capacity, gradually increasing demand for petroleum, and close to normal weather conditions." The net effect was to have been a 5.7% increase in fuel prices. Our projection was undone by weak economic conditions worldwide and declining crude oil prices. As a result, fuel oil prices declined by 0.5%.

The utilities relative rose moderately, mainly due to the Water Board's freeze on water and sewer rates which was effective during the year. Since water and sewer charges now constitute 56% of the utilities component, the overall increase in utilities was only 2.1%.

Unlike last year, changes in insurance costs were lower than the overall PIOC increase. Increases in the Parts & Supplies and Replacement Cost components, which have been fairly consistent (and low) over the past nine years, continued to follow the same pattern. Prices for Parts and Supplies increased a meager 1% while Replacement Costs were up 1.6%.

Elements of the Price Index

Owner Survey

The owner survey gathers information on management fees, insurance, and non-union labor from building managers and owners. Survey forms, accompanied by a letter describing the purpose of the PIOC, were mailed to the owners or managing agents of stabilized buildings. If the survey form was returned, the owner/manager was contacted by an interviewer to verify the information and to obtain additional information if necessary. All of the price quotes of the owner/managing agents were confirmed by calling the insurance and management companies and non-union employees.

The sample frame for the owner survey included approximately 39,000 stabilized buildings which registered with DHCR in 1991. A stratified sampling scheme was used to choose about 6700 addresses from this pool for the owner mailing - about 500 more than in 1993. The number of buildings chosen in each borough was proportional to the concentration of stabilized buildings in that borough. Nearly 13% of the 6700 surveys mailed out were returned to the RGB. A total of 538 of these contained information which was used. The number of verified price quotes in 1993 and 1994 for the owner survey is shown in Appendix B.1 (page 95).

Fuel Oil Vendor Survey

Fuel price information has been gathered on a monthly or bi-monthly basis for the past two years. A monthly survey makes it possible to keep in touch with fuel vendors and to gather the data on a consistent basis (i.e. on the same day of the month for each vendor). Calling vendors each month minimizes the likelihood of misreporting and also reduces the reporting burden for the companies which don't care to look up a year's worth of prices. Finally, the monthly survey shifts some staff work out of the very busy Spring period.

Only a few vendors declined to participate on a monthly basis. Several of these did agree to provide two year's worth of data in April 1994. The number of fuel quotes gathered this year was comparable to last year and is contained in Appendix B.1.

Tax Computations

The list of buildings used to compute the change in taxes included all properties which registered at least once with DHCR between 1984 and 1989. As was the case last year, a list of *in rem* buildings was obtained from the Department of Housing Preservation and Development. These buildings had been vested by the city and were not, in effect, privately managed rental buildings. They were excluded from the tax analysis.

Information on assessed value, tax exemptions, and tax abatements was obtained from the Department of Finance for the approximately 31,000 stabilized buildings. This data was used to compute a tax bill for each stabilized building in FY '93 and FY '94. Each building's tax bill was "weighted" based on the number of stabilized units in the building. The change computed for the PIOC is simply the percentage increase in aggregate taxes levied from FY '93 to FY '94.

As in prior years, the Open Balance Register (OBR) was used to "check" the tax computations. The OBR consists of actual bills and payments by landlords. There was no significant difference between the traditional method of computing the tax increase and the OBR method.

Vendor Survey

The Vendor Survey is used to gather price quotes for contractor services (e.g. painting), administrative costs (e.g. management and attorney fees), parts & supplies, (e.g. mops, toilet seats) and replacement costs (e.g. refrigerators). As in prior years, an effort was made to update the vendor database by adding new vendors and deleting those who no longer carry the products in question. Vendor quotes were obtained in person and over the telephone. The method used depended on the particular product or service being priced (e.g. all painters were contacted by telephone due to the difficulty of meeting with them during business hours).

The procedures used for gathering price quotes were unchanged from prior years. The number of price quotes was about the same as in 1993. For a detailed description of the items priced and the number of price quotations obtained for each item, refer to Appendix B.1.

Other Items

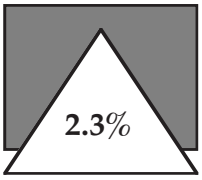
In addition to the items previously discussed, a number of other pieces of information are needed to complete the PIOC. They are:

Union contract and benefit information
Social security rates
Unemployment insurance rates
Heating degree days
Utility rate schedules

These items are used in computing some of the labor components, changes in utility costs for electricity, gas, steam, and telephone, and the cost-weighted change in fuel prices.

Changes in PIOC Components

Taxes



The tax component is based entirely on real estate taxes. The change in taxes is estimated by comparing the aggregate taxes levied on rent stabilized apartment houses in FY 1993 and FY 1994 (For additional detail on how the tax computation compares to last year, see the earlier section on "Elements of the PIOC"). The tax data was obtained from the Department of Finance.

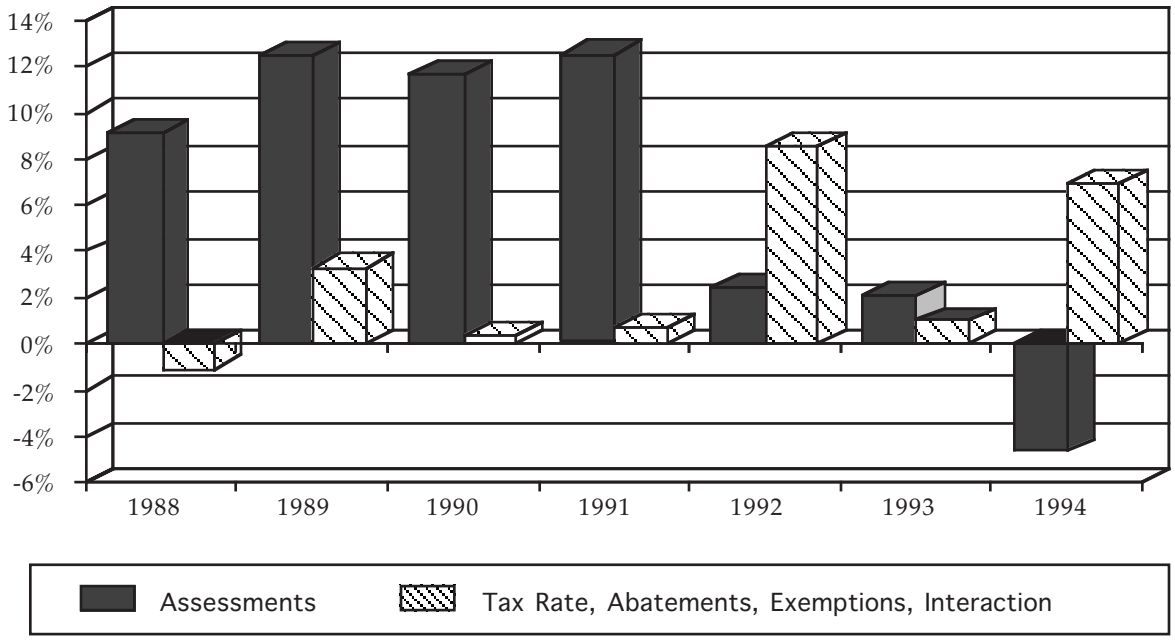
Taxes levied on rent stabilized apartments increased by 2.3%, the lowest rate of increase since 1984. The increase was largely due to a hike in the tax rate; property assessments actually dropped.

The chart below disaggregates the increase in real estate taxes into changes in billable assessments, and the tax rate, tax exemptions, and abatements. Changes in assessments and the tax rate usually have the biggest impact on real estate taxes. The influence of changes in exemptions and abatements is often negligible. We have grouped these with the tax rate for purposes of illustration.

Most of the overall tax increase this year can be attributed to the increase in the tax rate (4.6%), although expiring abatements and exemptions also played a role. This is in contrast to last year where increasing assessments contributed the lion's share of the tax increase.

This year the change in billable assessments was -4.7%, the first drop in valuation since fiscal 1983. The change in assessments was highly variable by area: assessments in lower Manhattan decreased by 6.2% while *increasing* in

Components of Tax Change, 1988-94

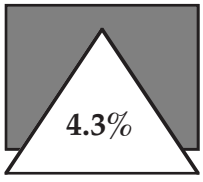


Note: Overall change in tax component by year: 1988 (8.1%), 1989 (15.8%), 1990 (12.0%), 1991 (12.8%), 1992 (11.0%), 1993 (3.1%), and 1994 (2.3%)
Source: *Price Index of Operating Costs*, 1988-1994

upper Manhattan by 0.6%. Assessments also increased in the Bronx (1.2%) but decreased in Brooklyn, Queens and Staten Island by 1.4%, 6.0% and 8.3% respectively.

This variation in the change in assessments by borough carried over to changes in the overall tax cost. Queens and Staten Island actually had lower tax bills this year than last year - their taxes dropped by 0.5% and 2.0% respectively. Lower Manhattan experienced a tax increase of 0.8% while taxes on buildings in upper Manhattan rose 7.9%. Brooklyn and the Bronx saw tax increases of 6.4% and 8.8%. Interestingly, areas with the highest tax increases, upper Manhattan and the Bronx, also were least affected by changes in exemptions, implying that fewer exemptions have been expiring there than in the city as a whole.

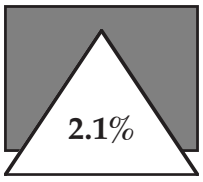
Labor Costs



The labor component is based on several measures of labor costs, including union contracts (wages and benefits), non-union wage increases as measured by the owner survey, and changes in social security and unemployment insurance. The overall increase in labor costs this year was 4.3%, falling below five percent for the first time since 1976. The 1994 labor component is the lowest increase in 18 years, and may be a harbinger of even lower increases in the future if the recent 32 B-J contract is an indicator of future trends.

There has been some variation in the sub-components which make up the labor component. In recent years the wage portion of labor costs has typically lagged behind benefits. Last year, for instance, fringe benefits rose 16%. The rate of increase in fringes was down sharply this year - to 5.2%.

Utilities



After a year in which the increase for the utility component of the PIOC increased substantially (12.7%) there was a very moderate increase this year of 2.1%. Last year all expenses, except for telephone costs, showed double-digit price increases while this year only gas costs reached the double-digits.

The utilities component consists primarily of electricity, natural gas, and water & sewer charges. Telephone and steam costs are a small part of the utilities index. In the case of most utility components, changes in price are measured using the PIOC specifications (i.e. the quantity of electricity, steam etc. being purchased) and the changes in rate schedules. Water/Sewer costs are based on actual billings from the Department of Finance.

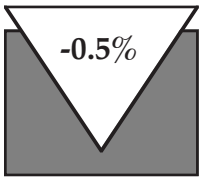
In previous years utility information was generally obtained by calling particular companies (e.g. Brooklyn Union Gas) or the Public Service Commission. Staff has continued the effort made last year to track the change in utilities throughout the year rather than exclusively during the busy months of the PIOC survey. During the past twelve months a concerted effort was made to document all aspects of the utilities component by requesting detailed rate schedules and definitions of the terms used by rate regulators. Some minor changes were made in the calculation of the utilities sub-components as a result. The RGB is now in a much better position to track changes made by regulators and to project utility rate increases.

Due to the Water Board's freeze of water and sewage rates for 1994 there was only a slight increase this year of 1.0%. Over the past several years water and sewer charges had risen so quickly they had a large impact on the utilities component resulting in high increases. With the lack of such a large increase in water and sewage costs this year the overall rise in the utilities component is the lowest since 1991.

Electricity costs showed a decrease this year, down about 8.0%. Electricity costs have traditionally been measured on an April-to-April basis rather than a cost-weighted basis (as in the case of fuel oil and gas).

Gas costs increased considerably this year, rising about 15%. Gas, like fuel oil, is measured largely on a "cost-weighted" basis which takes both price and heating degree days into consideration. A small part of the increase in gas costs was due to colder weather during this year's heating season, but most of the increase can be attributed to rate increases and changes in the fuel adjustment factor.

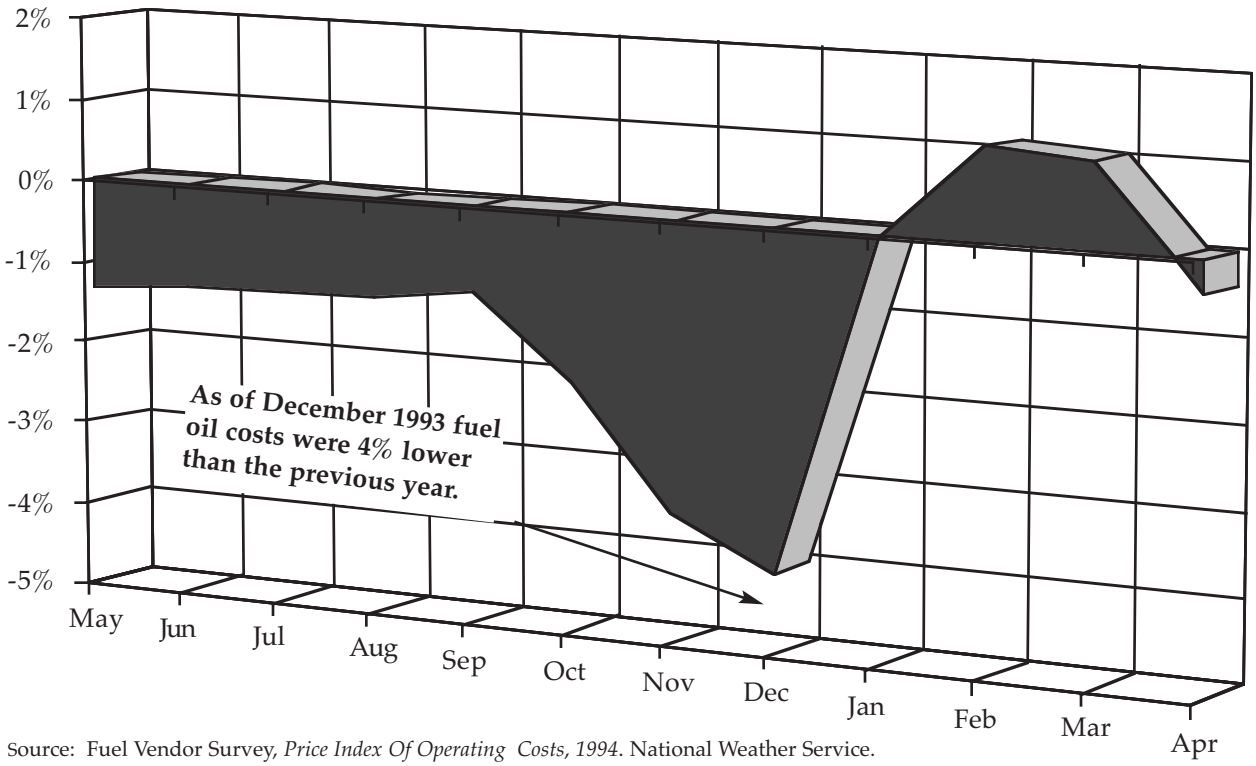
Fuel Oil



The fuel oil component measures changes in the price of three types of fuel oil - #2, #4, and #6. The PIOC includes a different weight for each of the fuel grades which reflects the percentage of rent stabilized units using the particular type of fuel oil. In the current year's PIOC, #6 oil accounts for half of the fuel oil component while the other two grades make up roughly 25% each.

To calculate changes in fuel oil costs staff gathers monthly price data from fuel oil vendors and weights the data using a degree day formula. The number of degree days is a measure of

Percentage Difference in the Cumulative Fuel Oil Bill, 1993-94 as a Percent of 1992-93



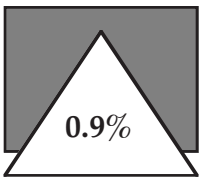
Source: Fuel Vendor Survey, *Price Index Of Operating Costs, 1994*. National Weather Service.

heating requirements.

This year was decidedly colder than the previous year, mostly due to an unusually cold January. Offsetting the colder weather, however, were lower fuel prices for much of 1993. As a result, fuel prices actually dropped by 0.5%. In fact, a demand driven increase in fuel prices in February, immediately after the coldest spell of the winter, dampened the drop in fuel prices for the year. Without the February price rise, fuel costs would have been 3.2% lower than the previous year. The chart on the previous page illustrates the effects of the severe cold and fuel price rise by tracking the difference in the cumulative fuel bills between last year and this year. As the chart shows, landlords' fuel bills were 4.0% lower than the previous year as of December. However, cold weather and higher prices drove prices up, before finishing the year with a .5% decrease.

This decrease in price was experienced by users of #2 and #4 fuel oil; #6 fuel oil users experienced a price increase. Among the various grades of fuel oil, the changes in price were: #6, +0.9%, #4, -2.1%, and #2, -1.9%. As is usually the case, the price swing for #6 fuel oil was somewhat greater than for the other grades. This is probably due to the smaller number of price quotes for #6 oil and greater price volatility for this grade.

Contractor Services

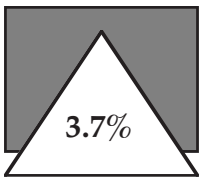


The Contractor Services component is composed of sixteen items, the most important of which are repainting and plumbing repairs. The rate of increase in the Contractor Services component fell from 2.5% last year to 0.9% this year. This is the lowest increase in the history of the PIOC.

The impact of the recession, which was first apparent in the results of the 1991 PIOC, continues even though we are considered to be in a recovery period. Continuing pressure on contractors to keep their customers has forced them to maintain or reduce their prices. In this year's survey about four-fifths of the painters reported that their prices either remained the same or even decreased, mainly due to lack of business. As a result, the increase in repainting costs was less than one percent, almost one percent less than last year.

Plumbers, like painters, struggled to maintain prices for their services. As was the case last year both PIOC plumbing "specs" showed an increase but the change was slight - 1.1% and 1.6% respectively. The greatest changes in the Contractor Services component were seen in the area of elevator maintenance. While there were moderate price increases for elevator maintenance in the 1993 PIOC, each of the three elevator "specs" showed decreases in 1994. Old elevators were replaced with new units resulting in fewer repairs which in turn have lowered monthly service contracts. Due to the lack of substantial price hikes in these areas, the recent trend of low increases in the Contractor Services component has continued.

Administrative Costs



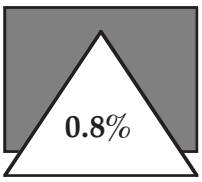
The administrative costs component consists mainly of management company fees and attorney and accountant services. Advertising fees, along with the cost of certain office supplies, are also a part of this component but they have only a minimal effect on the overall increase. Since

1991 we have seen increases of about two to three percent. This year's increase in administrative costs was somewhat higher, 3.7%.

Management fee quotes, which make up nearly two-thirds of the administrative costs component, are obtained from owners and are verified by calling management companies. The data is used only if the management company has no equity interest in the apartment building. The number of management fee quotes was similar to the number obtained in the 1993 PIOC. This year's increase of 3.9% in management fees is lower than the average increase over the last five years (5.3%).

Fee quotations were obtained from accountants and attorneys based on specifications in the PIOC. Unlike last year, these costs have increased faster than the past year's increase in the CPI. The 1994 PIOC saw a rise in attorney fees of 3.3% (an increase over last year's 2%), while accountant fees increased 4.2%.

Insurance Cost



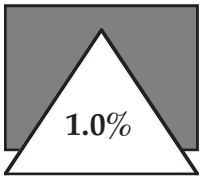
Information on insurance costs and coverage (i.e. deductible, value, coverage change) was obtained through the owner survey. The survey staff used a policy number and the name of a contact person provided by the management company or building owner to confirm the 1993 and 1994 price quotes with the insurance carrier. To insure that the PIOC accurately measures the effect of changes in the price of insurance coverage, the influence of changes in coverage is statistically removed in the computation of the insurance component.

A total of 523 verified insurance quotes were obtained, compared to 443 in 1993. The PIOC survey team was exceptionally successful in gathering insurance quotes this year. In part this was due to their diligence, but some of the credit can be attributed to changes in survey methods made last year.

This year a new variable was added to the insurance section of the Owner Survey in order to determine if lead paint coverage was being removed from insurance policies. Only 13 respondents indicated that the lead paint coverage was indeed removed from an owner's policy. As a result, this new variable had little effect on the insurance cost component.

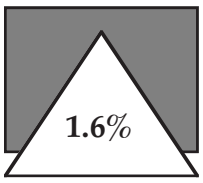
Recent changes in insurance have been rather moderate, ranging from -.6% in 1989 to 4.4% in 1991. This year's increase of 0.8% is quite typical.

Parts and Supplies



Increases in this component have been fairly consistent and generally low since 1983. This year prices showed the same rise as last year- only 1%. Given the low weight of the parts and supplies component in the PIOC (less than 3%) and the small price increase in this component, parts and supplies had no significant impact on the overall PIOC increase this year.

Replacement Costs



The replacement costs index is less significant than the Parts and Supplies component, accounting for slightly more than 1% of the price index. Last year's increase, although it was only 4.2%, was the highest since 1982. This year's replacement costs component continues a

previous series of low increases. The slight rise of 1.6% had very little impact on the overall increase in the PIOC.

Rent Stabilized Lofts

The overall increase in the loft price index was 2.2%, only slightly more than the increase in the apartment index (see table below). Even though the overall increase in the loft price index was very similar to the increase in the apartment index, some of the weights used in the loft index are quite different. Attorney fees have a weight of about 1% in the apartment PIOC, but comprise 11% of the loft index. Since legal fees rose 3.3%, the effect was to increase the loft index relative to the apartment index. However other factors worked in the opposite direction. Fuel costs dropped more for lofts than for apartments since fewer lofts use #6 fuel oil. The 4.6% increase in labor costs had less of an impact on lofts than apartments since labor costs are not weighted as heavily for lofts. All of these factors combined resulted in the increase of 2.2%.

Change in Components of the Price Index of Operating Costs for Rent Stabilized Lofts, April, 1993 to April, 1994

Taxes	2.3%
Labor Costs	4.6%
Utilities Costs	3.0%
Fuel Costs	-1.5%
Contractor Services	0.9%
Administrative Costs, legal	3.3%
Administrative Costs, other	3.6%
Insurance Costs	0.8%
Parts & Supplies	1.0%
Replacement Costs	1.6%
Overall	**2.2%**

Rent Stabilized Hotels

The hotel price index methodology was first developed by the consulting firm USR&E based on its findings in the *Report on the Analysis for Expenditure Data for the 1985 Price Index for Hotels*. It includes separate indices for each of the three categories of hotels (due to their dissimilar operating cost profiles) and an index for all hotels.

The overall increase for hotels was 1.2%, somewhat less than the increase for apartments. The changes for the various building types were: rooming houses 2.7%, SROs 2.1%, and hotels 0.4%. This disparity among building types is largely due to different tax changes. Taxes for rooming houses increased by 6.1% and SROs by

Change in Components of the Price Index of Operating Costs for Rent Stabilized Hotels, April, 1993 to April, 1994

Taxes	-0.5%
Labor Costs	4.6%
Utilities Costs	0.1%
Fuel Costs	-1.1%
Contractor Services	2.7%
Administrative Costs,	3.6%
Insurance Costs	0.8%
Parts & Supplies	1.0%
Replacement Costs	-1.5%
Overall	**1.2%**

1.0% while taxes for hotels decreased by 4.7%. Utilities costs also went down for hotels (-1.0%) while increasing for rooming houses (3.1%) and SROs (1.6%).

Differing tax costs were most responsible for the smaller change in the hotel index than the apartment index. The tax relative was computed using a list of hotel buildings compiled by HPD for the 1991 HVS, as was the case for the past two years. This year taxes actually decreased by 0.5% while apartments experienced a 2.3% increase in taxes. This difference is due to a drop in the billable assessed value for hotels (-2.9%) and a smaller increase in the tax rate (+2.3%). Assessments for hotels decreased 7.3% from the previous year and SRO assessments decreased 1.3%. Rooming house assessments increased 3.8% in the same period.

The increase in labor costs was 4.6%, somewhat more than for apartments. This increase was driven by large increases in unemployment and social security insurance which are afforded more weight for hotels than apartments.

Fuel costs decreased by 1.1%, a greater decrease than for apartments. This is due to the fact that rooming houses use #2 fuel oil rather than #4 or #6.

The increase in utilities costs was very slight (0.1%). Substantial increases in natural gas costs were offset by reductions in the price of electricity, resulting in nearly unchanged costs.

Contractor services rose faster in hotels, largely due to an 8% increase in linen and laundry service. Replacement costs actually decreased by 1.5% because of a drop in the price of dressers, mattresses, and box springs. Administrative costs, insurance, and parts and supplies rose at about the same rate for both hotels and apartments.

1994-95 PIOC Projection

Summary

Overall, the PIOC is expected to grow by roughly 3.4% between 1994 and 1995. Projected changes in the index's separate components are shown alongside actual increases observed from 1993 to 1994 in the chart on page 24.

Taxes +3.1%

Real estate taxes have steadily grown into the most important single cost component in the PIOC, comprising over one quarter of the cost index. From 1985 to 1992, growth in taxes tended to exceed overall expansion in the PIOC. Declining tax assessments and fairly stable tax rates have reversed this trend over the past two years.

Although New York remains committed to keeping its total real estate tax levy stable over the coming year, changes are expected to occur in the distribution of the tax burden among various types of property in the city. In particular, the share of the levy to be derived from Class Two properties (which encompasses rent stabilized buildings) is expected by to increase by 5% from 1994 to 1995. This increase, in turn, should cause the tax rate for Class Two buildings to grow by about 5% next year.

Class Two property includes co-ops and condominiums as well as apartments. Within the Class Two category, rent stabilized dwellings are classified as either "rental buildings" or "4-10 family buildings". Based on the preliminary tax roll, the Finance Department forecasts billable assessments for rental buildings to decrease by 1.7%, while billables for 4-10 family buildings are

expected to increase by 3.5%. Overall, billable assessments for stabilized buildings, which are predominantly classified as "rental" buildings, should decrease by 1.1% from 1994 to 1995.

In the past, the Finance Department's preliminary tax roll, which is an estimate, has tended to be higher than the final tax roll, upon which taxes are actually calculated. Accurate tax projections must adjust for this "gap", which amounted to 1.1% for stabilized properties in 1993. Assuming that the discrepancy between the preliminary and final tax roll is also 1.1% in FY '95, billables should decline 2.2%. This decline in billables, combined with the projected 5% increase in the Class Two tax rate, should produce a 3.1% rise in taxes for rent stabilized buildings in the coming year.

Labor-Based Components

(Labor Costs +4.3%, Administrative Costs +3.4% and Contractor Services +1.9%)

Labor costs comprise the bulk of these three components. "Contractor Services" primarily concerns the work of plumbers and painters while "Labor Costs" are mainly associated with the wages and benefits of building maintenance workers (e.g. superintendents, porters, etc). "Administrative Costs" largely consists of management, legal and accounting fees.

Among the three components listed above, "Labor Costs" should increase the most (by 4.3%) over the coming year. This projection was calculated from actual contract agreements made between building owners and unions representing building workers. In the case of non-union employees, growth in wages and benefits was projected from average increases observed over the past three years.

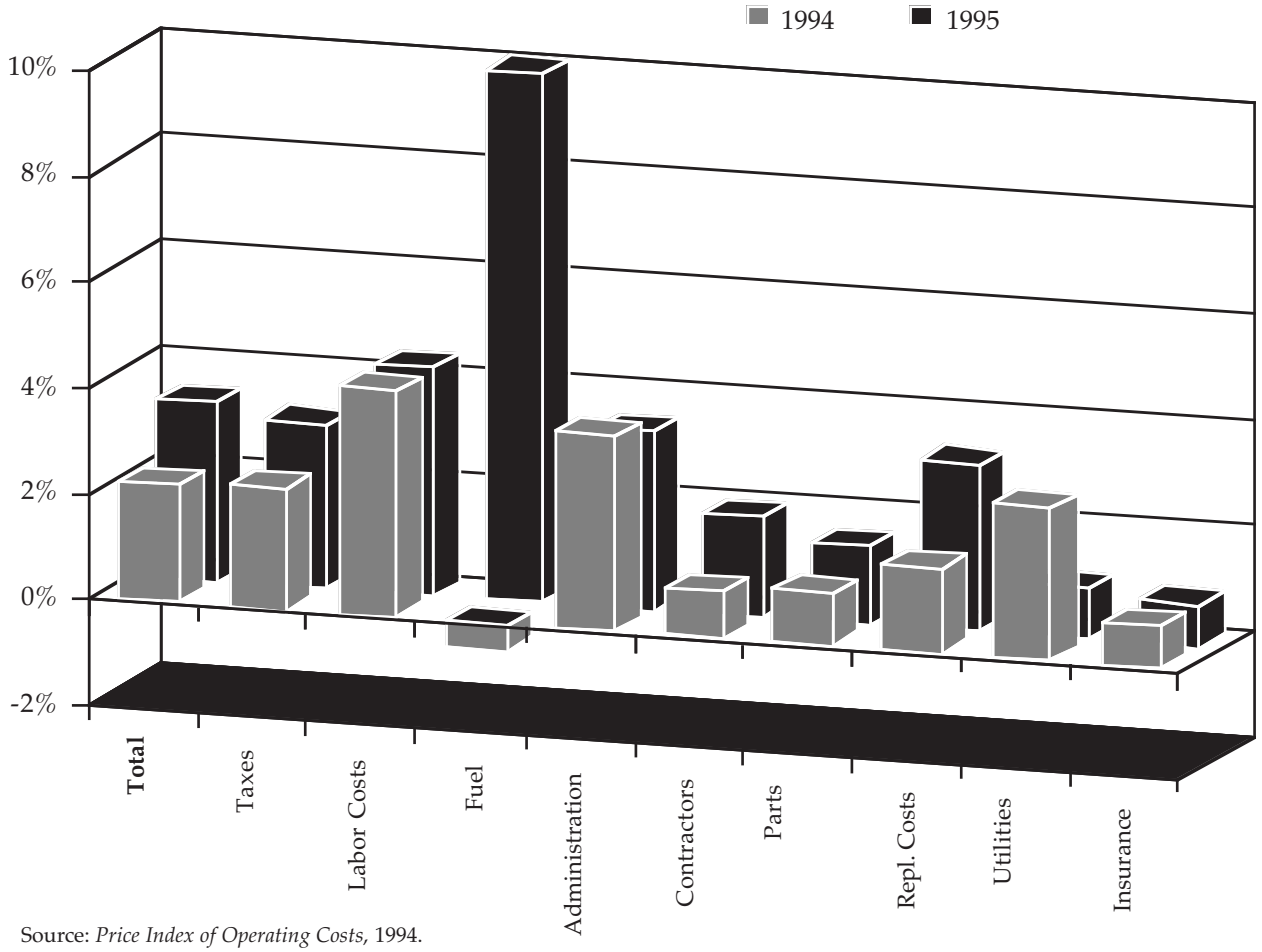
In a similar vein, projected increases in "Administrative Costs" (3.4%) and the price of "Contractor Services" (1.9%) were derived from average growth rates witnessed in both components during the past three years.

Fuel + 10%

The cost of fuel oil depends heavily on volatile political and economic variables as well as on short-term weather patterns that cannot be reliably predicted. Given these drawbacks (and barring unforeseen wars or natural disasters) fuel oil prices in New York City from 1994 to 1995 should be propelled upward by a combination of stable global production, a colder-than-normal winter and accelerating economic growth (and thus demand for oil) both at home and abroad.

The Energy Information Administration (EIA) currently projects that world oil prices will increase from $14.50 per barrel to $16.50 per barrel between the second quarter of 1994 and the second quarter of 1995. This projection is based on two major assumptions. The first holds that worldwide demand for oil will jump by one million barrels per day as the Japanese and Western European economies recover from recent recessions, while "Pacific Rim" nations such as China continue to develop. The second assumption is that global oil production will remain fairly stable, with increases in output from Middle Eastern OPEC nations off-set by declining production from both the former Soviet Union and United States and stable production from non-Middle

1994 PIOC and Projected Increases for 1995



Source: *Price Index of Operating Costs*, 1994.

Eastern OPEC countries.[1]

As the United States economy continues to emerge from the recession over the coming year, domestic demand for fuel oil is projected to rise. Projected growth in employment, industrial output and gross domestic product of roughly 2% between 1994 and 1995 in the face of a stable oil supply will place additional pressure on prices. If next year's weather patterns follow recent trends towards cooler average temperatures, short-run demand for fuel oil, particularly in winter months, will increase further. The EIA forecasts that these shifts in global and domestic demand, supply, and weather conditions will increase the price of fuel oil grades two, four and six by respectively 5%, 9% and 13%, for a weighted average increase of 10% between 1994 and 1995.

Insurance Costs + 0.8%

After a period of substantial increases in insurance costs, the insurance market stabilized in 1988 and has been relatively constant since then. In 1994, the increase in insurance costs of .8% was significantly lower than the projected

[1] "Short-Term Energy Outlook", Energy Information Administration, United States Department of Energy, First Quarter, 1994.

increase of 2.1%. The projected increase of .8% for the 1994 PIOC is based on the latest three-year average.

Utility Costs + 1%

Utility costs consist of charges for the use of electricity, natural gas, water and sewer service, purchased steam, and telephone service. The first three items account for over 95% of the utility index.

The utility index should register the second lowest increase among all of the PIOC components over the next year. Con Edison will impose the last of the three consecutive increases in electricity rates on April 1, 1994. It is also likely that both Con Edison and Brooklyn Union Gas will file for rate increases in natural gas and steam during the 1994-1995 PIOC period. However, after several years of double-digit increases in water and sewer charges, it is likely that there will not be any increases in water and sewer charges during 1995. Without increases in water and sewer charges, which account for more than 55% of the the utility component, utility costs will increase by only 1%.

Con Edison estimated its last of three consecutive increases in electricity to be close to 2.2%, although the actual changes in total costs for electricity will also depend on the fluctuations in the fuel adjustment charge and various tax rates. In other words, the price of electricity may rise more or less than changes in rates.

In addition to higher electricity charges, rates for natural gas and steam should also rise over the coming year. Con Ed and Brooklyn Union Gas plan increases for gas service of 2.3% and 2.1% respectively. These figures are tentative, as the actual rates of increase will be determined by the Public Service Commission in June 1994, although this should not have a profound effect on overall utility costs.

Last year, after several substantial increases in water and sewer charges, Mayor Dinkins and the New York City Water Board froze the water and sewer rates for Fiscal Years 1994 and 1995.

Without an increase in water and sewer charges, the combined increases among the other three types of utilities will produce an increase of 1% in utility costs in 1995.

Parts & Supplies + 1.5%

Parts and Supplies is a very small component of the PIOC, with a weight of less than 3% in the 1993 index. According to the average growth observed in this component over the past three years, the cost of parts and supplies should increase by 1.5% over the coming year.

Replacement Costs + 3.2%

This component's relative importance in the PIOC (as measured by expenditure weights) has fallen steadily in recent years. In 1993, it accounted for roughly 1% of the entire price index. Based on average price increases witnessed over the past three years, replacement costs should rise by 3.2% between 1994 and 1995.

1994 Income and Expense Study

Since the enactment of New York's Rent Stabilization Law in 1969, the Rent Guidelines Board (RGB) has analyzed changes in the costs associated with operating rental apartment buildings in the city. For many years staff focused their efforts on the Price Index of Operating Costs (PIOC), using survey data for accurate tracking of changes in operating and maintenance (O&M) costs. In turn, the Board relied heavily on the PIOC and other indices in its determination of annual rent increases.

Despite on-going complaints from both tenant and landlord groups, little reliable information existed for gauging the accuracy of the PIOC until 1990. In that year, RGB staff gained access to a new source of data which permitted independent verification of the PIOC's accuracy: income and expense (I&E) statements, collected annually by the Department of Finance from owners of "income producing" properties. These I&E statements contain detailed information on income and costs in rent stabilized buildings, and are particularly useful because they comprise both cross-sectional data, reflecting the condition of various types of rent stabilized buildings in a given year, and longitudinal data, which reflect changes in the condition of buildings which have filed I&E forms in at least two successive years.

Summary

Cross Sectional Study

Income

- Average monthly rent collected by owners was $521 per unit. Collections in the older pre-war stock were $468 while the average rent for Post '46 units was $664.

- Average gross income, which includes rent collected from commercial units, was $576. Sources of income other than apartment rent constitute about 11% of income for landlords as a group.

- The average rent collected in buildings without commercial units was $512 per unit in 1992, while average gross income was $517.

O&M Costs

- The average monthly operating and maintenance cost for all units was $395. Costs were substantially higher for Post '46 units ($482) and much lower for the pre-war stock ($364).

- Assuming that an audit of the 1992 income and expense data would yield similar findings as in the 1992 audit, one would expect O&M costs for stabilized buildings to be $366 rather than $395.

- The unadjusted O&M cost for buildings without commercial units averaged $366, or about $29 less than the average for all buildings. Adjusted by the findings of Finance's 1992 audit of 1990 RPIES (Real Property Income and Expense Statements), O&M costs would average $341, $25 less than the all-buildings average.

O&M Ratios

- The audit adjusted cost-to-rent ratio for all stabilized units was 70%, while the cost-to-gross income ratio was substantially lower at 63%.

- The unadjusted O&M cost-to-rent ratio for buildings without commercial units was 71%.

Longitudinal Study

Changes in Income

- Average rent collected rose by 3.5% between 1991 and 1992, slightly faster than the 3.4% rise recorded from 1990 to 1991. Rents in the Post '46 sector grew 2.3% while those in Pre '47 buildings rose 4.1%.

- Rents rose fastest in Brooklyn (4%) and slowest in Queens (3.1%) . Increases in the Bronx and Manhattan were 3.6% and 3.3% respectively.

- Total income (i.e. apartment rent, sales of services, and commercial rent) collected by building owners increased by 3.1% from 1991-1992.

Changes in Costs

- Total operating and maintenance (O&M) costs increased 4.2% from 1991-1992, somewhat higher than the growth rate of gross income collected over the year.

- This is the first year where growth in PIOC-measured costs was equal to the increase observed in I&E figures. During 1989-1990, RPIE costs grew by 7.1% while the PIOC showed a 9.6% increase. This situation was repeated between 1990 and 1991, with the PIOC rising by 5.5% as costs reported in I&E findings grew by 3.4%. From 1991 to 1992, costs in both the PIOC and I&E data rose by 4.2%. Overall, from 1989-1992, costs in RPIE filings rose by 16% while those measured by the PIOC grew by 20%.

Changes in O&M Ratios

- The proportion of building income devoted to operating costs increased between 1991 and 1992 by seven tenths of one percent from the rate observed during 1990-1991. The cost to rent ratio also increased from 1991 to 1992 by about the same amount.

Local Law 63

Local Law 63, enacted in 1986, requires owners of income producing properties in New

York City to annually file Real Property Income and Expense Statements (RPIES) with the Department of Finance. While certain properties are exempt, including cooperatives, condominiums, buildings with 10 or fewer units and those with an assessed value below $40,000, the financial characteristics of thousands of rent stabilized apartment buildings throughout New York are annually catalogued in RPIE returns. Although data on individual properties is strictly confidential, Local Law 63 does allow the Finance Department to release summary statistics of annual RPIE data.

Over the last five years Finance has provided the RGB with summary data for a random sample of rent stabilized properties. Samples in the first two studies were limited to 500 buildings, because RPIE files were not automated. Two years ago, following the computerization of all I&E filings, the sample size was increased to over 10,000 properties.

Methodology

This is the fifth year that RGB staff has been able to use cross-sectional data and the third year that longitudinal figures have been used to monitor current conditions as well as trends in New York's rent stabilized housing. Because it traces actual income levels and costs (as reported by building owners) for the same properties over a number of years, longitudinal data is particularly useful for analyzing the recent performance of the PIOC in measuring changes in operating costs of the rent stabilized housing stock.

The data used in this report was primarily summarized from 1993 RPIE forms returned to the Department of Finance by building owners. Longitudinal data encompasses properties which filed RPIE forms in both 1992 and 1993. However, analysis of filing dates indicates that RPIE averages reflect conditions occurring around July of the calendar year in question, so that this year's longitudinal study measures changes in costs and income from July 1991 to July 1992.

This year 12,836 and 9910 buildings were respectively analyzed for the cross-sectional and longitudinal I&E studies. Figures were produced by matching a list of 39,000 rent stabilized properties registered with the New York State Division of Housing and Community Renewal (DHCR) with a list of buildings which had filed a 1993 RPIE statement (or both a 1992 and 1993 statement in the longitudinal sample). Buildings on the RGB list were excluded from both samples for the following reasons:

- They contained less than 11 units. Owners of buildings with less than 11 apartments (without commercial units) are not required to file I&E forms;

- Owners did not file a 1993 RPIE form for the cross-sectional study, or a 1992 or 1993 RPIE form for the longitudinal study;

- No unit count could be found on completed RPIE filings;

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

- RPIE data was not entered in the database. Some owners submit income and expense statements to the City's Tax Commission, in

which case they do not have to submit RPIE forms to Finance's Property Division. The 1993 RPIE forms submitted to the Tax Commission are not yet computerized.

Three major steps were also taken to weed out inaccurate building information which could have distorted the final results:

- In the past, Finance used the total number of units from the RPAD (assessed value) file to categorize buildings by size and location. In many instances, it was discovered that the unit counts on RPIE forms were different than those on the RPAD file. Following a review of both sources, RGB staff ultimately decided that residential counts from the RPIE form were more reliable.

- Average monthly rent for each building was tested to control data quality. Using average rents from the 1991 HVS, RGB staff provided Finance with rent intervals for each borough. If a building's average rent fell outside the range, the building was removed from the sample; 386 buildings were expelled from both samples for this reason. Nearly 100 of the structures reported average monthly rents exceeding $2000 per unit, while 220 claimed average monthly rents below $100 per unit.

- Buildings in which operating costs exceeded income by more than 300% were excluded from both the cross-sectional and longitudinal studies, to ensure that averages computed from both samples were not skewed. Twenty seven properties were excluded from each sample for this reason. Among these buildings, operating costs were 22 times higher on average than income in 1992. Half of these buildings spent more than ten times their income on O&M expenses during the year.

After compiling both samples, Finance categorized sample data into "cells" reflecting particular types of rent stabilized buildings throughout the five boroughs (such as post-1946 rent stabilized buildings in Queens with 20-99 units) as they have done in the past.

Cross-Sectional Study

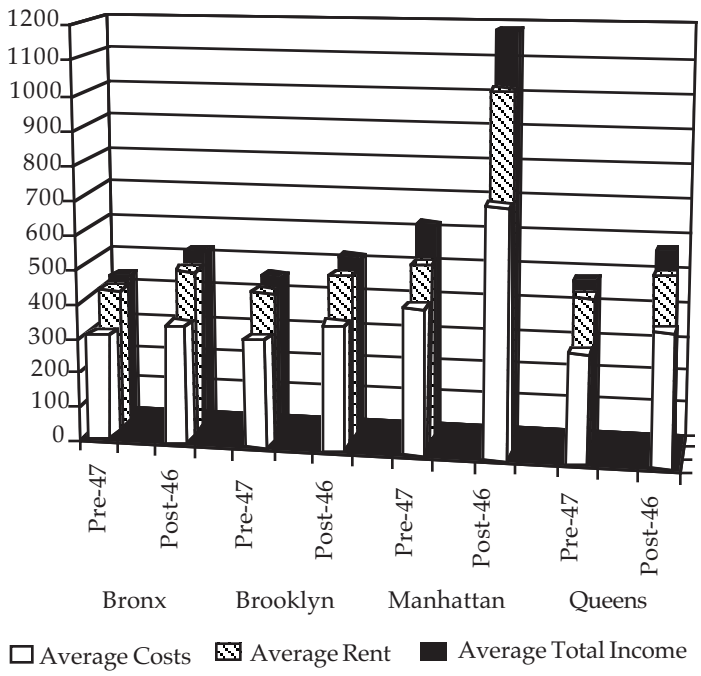
Rents

The 1992 average monthly rent collected by owners of rent stabilized apartment buildings was $521 per unit. Rents for Post '46 units were substantially higher ($664) than those for pre-war units ($468). Once again, rent in Manhattan ($632) was the highest in New York, followed by Queens ($491), Brooklyn ($439) and the Bronx ($428).

Traditionally, average rents culled from RPIE filings tend to be lower than data on mean contract rents found in the triennial New York City Housing and Vacancy Survey (HVS). This disparity mainly stems from the fact that the I&E data accounts for vacancy and collection losses, in addition to reflecting rents collected over a 12-month period (the HVS is usually conducted in the first three months of any given year).

Using data from the 1991 and 1993 HVS, the mean contract rent for all rent regulated apartments in 1992 ($559) exceeded the average rent from the 1993 RPIE data by

Average Monthly O&M Cost, Rent, and Total Income Per Unit by Age and Borough, 1992.



Source: NYC Department of Finance, 1993 RPIE Filings

roughly 7%.[1] The mean contract rent in older pre-war apartments ($514) stood about 10% higher than the 1993 RPIE average, while the 1992 mean contract rent for units built after 1946 ($670) exceeded the 1993 RPIE average for such dwellings by 1%.

Similar gaps between HVS and RPIE data were observed in last year's I&E study, particularly for the pre-war sector, where mean contract rents exceeded average rent collections by 13.5%. If even a portion of these observed "gaps" between HVS and RPIE data reflect vacancy and collection losses, then it seems that older rent stabilized buildings face much greater hardships than modern properties in the actual collection of their annual income.

It is also interesting to note the relationship between rent levels registered with the New York State Department of Housing and Community Renewal (DHCR) and rent collections reported by landlords in the I&E filings. The gap between legal rents and rents actually collected may reflect a number of factors, including preferential rents, rents in controlled units, collection losses, and vacancy losses. Between 1988-1991, staff estimated that collected rents dropped from about 90% to 85% of registered rents. Between 1991 and 1992 this gap closed slightly, as collections increased to 86% of registered rents.

The disparity between collections and registered rents varied widely among the boroughs, with properties in Manhattan collecting only 83% of the registered average, while buildings in the Bronx collected 89%. The respective collection rates in Brooklyn and Queens stood at 87% and 88%.

Use of a sample exceeding 500,000 units allows reliable statistics to be calculated for rent in most of the building types encountered throughout New York's boroughs. The chart above shows average rent for each of the building types.

Many owners of rent stabilized apartment buildings augment their income by selling services to their tenants as well as renting ground floor commercial space. The 1993 RPIE filings show an average gross income of $576 per rent stabilized unit, including the sales of services (e.g. laundry, garages/parking), as well as rent from commercial units. Such proceeds constituted roughly 11% of the total

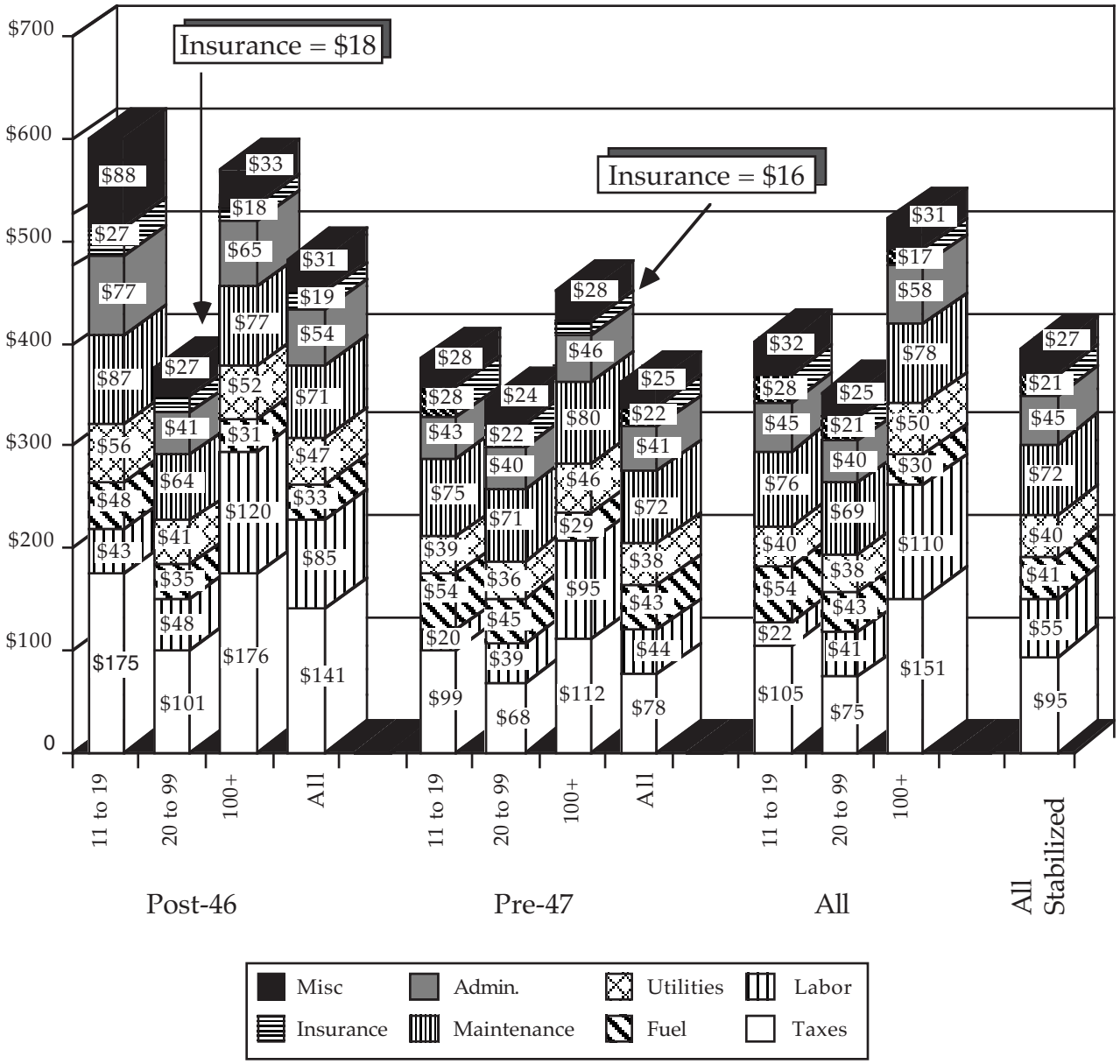
[1] Median contract rents for 1992 were interpolated from rental data in the 1991 and 1993 New York City Housing and Vacancy Surveys (HVS). RPIE data includes rents for some rent controlled units. In order to arrive at a rent figure comparable to the I&E data, controlled and stabilized units from the 1991 and 1993 HVS data were combined to compute an average rent for all regulated units.

income earned by building owners in 1992. Manhattan owners especially benefit from commercial income, with 16% of their income coming from commercial units and services. The respective figures for the other boroughs are 7% in Queens and 5% in both Brooklyn and the Bronx.

O & M Costs

Besides reporting O&M costs attributable to apartments, RPIE expense categories include costs for commercial units. Unfortunately, expenses for commercial space and apartments are not distinguished on the RPIE form, making

1992 Average Operating and Maintenance Cost by Building Size and Age



Note: Costs on this chart represent unaudited monthly unit expenses reported in 1992. Totals may not add due to rounding.
Source: NYC Department of Finance, 1993 RPIE Filings.

the calculation of a "pure" residential operating and maintenance cost impossible. Thus, the residential O&M costs are rather high because they include maintenance costs for commercial space.

The average monthly operating and maintenance cost for all rent stabilized units was $395 in 1992. Costs were substantially higher for Post '46 units ($482) and much lower for the pre-war stock ($364). In the boroughs costs parallel rents - lowest in the Bronx ($320) and highest in Manhattan ($490). The chart on the previous page shows costs according to building size and age.

Over the past five years, the Department of Finance and RGB staff have extensively scrutinized RPIE expense data for accuracy. Assessments of early samples indicated that more than half (55%) of "miscellaneous" costs were actually administrative or maintenance costs, while another 15% were not valid business expenses. Finance explored these findings further in 1992 by conducting thorough audits on the income and costs of forty-six rent stabilized properties.

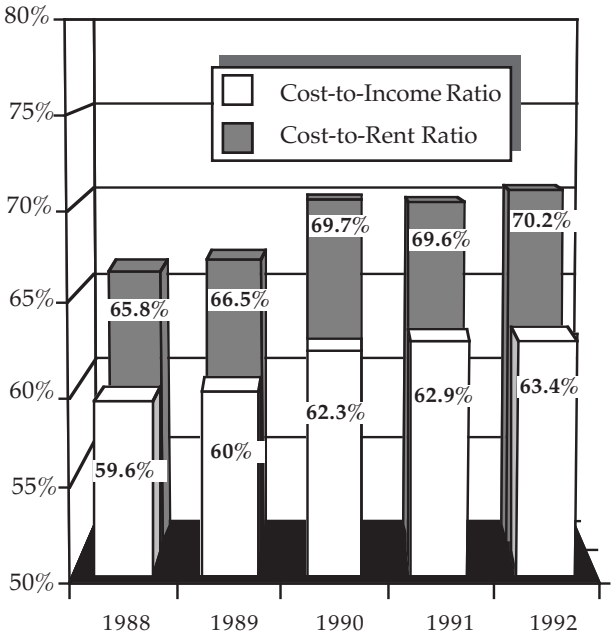
The auditors ultimately found that owners overstated O&M costs in RPIE filings by about 8%. Costs tended to be less accurately recorded in small (11-19 units) and medium (20-99 units) sized buildings (overstated by 13% and 9% respectively). Expenses in large (100+ units) buildings appeared to be more accurate (overstated on average by only 2%), but remain somewhat inconclusive since several owners of large stabilized properties refused to cooperate with Finance's assessors.

Expense reductions were concentrated in three categories: maintenance, administration, and miscellaneous costs. Maintenance had to be lowered by an average of 11% for all buildings, while administration and miscellaneous costs were respectively trimmed by approximately one-quarter (25%) and one-third (37%). Adjustment of 1993 RPIE data by the results of the 1992 audits reduces the average monthly O&M cost for stabilized units from $395 to $366.

Audit-adjusted monthly O&M costs for buildings without commercial units were about $25 lower ($341) than the average for all buildings. Last year, RGB staff found that taxes accounted for 40% of the difference between "all-residential" buildings and all stabilized buildings, with one quarter of the remaining variance attributed to maintenance and labor expenses. This year taxes accounted for more than half (54%) of the difference while labor, maintenance and "miscellaneous" costs accounted for more than one quarter (29%) of the total variation. Taxes, labor and miscellaneous costs were respectively 13%, 12% and 5% lower

Cost-to-Income and Cost-to-Rent Ratios 1988-1992

(Cross-Sectional Data)



Source: NYC Department of Finance, RPIE Filings

on average for buildings without commercial space than for all stabilized properties.

O & M Ratios

To facilitate comparison with previous analyses, expense data from the 1993 I&E cross-sectional study (covering market conditions for 1991) was adjusted to account for buildings with cost-to-income ratios greater than 300% as well as the results of the 1992 Finance audit. The chart on the previous page shows the relationship between adjusted operating costs, rents and gross income over the past five years.

RGB staff estimates that the proportion of gross income spent by stabilized building owners on audited operating costs averaged 59.6% in 1988 and 60% during 1989. In 1990, rapidly escalating expenses pushed this ratio to 62.3%. Since 1990, the cost-to-income ratio has continued to increase, although at a slower rate, rising to 62.9% between 1990 and 1991 and growing again to 63.4% from 1991 to 1992.[2]

Distribution of O & M Costs

Discussion of average costs does not account for variations in the actual O&M budgets of owners of different types of stabilized buildings. The table in the next column summarizes the percentage of each O&M dollar spent on eight expense categories in buildings of various age and sizes during 1992.

On average, in 1992, nearly two-thirds of total expenses in stabilized buildings were comprised of property taxes, maintenance, labor, and fuel costs. Maintenance and fuel costs occupied larger shares of total expenses in older (pre-47) buildings, while taxes and labor costs were less important. On the other hand, newer (post-46) buildings spent relatively more money on taxes and labor costs and less on maintenance and fuel costs. Much less variation was observed within the other four expense categories (utilities, administrative, insurance and miscellaneous costs) among buildings of different age.

Building size also affects the distribution of costs. Taxes, labor, fuel and maintenance costs again dominate overall expenses. Labor costs are particularly associated with size, comprising a greater share of total O&M costs in larger buildings. This may be due to the concentration of large modern (post-46) stabilized buildings in Manhattan, which tend to employ doormen. In contrast fuel, maintenance and insurance decrease with size, probably due to efficiencies of scale realized by larger properties, particularly those with more than 100 units.

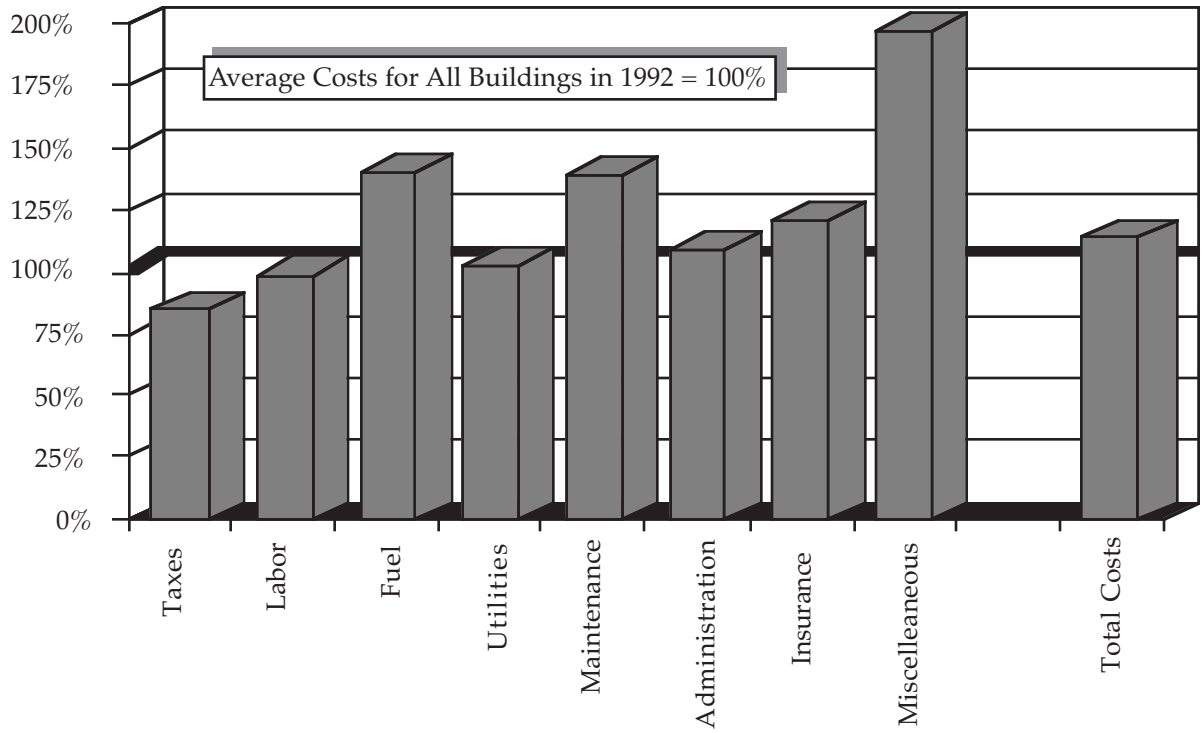
O & M Costs of Stabilized Buildings by Age and Size, 1992

	All	Pre 1947	Post 1946	11-19	20-99	100+
Taxes	23%	21%	29%	28%	22%	26%
Labor	13%	12%	17%	6%	11%	21%
Fuel	11%	13%	8%	13%	13%	6%
Utility	11%	11%	11%	10%	11%	10%
Maint.	19%	20%	5%	19%	20%	16%
Admin.	11%	11%	10%	11%	11%	10%
Insurance	6%	6%	4%	7%	6%	4%
Misc.	6%	7%	5%	6%	7%	6%
Total*	100%	100%	100%	100%	100%	100%

Note: Totals may not add to 100% due to rounding

[2] For detailed analysis of changes in costs, rents and income from 1989 to 1990, refer to *Rent Stabilized Housing in New York City: A Summary of Rent Guidelines Board Research, 1992.*

Expenses in Buildings with Cost-to-Income Ratios Exceeding 100% as a Percentage of the All Stabilized Buildings Cost, 1992



Source: NYC Department of Finance, RPIE Filings

Distressed Properties

During 1992, 1570 properties, roughly one-eighth (12%) of the cross sectional sample, had O&M costs which exceeded gross income. Only 60 of these buildings were constructed after 1946. Over the previous two years, such "distressed" buildings had respectively comprised 13 to 14 percent of the cross sectional sample.

In buildings where expenses exceed income, unprofitability is both a function of abnormally high expenses (114% of the all-building average in 1992) and abnormally low rents (only 68% of the all-building average in 1992). Most of the variance in unadjusted costs between these and other stabilized buildings was found in the fuel, maintenance and "miscellaneous"categories, which in these "distressed" buildings were respectively 135%, 135% and 187% of the stabilized average. Not surprisingly, these buildings also paid less property taxes (85% of the all-building average) than other stabilized structures in 1992.

Longitudinal Study

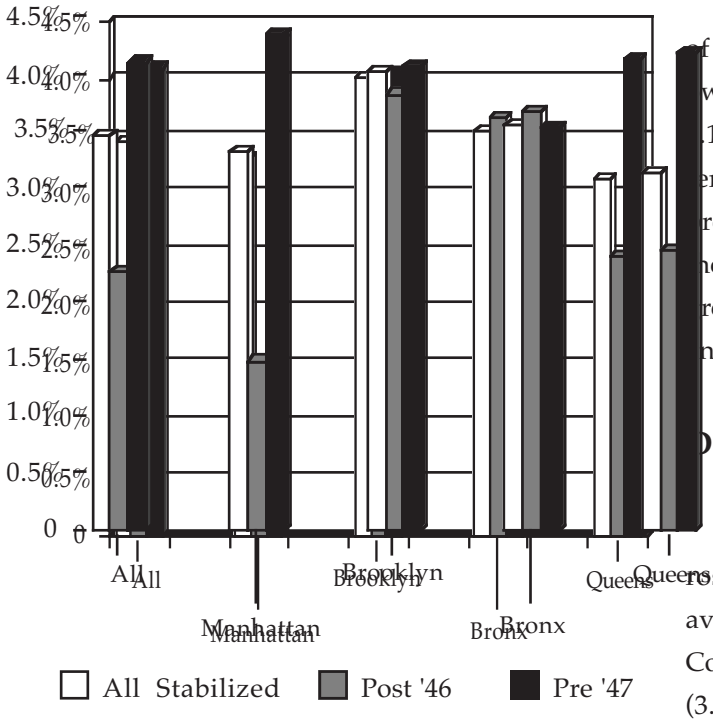
Analysis of the nearly 10,000 stabilized properties that filed RPIE forms in both 1992 and 1993 is designed to measure changes in costs and rents and provides a basis for evaluating the price index. However, although the I&E filings analyzed in this study were collected by Finance

in 1992 and 1993, the data contained in them largely reflects conditions for calendar years 1991 and 1992.

Rents

Average rent increased by 3.5% from 1991 to 1992, about the same increase observed between 1990 and 1991 (3.4%). Rents in the post-46 sector went up 2.3% while charges in pre-47 buildings rose 4.1%. Mid-sized (20-99 unit) buildings witnessed the fastest rent growth (4%) while rents in large (100+ unit) buildings rose the least (2.4%). Small (11-19 unit) properties experienced rent growth of 3.8% during 1992. In terms of both age and size, rents in small post-war buildings increased the least (1%) while those in medium sized pre-war properties grew the most (4.2%). The chart below summarizes changes in rent throughout the city's boroughs.

Percentage Change in Monthly Rents by Borough and Building Age, 1991-1992



Source: NYC Department of Finance, RPIE Filings

1992 appears to have brought relief to some rent stabilized landlords in Manhattan. Over the past few years high vacancy rates, above average rents, and the city's weak economy had prevented many owners of post-war properties in the borough from collecting all of the rent increases authorized by the RGB. The "drought" that affected such buildings in 1991, during which rent collections actually declined, seems to have abated somewhat during 1992 with rents in Manhattan's post-war stock growing by 1.5%. Nevertheless, rent increases in this stock lagged substantially behind the marketwide average.

In contrast to the 1980's, when rent collections accelerated faster than the RGB's expectations, this year's increase of 3.5% roughly paralleled both the RGB's rent index (4%) and the increase observed in DHCR registered rents (3.8%) between 1991 and 1992.

Gross income (i.e. apartment rent, sales f services, and commercial rent) collected by wners between 1991 and 1992 increased by .1%, slightly less than growth in apartment ents. In keeping with previous years, income in re-47 units rose at a greater rate (3.3%) than in e post-46 stock (2.7%). In terms of size, income rew fastest in medium-sized buildings (4.2%) nd slowest in large ones (2.9%).

& M Costs

Overall operating and maintenance costs rose 4.2% during 1992, thereby exceeding average rent growth for stabilized properties. Costs rose less in buildings erected after 1946 (3.5%) and faster in those built before 1947 (4.6%). Size also influenced cost growth, as expenses in

small buildings rose faster (4.9%) than those in either medium sized or large buildings (respectively 4.3% and 3.7%).

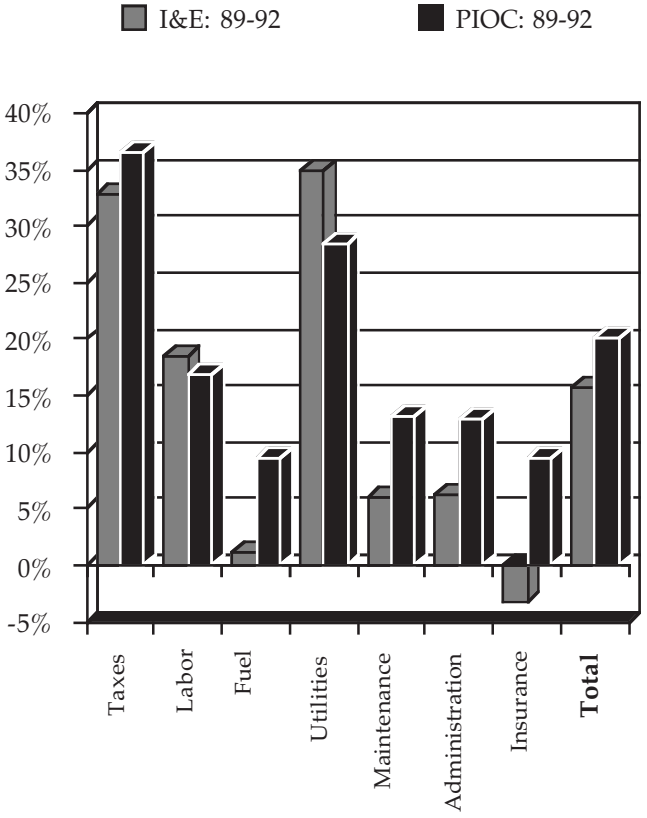
Among the various costs faced by building owners, taxes, utilities and labor costs grew fastest (by respectively 7.7%, 7.4% and 5.7%) from 1991 to 1992. In contrast, fuel costs remained stable (-0.1%) and insurance costs actually fell by 2.8%. Maintenance expenses made a surprising rebound, growing by 4.2% in 1992 after decreasing by 1.7% in the previous year. Whether such growth reflects greater investment in rent stabilized properties (and thus generally better conditions) or merely inflation cannot be determined with certainty.

How do the changes in the I&E figures compare with the cost increases measured by the PIOC? Differences in the methods used to measure O&M components make comparisons between the two sets of data rather inexact. For example, many of the components examined in the PIOC are measured on an April-to-April basis, while most expense statements (88%) filed by landlords are based on the calendar year. Reconciling this difference requires use of a weighted average of two PIOC years to render figures resembling I&E data. Comparison between the two sources of information is thus achieved at the cost of some distortion.

Analysis of PIOC and I&E data is further muddied by the fact that the two indices measure different things. Income and expense statements reflect actual expenditures incurred by landlords, while the PIOC heavily relies upon proxies to estimate actual shifts in O&M costs. Furthermore, the PIOC monitors the costs associated with maintaining properties to a constant standard of quality, while RPIE filings may reflect the investment or disinvestment patterns of building owners. Thus, rising O&M costs reported by RPIE filings may reflect price inflation, in which landlords are forced to spend more to maintain a given level of housing quality, or shifts in investment, where building owners change the quality of their buildings by spending more or less money to maintain them.

Despite those drawbacks, it is useful to make this comparison in order to evaluate how well the PIOC methodology tracks changes in costs. Over the past few years, growth in PIOC-measured costs has consistently outpaced expense increases reported by building owners in RPIE data. During 1990, costs in the PIOC increased 9.6% while those reported to Finance grew by 7.1%. The following year, the PIOC rose

Percentage Change in Monthly O&M Costs, PIOC vs. I&E Data, 1989-1992.



Source: NYC Department of Finance, RPIE Filings

5.5% as RPIE costs went up 3.4%. This persistent gap closed in 1992, with costs in both the PIOC and RPIE filings growing by 4.2%.

The chart on the previous page illustrates the different growth rates reported by RPIE filings and the PIOC for various costs between 1989 and 1992. During that three year period, the price index indicated a 20% increase in total O&M costs, while actual expenditures reported to Finance rose 16%. All of this difference between the I&E filings and the PIOC occurred between 1989 and 1991, when RPIE and PIOC costs respectively increased by 11% and 16%.

Reducing overall O&M expenses into component costs reveals some similarities between PIOC and RPIE data. Between 1989 and 1992, components with both the highest and lowest growth rates in RPIE filings (taxes/utilities and fuel/insurance) respectively had the highest and lowest rates in the price index. However, as the chart on the previous page shows, while the PIOC tracked actual changes in taxes and utility costs quite well over the three year period, the index may not have accurately measured shifts in fuel and insurance costs.

In the case of insurance, the difference between PIOC and RPIE figures may reflect a decrease in the level of insurance used by building owners, although the PIOC does attempt to compensate for changes in coverage. The discrepancy in fuel costs may stem from the "degree-day" formula used to compute PIOC fuel costs, which may overemphasize changes in the weather. In addition, the I&E data does not account for lags between the consumption of fuel by building owners and the time they are billed by fuel providers.

Three years is hardly enough time to accurately assess the effectiveness of the PIOC and its various components. Hopefully, future years will allow the RGB to trace the source of discrepancies between these two data sources, and to maximize the performance of the PIOC in measuring operating cost changes.

Cost Ratios

Overall, the proportion of gross income spent on unaudited expenses grew between 1991 to 1992, rising by seven tenths of one percent. The proportion of income spent on audited expenses also grew by seven-tenths of a percentage point. Some change was also observed in the proportion of rents used to pay audited costs, which increased by six tenths of a percent.

The percentage of buildings with an O&M to income ratio in excess of 100% declined from 12% to 11% of the roughly 10,000 buildings that filed RPIE forms in 1991 and 1992. Though there are slightly fewer buildings operating with an income ratio over 100%, the basic characteristics of these buildings do not differ from year to year. As reported in the cross-sectional study, these buildings have low average rents and high operating expenses. Unfortunately, the summary statistics available to staff are not adequate for a more insightful analysis. For example, we were unable to analyze the difference between the buildings with income ratios above 100% and those buildings that, in prior years, had negative net operating income.

1994 RGB Mortgage Survey

Section 26-510(b)(iii) of the Rent Stabilization Law calls upon the Rent Guidelines Board to consider the "costs and availability of financing (including effective rates of interest)" in its deliberations. To assist the Board in meeting this mandate, RGB staff conducts an annual survey of financial institutions which underwrite mortgages to multi-family properties in New York City. The findings of the 1994 mortgage survey are summarized in this report.

Summary

In 1991, a deepening recession, the "S&L crisis" and the collapse of New York's co-op market drastically curtailed the volume of multi-family lending in the city. This was demonstrated by declining loan applications from landlords and fewer approvals on the part of financial institutions. The 1992 Mortgage Survey showed increased cautiousness among bankers and landlords, as adverse market conditions forced many banks to tighten lending requirements or cease financing rent stabilized buildings, despite aggressive efforts by the Federal Reserve Board to reduce interest rates. The multi-family loan market began to improve in 1993 for some lenders and building owners, as loan volume started to stabilize and interest rates continued to fall.

Over the past year the credit market for rent stabilized housing has undergone considerable change. Average interest rates for both new and refinanced permanent mortgages declined for the fifth straight year, from 9.2% to 8.6%, while loan volume soared. Additionally, far fewer institutions tightened their underwriting standards, with only 14% of this year's respondents reporting stricter lending criteria, as opposed to 42% of last year's sample. Many landlords took advantage of historically low rates to refinance fixed rate mortgages in much greater numbers than last year. Such refinancing activity may have affected mortgage delinquencies in the rent stabilized stock, which declined from an average rate of 4% to 3%, while foreclosure activity remained fairly stable.

Changes in the Mortgage Survey Sample and Questionnaire

Besides updating mailing lists of local mortgage lenders, staff of the Rent Guidelines Board substantially modified last year's mortgage questionnaire to create the 1994 Mortgage Survey. New questions examined the importance of building size, location and age in

determining loan approvals. Additional attention was focused on the outcome of foreclosure proceedings against rent stabilized properties. Questions on the relative importance of rent stabilized mortgages on the loan portfolios of individual banks were eliminated, since this information could be gained from other questions, and because portfolio size was found to have very little statistical effect on the survey's data quality.

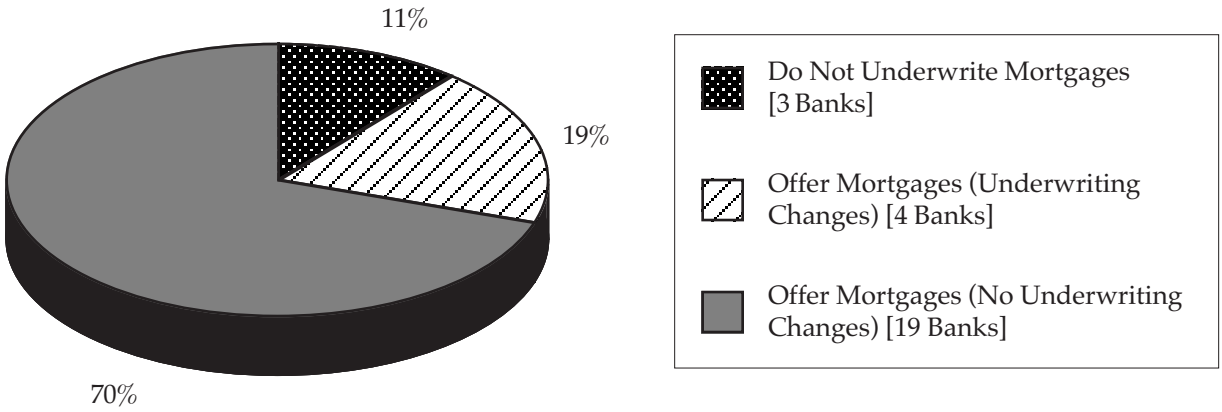
Response to the Survey

The 1994 Mortgage Survey received the highest response rate ever, with about half of the fifty two institutions questioned providing useful data. Unlike last year, when more than one-third of respondents said they had stopped underwriting multi-family properties, only three of the lenders participating in this year's survey ceased multi-family lending over the past year. Two institutions reported that they did not loan to either rent stabilized properties or buildings with more than four dwelling units. The third lender recently withdrew completely from making commercial loans. Additionally, two respondents reported mergers with other institutions, but said they were still active in lending to rent stabilized buildings.

The Federal Reserve's aggressive policies have lowered rates on mortgages for both single and multi-family housing in recent years. Rates continued to fall in 1994, although not at last year's pace, as demonstrated in the chart on the next page. Respondents to the 1994 Mortgage Survey report average rates of 8.6% for both new and refinanced permanent mortgages on rent stabilized dwellings, a drop of roughly 60 basis points from last year's average of 9.2%. Service fees ("points") also decreased, from an average of 1.4% of loan value a year ago to 1.2% and 1.1% of value for new and refinanced loans.

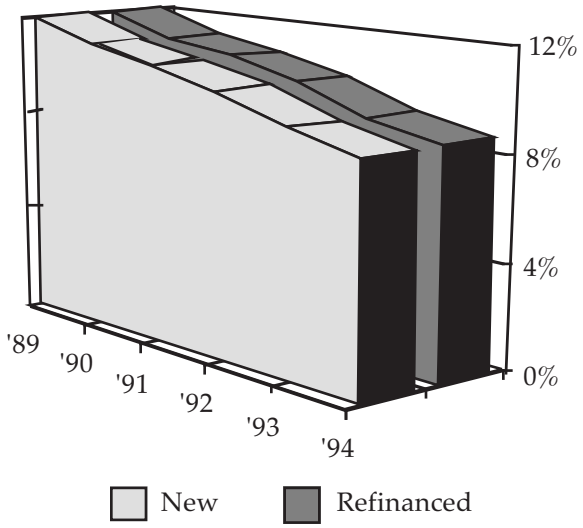
Unlike last year, it seems that many borrowers are taking advantage of low interest rates by refinancing outstanding mortgages on rent stabilized buildings. Whereas less than a quarter of respondents to the 1993 Mortgage Survey reported significant levels of refinancing, nearly half (10) of the 22 respondents to this year's

1994 Mortgage Survey Respondents



Source: Rent Guidelines Board, 1994 Mortgage Survey.
Note: Respondents to the 1994 Mortgage Survey included 16 Savings Banks, 6 Commercial Banks and 5 Savings & Loans.

Average Interest Rates on New and Refinanced Permanent Mortgages for Rent Stabilized Buildings, 1989-1994



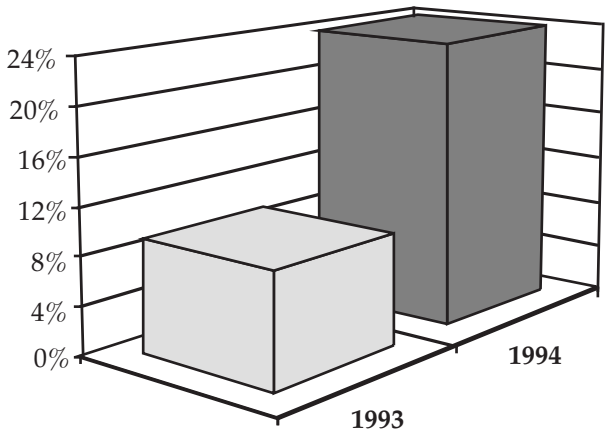
Source: Rent Guidelines Board Mortgage Surveys

survey that refinance mortgages reported significant levels of refinancing activity. The chart below shows that the proportion of fixed rate mortgages refinanced at lower rates has tripled over the past year, from an average of roughly 8% in 1993 to 23% in the most current survey.

Such levels of refinancing represent a sharp change from a year ago, when few rent stabilized landlords were able to refinance mortgages, primarily due to low property values. A possible explanation for the recent upturn in refinancing may lie in the fact that many lenders are seeking higher returns than are currently offered by government bonds, and are willing to refinance well maintained and managed rent stabilized buildings in strategic locations[1]. Given respective yields on 3 month and 10 year Treasury Bonds of 3.1% and 6.1%, such behavior on the part of lenders is not surprising, particularly since default has slackened, underwriting standards are generally more conservative and the metropolitan economy seems to be recovering.

This relatively optimistic outlook is also reflected in changes in loan volume, loan approvals and underwriting standards. Nearly half (43%) of respondents to the 1994 Mortgage Survey reported significant increases in the volume of permanent mortgages made to rent stabilized properties. This differs dramatically from the past two years, when only 20% and 11% of responding lenders claimed increased volume. Likewise, the proportion of institutions reporting either stagnant or decreased loan volume has

Percentage of Fixed Rate Mortgages Refinanced to Lower Rates, 1993 and 1994



Source: Rent Guidelines Board, Annual Mortgage Surveys

Note: The 1993 average includes the responses of seven lenders who said that none (0%) of their fixed rate mortgages had been refinanced. No lenders in the 1994 Mortgage Survey gave this response when asked the same question in 1994.

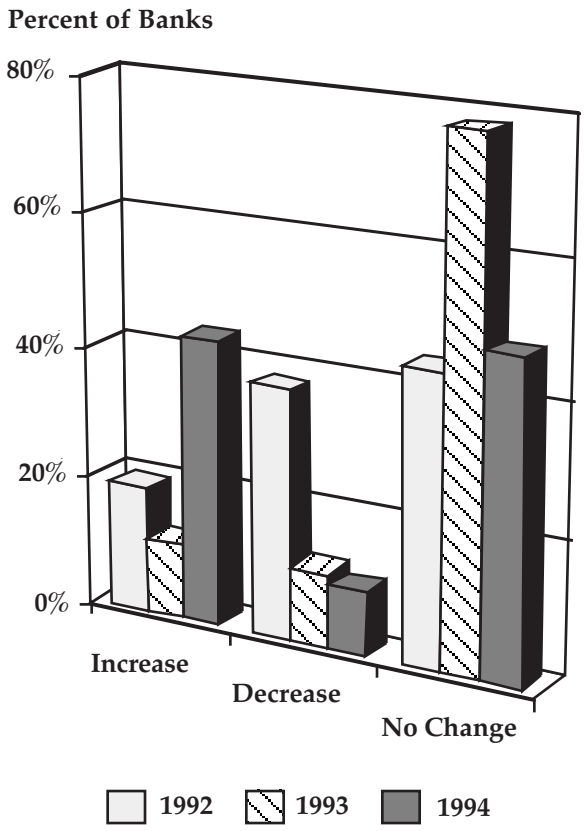
1 Albert Berger, "Multi-Family Mortgage Financing Opens Up'" *Real Estate Weekly*, November 3, 1993; and Albert Berger, "Mortgage Outlook for Multi-Family Property Improves'" *Real Estate Weekly*, November 10, 1993.

also decreased from 80% of total respondents in 1992 and 89% last year to 57% of responding institutions in 1994, as show in the chart to the right.

Increased loan volume cannot be firmly linked to changes in either loan approvals or underwriting criteria. Three lenders (13%) in this year's survey reported significant change in their approval rates for mortgages to rent stabilized buildings, while four respondents (17%) changed their underwriting standards over the past year. All lenders in the latter group increased loan monitoring and used more stringent approval standards. Three institutions decreased the Loan to Value ratios for mortgages written to rent stabilized properties. In two cases, change in approvals coincided with alterations made to underwriting standards. Two-thirds of respondents traced the stimulus for stricter underwriting criteria to increased delinquencies and defaults in recent years, along with greater demand for securitized rent stabilized mortgages and the general improvement of the metropolitan economy.

Further evidence of improvement in the rent stabilized lending market is provided by responses to questions concerning non-performing loans and foreclosure proceedings. Over the past year, the average percentage of non-performing (delinquent) loans fell from 4% to a current average of 3%. Among six institutions participating in both the 1993 and 1994 Mortgage Surveys, one third claimed decreased non-performance while half witnessed no change over the year. Likewise, one quarter of all respondents in both the 1992 and 1993 Mortgage Surveys experienced growth in non-performing loans, while only 6% of the lenders in this year's survey witnessed greater levels of non-performance.

Change in Loan Volume, 1992-1994



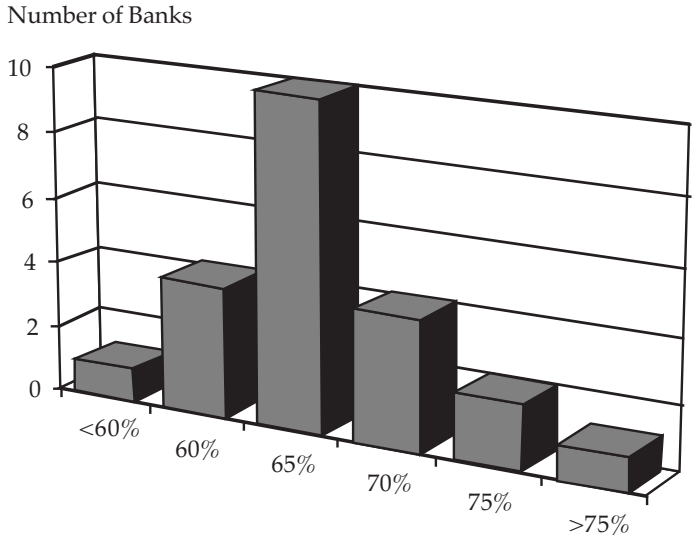
Source: Rent Guidelines Board, Annual Mortgage Surveys

Although non-performance among rent stabilized mortgagees appears to be declining, foreclosures have remained stable over the past year. Twenty two institutions responded to questions about foreclosure activity in this year's survey, and only one reported a decrease in the number of foreclosure actions. In contrast, two (out of 19) institutions reported substantial increases in their number of foreclosures in last year's survey. Respondents mainly attributed change in foreclosure rates to shifts in net rental income, operating costs and debt among owners of

rent stabilized buildings, although two lenders mentioned the general improvement of the city's economy.

A new section in the 1994 Mortgage Survey explored how lenders ultimately resolved foreclosure proceedings against owners of rent stabilized buildings. Thirteen institutions reported that, on average, nearly half (45%) of all foreclosure actions against rent stabilized buildings ultimately resulted in seizure. Less than one-third of these respondents claimed seizure rates exceeding 80%. The most widely cited alternatives to seizure were debt restructuring and resumption of regular debt service payments, while securing alternative debt service arrangements was less widely reported. Lack of historical data prevents further analysis of this data.

Loan to Value Ratio of Mortgages for Rent Stabilized Buildings, 1994



Source: Rent Guidelines Board, 1994 Mortgage Survey

Note: This represents the average value of mortgages actually underwritten by participants in the 1994 Mortgage Survey, not the maximum amounts which these banks will lend to rent stabilized properties.

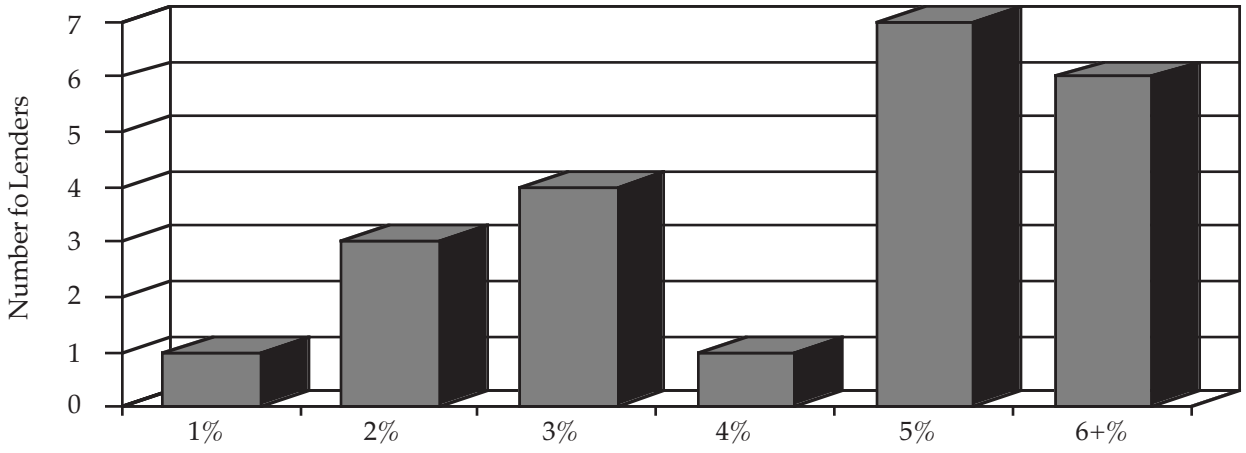
Characteristics of Mortgage-Financed Properties

The development of increasingly cautious lending patterns and stricter underwriting criteria over the past few years has affected the accessibility of mortgage financing to owners of rent stabilized apartment buildings. High demand for new or refinanced mortgages, spurred by historically low interest rates, has allowed lenders to carefully chose where they make loans.

This year, nineteen institutions reported maximum loan-to-value (LTV) standards for new mortgages that averaged 69% of building value. However lenders often do not lend up to this maximum. The most common loan ratio of new mortgages made to rent stabilized properties over the past year is 65%, while the average is 66% of building value. Nine lenders also required the net income of newly mortgaged buildings to be at least 125% of annual debt service payments, orienting their lending towards rent stabilized properties with stable incomes, low maintenance costs as well as few vacancy and collection losses. Despite such standards, more than half of the respondents claimed that vacancy and collection losses for the "typical" rent stabilized property stood at or exceeded 5% of gross income.

Building size and maintenance also appeared to be important considerations with lenders. Nearly

Vacancy and Collection Losses Reported by Lenders, Rent Stabilized Properties, 1994



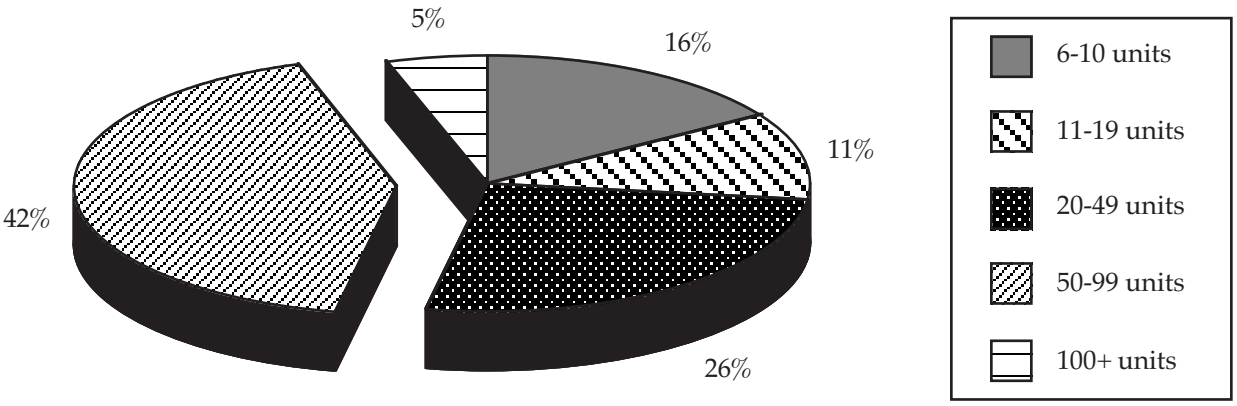
Source: Rent Guidelines Board, 1994 Mortgage Survey

Note: This chart shows average vacancy/collection losses in rent stabilized properties underwritten by respondents to the 1994 Mortgage Survey.

one third of the respondents reported minimum thresholds for building size averaging between 6 and 10 units per building. Lenders tend to underwrite new or refinanced mortgages to rent stabilized buildings averaging between 50-99 units in size.

Building location and the potential for conversion to cooperative ownership seemed to be relatively less important to underwriters of rent stabilized buildings. Four respondents reported that they loaned only within the confines of a specific borough, usually the one in which they were based. Significantly, only two institutions reported consideration of the potential for co-op conversion in their guidelines for lending to rent stabilized buildings: one lender claimed such potential was sometimes considered, while the other always considered the possibility.

Size of Rent Stabilized Buildings Receiving Mortgage Financing



Source: Rent Guidelines Board 1994 Mortgage Survey.

Tax Arrears in Rent Stabilized Buildings, 1994

Summary

The problem of tax arrears in the rent stabilized sector continued to worsen in 1993. Both the number of buildings at least three quarters in tax arrears and the mean level of arrears increased. Overall, the amount of arrears per unit rose by 8%, but for buildings that had arrears in both 1992 and 1993, arrears per unit increased by 33%. Since this category of buildings constitutes most of all stabilized buildings with arrears, it appears that 1993 witnessed the on-going deterioration of the worse-off buildings.

In another ominous note, the size of buildings at least three quarters in arrears has been increasing steadily for the past four years. In 1989, the average size of a building in arrears was 13.4 units. In 1993 the average size was 17.6 units.

Last year's report on tax arrears succeeded in characterizing buildings with tax arrears but was unable to answer several questions concerning mortgage debt and foreclosure actions, the current physical conditions of the buildings, and various characteristics of the owners of these buildings. Towards these ends, in the past year staff has: (1) conducted further research on mortgaged properties, (2) surveyed the external condition of over 300 properties, and (3) mailed out 2500 surveys to owners of buildings with tax arrears.

Much of last year's report focused on mortgage debt and found buildings with tax arrears to be overmortgaged as a group, yet did not know to what extent these buildings are facing foreclosure actions. This year, staff determined that 1 out of 5 buildings with arrears face mortgage foreclosure actions. However, relatively few of the foreclosure actions have yet resulted in property seizures. Furthermore, statistical analysis found that mortgage debt, while certainly not the sole causal factor of arrears, probably does play a significant and independent role, thus reiterating the findings of the previous report.

Are buildings with tax arrears in worse physical condition? A survey of the external condition of these buildings found them to be in slightly worse physical condition than buildings citywide. Few buildings had walls or windows in poor condition and nearly all of the buildings were fully occupied. However, buildings with tax arrears had significantly less commercial space than their citywide counterparts.

The survey of owners of buildings with tax arrears has shown that a 'typical' owner of a building in tax arrears owns the building selected

for the survey and one or two other small buildings (perhaps a private residence). Few of these owners employ outside management companies. The typical building in tax arrears is a pre-war 12-15 unit building with about one rent controlled unit and a vacancy rate roughly equal to the citywide norm.

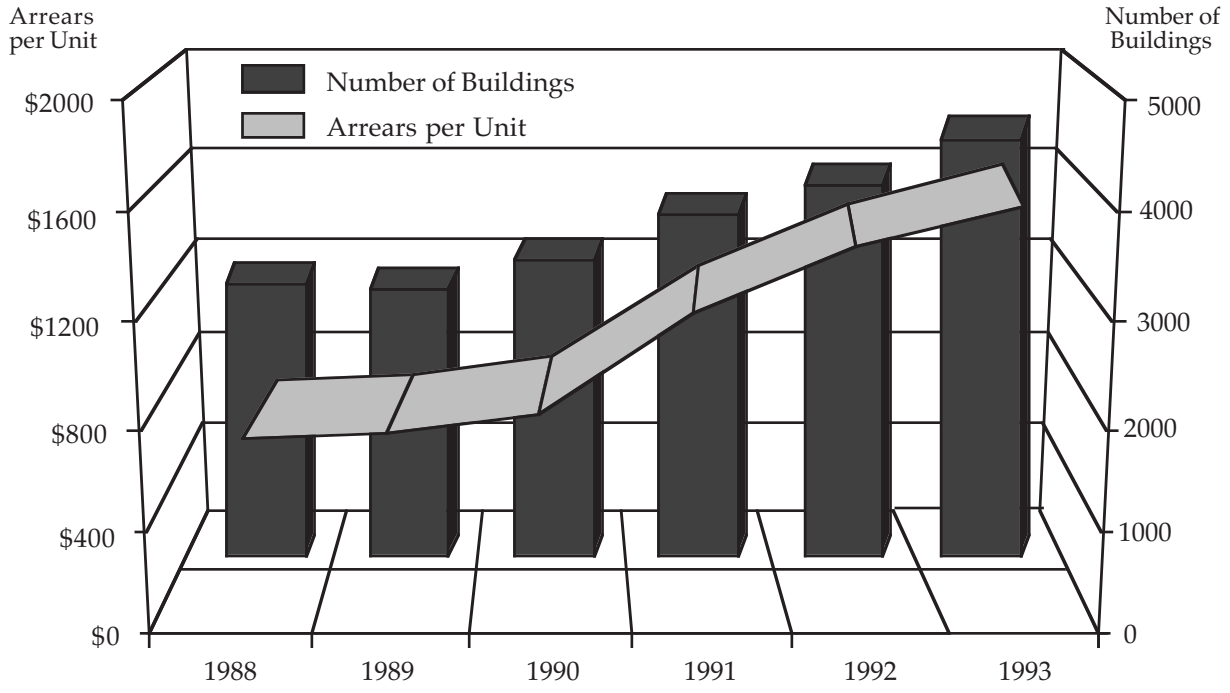
The owner survey revealed vacancy and collection losses to be a severe problem facing buildings with tax arrears. According to the respondents, nearly 20% of the potential monthly rent roll is typically uncollected, 6% due to vacancy and 13.5% due to collection losses. Unrecovered rent of more than $2500 from a single tenant was a widespread dilemma affecting nearly 70% of owners. Owners also have relatively little income from commercial units with which to buffer a shortfall in the collection of residential rents.

When asked what one single RGB initiative would improve the economic viability of their building, two-thirds of the owners favored some type of supplemental increase. Specifically, 41% of respondents favored a supplemental increase for low rent apartments or a supplemental increase for long term tenants, and 26% favored a supplemental increase for small buildings. In contrast, only one-third of the owners favored increased general guideline allowances - 28% favored higher lease renewal allowances and 5% favored higher vacancy allowances.

Change in Arrears, 1988-93

Staff began this study by obtaining a tax arrears file from the Department of City Planning. The City Planning database included information from several sources, including the

Tax Arrears per Unit and Number of Rent Stabilized Buildings in Arrears, 1988-93



Source: NYC Department of City Planning Tax Arrears File, January 1994

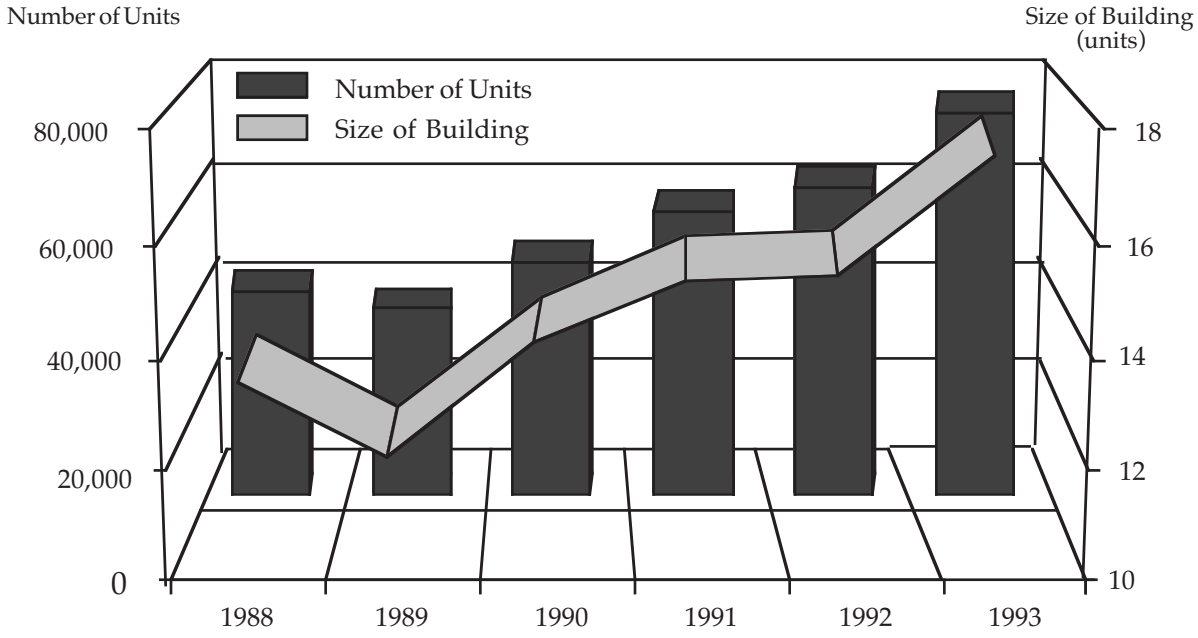
Department of Finance (e.g. tax arrears) and the Department of General Services (e.g. vestings). In 1991 and prior years City Planning revised the arrears figures annually; in 1992 semi-annual updates were begun. The newest tax arrears figures used in this report are fairly current, dating from January 1994.

The City Planning arrears file was matched with the RGB's list of rent stabilized properties, resulting in a database consisting of stabilized buildings with tax arrears in one or more years from 1988 to 1993. All of these buildings were registered with the State Division of Housing and Community Renewal. Buildings less than three quarters in arrears were excluded from the sample; the amount owed by many of these buildings was insignificant.

In 1993 both the number of buildings in arrears and the level of arrears grew worse. The number of rent stabilized buildings at least three quarters in arrears has been increasing steadily since 1989 and did not lose any steam in 1993. Of the 38,000 registered buildings, 4291 (11%) were at least three quarters in arrears in January 1994. This figure is a sizeable increase over 1992 and more than 50% higher than 1988.

The average amount of arrears per unit in buildings at least three quarters in arrears has also increased since 1992, though at a slightly slower rate of 8%. The mean level of arrears has increased 91% since 1988, from $800 per unit to $1530.[1]

Total Number of Units and Average Size of Buildings in Arrears, 1988-93



Source: NYC Department of Planning Tax Arrears File, January 1994

The fact that mean arrears levels have not increased as much as in previous years does not necessarily mean that growth in arrears is slowing. In fact, in 1993 there was an influx of slightly larger buildings to the arrears group that

[1]In this report the definition of 'at least three quarters in arrears' is interpreted more specifically than in last year's report and thus tax arrears figures reported here for 1992 and earlier years are somewhat different than last year's report.

had not been in arrears in the previous five years. These buildings, which made up almost 20% of all buildings in arrears in 1993, had mean arrears levels of $680, substantially lower than the mean level for all buildings in tax arrears. For buildings that had been in arrears in both 1992 and 1993, the mean level of arrears has increased 33%, from $1530 to $2030 per unit. This group of buildings comprises 70% of the sample and for these buildings, 1993 has witnessed their on-going deterioration.

Although the number of buildings at least three quarters in arrears increased only 12% since the previous year, the number of units in arrears increased twice as fast, from 60,900 in 1992 to 75,500 in 1993. In fact, the size of buildings at least three quarters in arrears has been increasing gradually but steadily since 1989. In 1989, the average size of a building in arrears was 13.4 units and in 1993 it was 17.6 units. The new additions to the arrears group in 1993 average 26 units, substantially higher than the overall mean building size. As the long-running recession continues, larger and larger buildings have begun to accumulate arrears.

The arrears problem may have finally translated into increased vestings by the city. In fiscal 1993 nearly 500 titles were vested, the most in any year since 1986. However, current figures imply that vesting activity in fiscal '94 has dropped off dramatically from the previous year. This decline is surprising, given the trend in arrears, and may not be completely accurate since a large Brooklyn vesting is soon expected.

Nevertheless, a precipitous drop in the redemption rate of properties filed for vesting (see box below) foreshadows larger numbers of buildings vested in the near future. The redemption rate, calculated as the percentage of properties withdrawn from the vesting process by December 31st of the year following the year of initial filing, decreased from 68% for buildings filed in 1991 to 29% for buildings in 1992. With far fewer properties being redeemed by owners, the number of buildings taken by the city should increase dramatically.

Redemption Rate for Rent Stabilized Buildings

Year of Filing	% of Buildings Redeemed
1989	90.8%
1990	73.1%
1991	68.1%
1992	29.4%

Note: The 1991 figure is based on a weighted average and the 1992 figure includes a projection for December 1993.
Source: Department of Finance, Annual Reports on the NYC Real Property Tax.

Arrears and Mortgage Debt

Last year's report on tax arrears in rent stabilized housing ended with the warning that properties with tax arrears are "overmortgaged" as a group, and suggested that aggregate income is insufficient to cover both mortgage debt and operating expenses. It presumed that many buildings with arrears were facing mortgage foreclosure actions but had no further information at the time. Two major questions were left unanswered by last year's report: 1. Does the measured association of mortgage debt and tax arrears indicate a causal relation or a mere coincidental relation between the two? 2. To what extent are marginal buildings facing

foreclosure actions and how serious a threat does foreclosure present to buildings with arrears?

RGB staff attempted to resolve these questions through two parallel studies. The first study, using sophisticated statistical analysis[2], helped clarify the role mortgage debt plays in determining tax arrears. It found that mortgage debt, while certainly not the sole determining factor of arrears, probably does play a significant and independent role. The second study, a review of records at the various county clerk offices, has shown that 1 out of 5 buildings with arrears, concentrated mainly in Manhattan, face mortgage foreclosure but that few of the foreclosure actions have yet resulted in property seizures.

Measuring the Effect of Mortgage Debt on Tax Arrears

To get a better understanding of the relation between mortgage debt and tax arrears, a statistical analysis was undertaken on 333 randomly selected buildings with arrears. This analysis looked at mortgage and arrears levels in the four years from 1988 to 1991. Due to the unavailability of complete mortgage data, the mortgage figures used in the analysis were only of debt assumed since 1986. Thus any measured effect of debt levels on arrears is likely to be somewhat understated since only recent debt, and not a building's total debt level, is used in the analysis.

The analysis reveals a statistically significant and positive relation between mortgage debt and arrears.[3] However, factors such as building location, lis penden status[4] , and date of observation (i.e if the building was in arrears in the recession years of 1990 or 1991, or in the pre-recession years of 1988 or 1989) also significantly and positively affect the level of arrears.[5]

Although the analysis has indicated a statistically significant relationship between debt and arrears, it also suggests that in times of recession there are equally, or more, important causes of tax arrears than mortgage debt. The measured association between debt and arrears is strongest in 1988 and grows continually weaker in later periods. In fact the measured association is not even statistically significant in 1991 - recessionary forces have overwhelmed any effect debt may have.

To insure that these results were accurate, further analysis attempted to control for any variability in arrears due to differences in average rent by creating a ratio of arrears to rent levels for each particular building. This ratio variable was found to be significantly and positively related to mortgage levels in three of the four years of observation, thus supporting the hypothesis that mortgage debt

[2]The analysis involved multiple regression equations. Regression analysis measures the degree of association between a dependent and independent variables and is often used in economic forecasting.

[3]The elasticity of arrears per dollar of debt was found to be .002- that is for every additional $500 of debt assumed by a unit, its arrears can be expected to increase by $1. Thus the results reveal that a unit with no debt averages $322 in arrears, a unit with $10,000 of debt per unit can expect arrears of $344, and a unit with $50,000 of debt can expect arrears of $428.

[4]Lis penden status indicates that a building's deed is contested by a pending lawsuit.

[5]Arrears levels of buildings in Manhattan are, on average, $400 more per unit than buildings in the other boroughs. Buildings with lis penden status have, on average, arrears levels $150 more per unit than buildings without mortgage liens. Lastly if the arrears occurred in 1990 or 1991 then the amount owed would be, on average, $120 or $250 more respectively than if the arrearage occurred in 1988 or 1989.

affects arrears independently of other variables.[6]

The analysis has shown that the level of mortgage debt positively affects the level of tax arrears. Yet there are other qualities, such as building location and year of observation, which also positively affect the level of tax arrears. It would be difficult to draw the conclusion that high debt levels are solely responsible for the level of tax arrears, particularly in times of recession. Yet the analysis supports the notion that high debt levels are at least one significant factor in determining a building's tax arrears.

Mortgage Foreclosure Actions

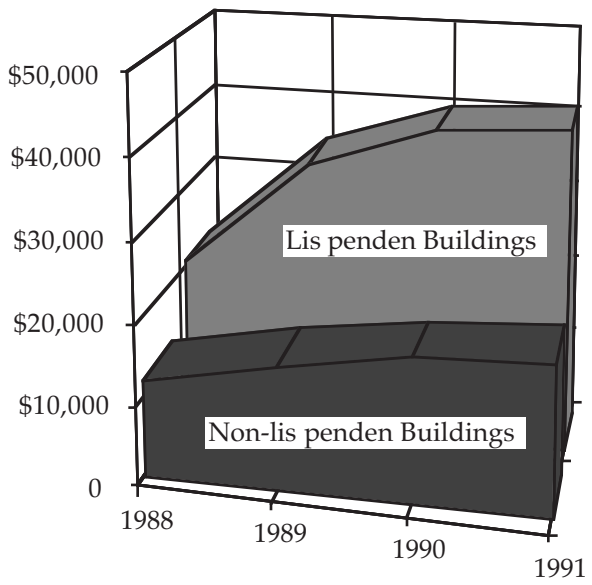
If buildings with tax arrears are overmortgaged as a group, as last years report concluded, then many buildings may be facing mortgage foreclosure actions. The RGB staff reviewed case files at the various county clerk's offices to determine the degree to which buildings are facing these actions.

Sixty three buildings had at least one pending mortgage claim on their property, or 19% of the 333 building sample. Nearly one out of every three buildings in Manhattan had an outstanding claim.[7] The incidence of lis penden status is lower in the other boroughs, from one out of every five buildings in Queens to one out of ten in Brooklyn.

A distinct trend emerges when comparing buildings with mortgage claims to those without. In 1988 lis penden and non lis penden buildings had comparatively equal arrears levels per unit. But after 1988 arrearage in the lis penden buildings grew much faster. Mean arrears levels increased 330% for lis penden buildings, from $225 per unit in 1988 to $970 per unit in 1991. Arrears in buildings without mortgage claims rose only 68%, from $235 to $400.

Coupled with this rise in arrears is a corresponding rise in debt levels. The mean debt level of a lis penden building rose 97%, from $20,650 per unit in 1988 to $40,620 in 1991. Debt burdens for buildings without mortgage claims rose 55% in the same period, from $12,000 to $18,620 per unit. In each year of observation, lis penden buildings had roughly twice as much of a mortgage burden as non lis penden buildings.

Average Mortgage Debt per Unit, Lis Penden Buildings vs. Non-Lis Penden Buildings



Source: RGB staff research with NYC Mortgage Deed System.

[6]Due to the nature of the data, it is difficult to quantify this relationship of the ratio variable and mortgage debt. It is possible to look at individual years but not to make cross year comparisons. In every year but 1988 a statistically significant association was found between the ratio variable and mortgage debt. The most pronounced year was 1990, where a building with no mortgage debt could expect an arrears to rent ratio of .65 while a building with $20,000 debt per unit could expect a ratio of .99.

[7]While Manhattan buildings only comprise 37% of the larger 333 building sample, nearly 60% of the lis penden buildings are located in Manhattan.

It appears that the relatively large debt burdens of lis penden buildings significantly affected their ability to pay taxes.

Another striking finding in the examination of the lis penden subsample is that mortgages issued by banks constituted only a small proportion of the loans in default. Of the 45 loans reviewed, 28 were issued by private mortgage lending companies, 10 by private individuals, and 7 by banks. It is difficult to determine the cause for the prevalence of non-bank lenders. However, after comparing the terms and interest rates in this subsample with the findings of the RGB's annual mortgage survey, one can definitely exclude the possibility that non-bank lenders were offering more attractive lending terms. In fact 41% of the mortgages reviewed had terms less than five years- the minimum term offered by banks in the annual mortgage survey.

It is difficult to determine the precise resolution for all the foreclosure actions. In only ten instances (24% of the buildings with available information) did an action force the indebted owner to sell the property. There was no apparent resolution for the majority of cases reviewed and in most instances the defendant still holds the deed. This lack of information suggests a loan modification or other agreement was reached between the lender and the owner but there are no guarantees that this is the case.

In sum, mortgage debt was found to be one significant cause of tax arrears among stabilized buildings. There are other significant causes as well, indeed, some buildings in the tax arrears sample had no mortgage debt whatsoever. Nevertheless, large debt burdens were an important factor, particularly for buildings facing mortgage foreclosure actions. In these buildings, concentrated mostly in Manhattan, high mortgages and the recession of the early nineties formed a powerful combination which left them unable to make both tax and mortgage payments.

Survey of External Conditions

In the summer of 1993, the RGB staff undertook a survey of the external conditions of all 333 buildings in the tax arrears subsample in order to determine the physical conditions of these buildings. Last year's report determined that buildings with tax arrears had more housing code violations than other buildings. Yet the question remained as to whether this history of violations accurately reflected current building conditions. Without access to the interiors of these buildings, staff was only able to survey the exterior of the building and the following findings are in no way indicative of interior conditions.[8]

The survey found that, on the whole, the external conditions of the surveyed buildings were only slightly worse than the citywide norm. Nearly all of the buildings surveyed were occupied and few had walls or windows in poor condition. In fact several buildings appeared to have been recently renovated. Perhaps the most pronounced difference concerned the scarcity of commercial units - buildings with tax arrears had significantly less commercial space than their citywide counterparts.

Almost all of the buildings are fully occupied and most of the units are in exclusively

[8]Twenty one buildings were not located or surveyed and one building had been demolished. This leaves the total number of buildings in the survey at 311. These 311 buildings contain a total of 6480 units, the number which was used to calculate all percentages.

External Building Conditions, Buildings in Arrears vs. Citywide Norms

	All Buildings 1991 HVS	RGB Survey
Condition of External Walls		
A. Missing bricks, siding, or other wall material	1.9%	1.5%
B. Sloping or bulging of outside walls	0.5%	0.4%
C. Major cracks in outside walls	1.2%	1.4%
D. Loose/hanging cornice, roofing, or other material	0.9%	6.4%
E. None of these problems with the walls	95.8%	91.2%
F. Unable to observe walls	0.4%	0.1%
Condition of Windows		
A. Broken or missing windows	2.6%	5.7%
B. Boarded up windows	2.1%	1.7%
C. Loose window frames	0.6%	9.6%
D. None of these problems with windows	95.3%	85.9%
E. Unable to observe windows	0.1%	0.0%
Condition of Entrances and Exits*		
A. Broken or missing front door	--	1.0%
B. Broken or missing fire escapes	--	0.0%
C. Entrances are not locked or secure	--	9.6%
D. Broken or crumbling stoop	--	6.0%
E. None of these problems with entrances or exits	--	85.9%
F. Unable to observe entrances or exits	--	3.6%

Note: Figures are percentage of units in buildings with observed conditions. A building may have more than one detrimental condition and thus categories may sum to more than 100%.
Source: 1991 Housing and Vacancy Survey and 1993 RGB External Survey
* No HVS information available for this category.

residential buildings. Only 20% of the units are in buildings which also have commercial space, a figure significantly lower than the 32% of units citywide as determined by Income and Expense data.

As the table above indicates, the vast majority of units are in buildings with exterior walls in good condition, free from all detrimental qualities. This finding is a bit lower than the 1991 HVS figure[9], but this is not a significant difference, given sampling errors and differing survey techniques. The one pronounced difference, it appears, is that loose roofing is more prevalent in buildings with tax arrears than the city wide average.

The overall condition of windows appears to be slightly worse among buildings with tax arrears. Nearly 10% of the units have loose window frames as compared with 1% of the city wide average, and 6% have broken or missing glass panes compared with 3%. Yet surprisingly there is a high incidence of modern windows as well; in over 40% of the units, it appears, the original windows have been replaced.

As expected, the condition of the surrounding buildings is worse in the poorest

[9]The evaluative categories employed in the RGB External Survey are the same that the HVS uses to assess exterior building conditions.

sections of New York: northern Manhattan, the southern Bronx, and northern and eastern Brooklyn. Units located on blocks with vacant or boarded up buildings and vacant lots are almost entirely located in these areas. Nearly 70% of all units in the survey are located on blocks with no vacant lots or other problems mentioned, a finding similar to the citywide average.

In sum, buildings with tax arrears are, to a small extent, in worse physical condition than buildings citywide. They have slightly more problems with walls and windows than other buildings. However the relative lack of commercial space emerges as the most pronounced difference between buildings with tax arrears and their more financially sound counterparts.

Owner Survey

A central concern when studying buildings in arrears has to be the efficacy of various policies designed to aid the owners of these buildings. Yet before policies can be formulated, certain characteristics of these buildings and their owners must be known. These characteristics include the number of buildings a landlord owns, how aware owners are of city programs and regulations related to rental housing, what percentage of the rent roll is typically uncollected and why, which particular policy initiatives owners themselves believe would best help their buildings, and so on. A survey designed to answer these and other questions was first tested on 500 owners of rent stabilized buildings in arrears in February 1994. The results were intriguing but due to the small sample not particularly reliable. The survey was revised and 2460 surveys were mailed to owners in April.

Methodology & Response

The mailing list for the survey was based on the 1993 tax arrears sample. This list was then matched to a 1991 DHCR list of stabilized owners in order to obtain the owner addresses. To insure a response from a wide variety of owners, no more than two surveys were sent to the same owner even if that owner had multiple buildings on the list. More than three hundred usable surveys were returned, a response rate of almost 13%.

The staff's initial concern was whether the survey response was representative of the entire arrears sample. In building size and location, the response group largely mirrored the overall tax arrears sample. The median building size of the survey respondents is 11.5 units and the median size in the whole arrears group is a similar 11 units. The borough distribution of the survey responses were also fairly similar to the arrears group as a whole. However, the mean and median arrears levels for the survey respondents are lower than the citywide totals. Although the arrears values in the survey response exhibit the same trends that the citywide values do- constantly increasing, particularly after 1990- the values are also consistently lower.

This difference in arrears levels between the respondents and the arrears group in general has certain implications for the interpretation of the survey. Because the survey respondents are in less dire financial straits than the general arrears group, the results of the survey may actually understate problems such as vacancy and collection losses, the inability to raise rents, the unavailability of financing, and so on. On the other hand, certain policy preferences expressed by the respondents may not reflect the choices of owners whose buildings are in even higher tax

arrears- owners of buildings with very high tax arrears may believe their buildings warrant completely different policies than owners of buildings with little arrears.

Owner and Building Characteristics

The typical owner of a building in tax arrears owns the surveyed building and one or two other small buildings (perhaps a private residence). Some large owners did respond to the survey however, and thus while the median number of buildings owned is two, the mean number is four. The surveyed building had been been owned for an average of twelve years- long enough for the owner to 'know' the building thoroughly and sufficiently long that ownership extends throughout the entire arrears period of 1988-1994.

One out of five owners was past the retirement age of 65. Only 6% of the owners employed an outside management company to run the building.[10] This percentage, although small, is not unusual- 8% of the respondents to the staff's annual Price Index Survey employed outside management companies.

The typical building is a pre-war 12-15 unit building. Often the superintendent or owner occupies one of the units and, on average, 8% of the units are rent controlled. The proportion of controlled units in these buildings is rather normal- in community districts with high levels of arrears, 8% of all units are rent controlled as well.

The vacancy rate in these buildings was 4.6%, slightly higher than the citywide vacancy rate as determined by the 1993 HVS but roughly comparable. The length of unit vacancy was much shorter, however, in the surveyed buildings as opposed to the HVS data. In the RGB survey, 32% of vacant units had been on the market for less than one month as opposed to 12% of the vacant units in the 1993 HVS. Thus if these results are to be believed, buildings with arrears are less affected by long term vacancy than the citywide whole.

Building Income

High vacancy and collection losses are a pressing problem affecting buildings with tax arrears; almost 20% of the average building's potential rent roll remains uncollected due to these losses. A 6% loss derives from vacancies and an additional 13.5% from an inability to collect rent from tenants. Further evidence of the severity of collection losses lies in the common claim among owners of large amounts of unrecovered rent. Almost seven out of ten owners state they have suffered at least $2500 of

Percentage of Buildings Reporting Costly and Unusual Events in the Period 1988-93:

Breakdown of a major building system, such as the boiler or roof, requiring repairs or replacement costing $2500 or more 70%

Unrecovered rent of $2500 or more from a single tenant 68%

Legal fees or other unusual administrative cost in excess of $2500.....40%

Vandalism of common areas or apartments resulting in damage of $2500 or more....34%

Fire damage to common areas or apartments resulting in damage of $2500 or more ...15%

Source: RGB Survey of Rent Stabilized Owners, 1994.

[10] 77% of the owners managed the building by themselves, and 17% had their own management company run the building.

unrecovered rent from a single tenant in the past six years. Many owners report this has happened in multiple years. As the box (previous page) indicates, unrecovered rent is a close second to major building repairs for the most cited major expense beyond normal operation and maintenance costs.

Buildings with tax arrears cannot raise their rents as much as the guidelines allow and as much as buildings without tax arrears have been able to raise rents. The owners stated they can charge the full guideline allowances on 78% of renewal leases and 72% of vacancy leases. These figures translate into an annual rent increase below the RGB's Rent Index of 2.9%. Of course owners can raise rents through other means, but rent increases deriving from the current guidelines are less then legally allowed.

Buildings with tax arrears have fewer commercial units than the citywide average and derive less income from them. About 28% of the units are in buildings with commercial space. Although this figure is greater than the 20% determined by the RGB's external conditions survey, it is still less than the 32% figure for the city as a whole.

The commercial vacancy rate among the respondents was 22%- there is no comparable figure for all stabilized buildings but this seems unusually high. Only 6% of building income was attributable to rent from commercial units, less than the 11% of income that the 1994 Income and Expense report determined for the citywide total.

Debt

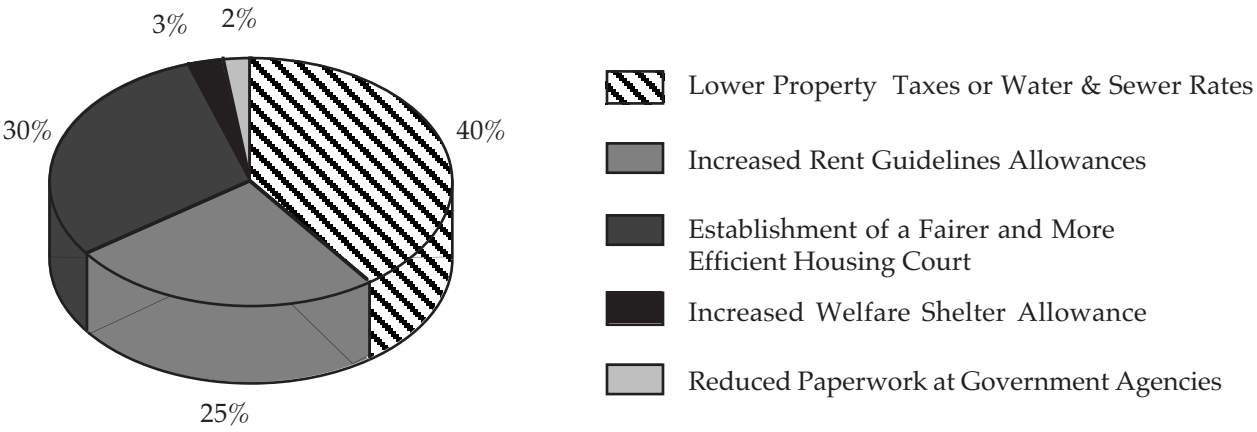
Seven out of ten buildings currently carry a mortgage. This tends to confirm the finding in last year's tax arrears study that over two-thirds of the buildings with arrears have mortgages. According to the survey, nearly half (44%) of the buildings with mortgages had those mortgages held by banks, another 19% had mortgages from non-bank mortgage institutions and the remainder (37%) had a mortgage held by an individual (usually the previous owner). That less than half of the mortgages came from banks is not surprising since information from the RGB Mortgage Survey indicates banks tend to lend to properties generally larger than 10 units with vacancy and collection losses averaging 5% of the potential monthly rent roll. The majority of buildings surveyed clearly do not fit that profile.

Refinancing activity in the past year was virtually non-existent for the surveyed buildings. Only 4% of the buildings reported that they were able to reduce their mortgage debt through refinancing and another 1% were able to renegotiate terms with their mortgage lender. This result is in stark contrast with the 1994 RGB Mortgage Survey which found that 23% of fixed rate mortgages were refinanced last year.

What is to be done?

Owners held diverse viewpoints when asked what single city initiative would most improve the profitability of their building. The fact that these buildings are in arrears implies that operating and maintenance costs may be too high. Consequently 40% of the respondents favored lower property tax rates or lower water & sewer rates. Another 30% favored establishing a "fairer and more efficient housing court", no doubt reflecting the impact that collection losses have on these buildings. The third most popular choice was increased income through higher rent guideline allowances, favored by 25% of the respondents. Only 3% preferred an increased welfare shelter allowance and 2% listed reduced paperwork at

City Policy Options Preferred by Owners of Buildings in Arrears

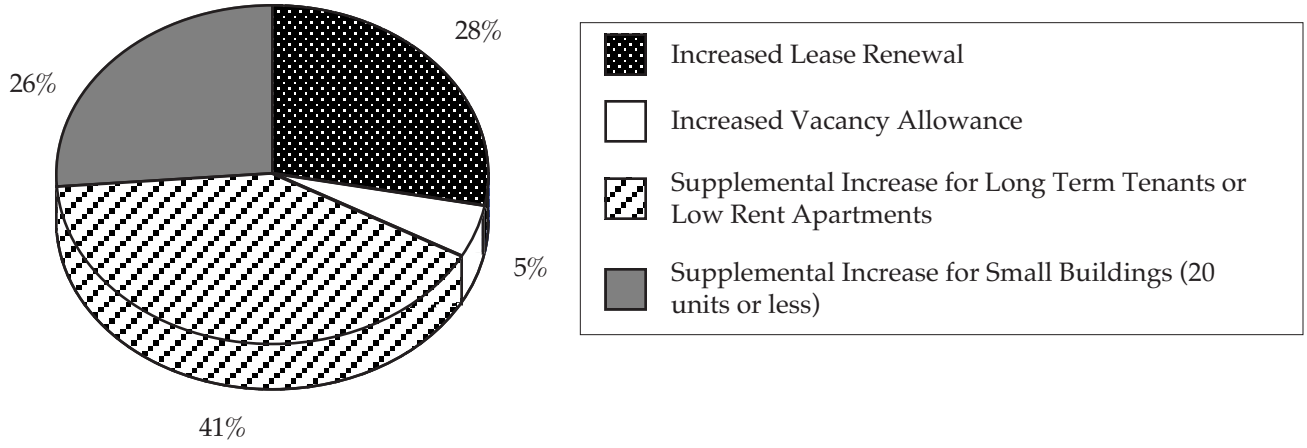


Source: RGB Survey of Rent Stabilized Owners, 1994.

government agencies as their main concern. In general, we can conclude that owners of buildings with tax arrears favor a curtailment of costs or reduced collection losses over an increase in rental income derived from higher rent guidelines.

Two-thirds of owners with buildings in tax arrears believe that a targeted RGB initiative would improve the profitability of their buildings more than an increase in the general guideline allowances. Specifically, 41% of respondents favored a supplemental increase for low rent apartments or a supplemental increase for long term tenants, and 26% favored a supplemental increase for small buildings (defined as 20 units or less). The other one-third of the owners favored general, non-targeted increases found in higher renewal and vacancy allowances- 28% of respondents favored higher lease renewal allowances and 5% favored higher vacancy allowances.

RGB Policy Options Preferred by Owners of Buildings in Arrears



Source: RGB Survey of Rent Stabilized Owners, 1994

Rent Skewing

Rent Skewing in Rent Stabilized Buildings, 1994

The basic goal behind the creation of New York City's rent stabilization system was the establishment of "fair" rents. Although imprecise, the policy of "fairness" has directed the rent stabilization system towards pursuing three main objectives. The first is the establishment of rents that protect tenants from price gouging in the face of low vacancy rates. The second encompasses the preservation of the returns reasonably expected by good faith (non-speculative) investors in the city's rental housing market. The final objective is to establish rent adjustments in an even handed way guided by reference to legitimate public policy concerns.

A common criticism of rent regulation is that such regulation increases rent inequities among tenants. Controls arguably provide "bargain rents" that induce tenants to occupy regulated units as long as possible, causing older, "empty nest" households to "over-consume" large dwellings which are better suited to the needs of younger, child rearing households seeking entry into the regulated sector. Regulations that do allow special rent increases for vacant units, such as New York's stabilization system, not only encourage long term occupancy, but also promote "rent skewing", in which identical apartments become differently priced over time due to variations in their turnover rates. Through this process, long standing regulated tenants pay much less rent than newcomers to the regulated sector, who in effect "subsidize" their counterparts. According to critics, these drawbacks seriously undermine the utility of controls as a means of making housing more affordable.

The presence of "rent skewing" in New York's stabilized housing would seem to contradict the "fairness" policy upon which the system was founded. However, this observation is based on the assumption that skewing is a unique by-product of rent regulations, and is not common to all types of housing markets. Objective assessment of the equity of skewing in New York's stabilized housing requires knowledge of the presence and degree of skewing in the city's non-regulated housing markets. The purpose of this analysis is to determine: a) the existence and extent of "skewing" within the city's stabilized sector as well as in the private market, b) the effects of "skewing" upon stabilized tenants as well as the city, and c) what actions the Rent Guidelines Board should undertake to either minimize or justify "skewing" within the stabilized system.

These questions will be explored first through a review of existing literature on rent skewing in both regulated and unregulated housing markets. Analysis of two hundred and twenty rent stabilized buildings for the presence of

skewing within and between buildings will then be conducted. This analysis will be followed by a more detailed examination of the factors which contribute to any skewing which exists within the stabilized system.

Summary

Review of existing literature provides theoretical and empirical evidence of skewing in both regulated and unregulated housing markets. Statistical analysis of 1993 data from two hundred and twenty rent stabilized buildings as well as the cross-sectional data set of the 1991 HVS revealed statistically significant (non-random) skewing of rents for comparable apartments in both stabilized and unregulated rental buildings.

Further examination revealed similar average annual "length of occupancy" discounts (one measure of skewing) for sitting tenants in both sectors, but generally higher average total discounts for tenants in stabilized units than for those in unregulated rentals. This was due to the tendency of tenants to occupy stabilized dwellings for longer periods than other rental units, particularly in Queens and the part of Manhattan lying below 110th Street. Statistical tests undertaken on the length of tenure in stabilized and other rental units revealed a significant (non-random) positive association between stabilized status and length of occupancy.

Literature Review

Literature on rent skewing is often associated with arguments against rent regulations, which claim that controls distort market mechanisms for efficiently allocating housing supply and demand. Traditionally, urban theory attributed variations in rents among identical dwellings to differentials in location or public utilities.[1] However, there is a growing body of evidence for the existence of skewing in unregulated housing markets, whereby variations in lengths of tenure explain variations in rents between identical apartments.

Anthony Downs was among the first authors to provide a theoretical explanation for rent skewing in the private market. According to Downs, ownership of America's rental stock is dispersed among thousands of small property owners, with more than 60% of all rental units situated in buildings with less than five dwellings. Small landlords, due to the limited size of their holdings, tend to be much more sensitive to the costs incurred from vacancies than to the rents they receive from their property. In effect, Downs believes that small building owners are usually "turnover minimizers", who prefer to keep their units continually occupied, instead of "rent maximizers", who are willing to constantly refurbish vacant units to attract the highest paying tenants.[2] Given these attitudes, small landlords are willing to offer discounts to "good" (ie. responsible, well behaved) tenants on a continual basis rather than to risk the expense of vacancies.

A number of empirical studies corroborate the existence of rent skewing in the unregulated housing sector. One of the most important is an article written by Allen Goodman and Masahiro Kawai in 1985 for the journal "Land Economics". The authors found statistically significant levels of rent skewing in eighteen out of of nineteen metropolitan housing markets across the United States. In this analysis, length-of-tenure discounts

1 Goodman and Kawai, Land Economics, May 1985, p. 93.

2 Weicher, John, et al., Rental Housing: Is There A Crisis?, p. 88-89.

averaged 1.3% per year for units of similar quality and location (ie. the rents of established tenants declined by an average of 1.3% per year of occupancy compared to those of new tenants in comparable dwellings). The value of these discounts averaged eight dollars per month, which equalled 3.7% of the rents charged to new tenants.[3]

Among other authors concerned with private market rent skewing, Ira Lowry mentions a study undertaken by the Rand Corporation of rental properties in Brown County, Wisconsin and St. Joseph's County, Indiana in 1976, which found that monthly gross rents decreased from estimated "market levels" by a mean value of 3.8% per year of occupancy.[4] Another analysis conducted by Arthur D. Little in 1987 examined rent levels in cities with and without rent control and concluded that rents in all cities "...decrease with each year of additional occupancy".[5]

Many studies of rent regulated housing markets allude to rent skewing without exploring the issue in detail. Most link controls with reductions in tenant mobility, by claiming that below market rents encourage sitting tenants to occupy controlled apartments for extended periods of time, dramatically reducing turnover for some units. Systems with special vacancy allowances promote skewing over a period of years between dwellings that turnover frequently and those that do not. Anthony Downs elaborates on this point by observing that controls, in reducing the mobility of the initial occupants of controlled units, create shortages which make it harder to move from one controlled unit to another.[6]

Analyses that empirically examine tenant mobility in rent regulated cities present mixed results on this issue. One study of Los Angeles' rent stabilization system, conducted in 1984, found that tenant mobility in both the city and its surrounding communities (which did not regulate rents at the time) substantially decreased between 1977 and 1984. On the other hand, the authors found that length-of-tenure discounts substantially increased in Los Angeles over the same period, (the city's rent stabilization system was enacted in 1979). Although discounts for tenants with less than two years of occupancy declined between 1977 and 1984, discounts for those with three to four years increased by 39% and those for renters with more than six years of residency nearly doubled. From these findings the authors concluded that, overall, long standing tenants reaped the greatest rewards from stabilization in Los Angeles, whereas recent movers and tenants with less than three years of residence received the least benefits.[7]

Another examination of rent regulation, written in 1976 by Franklin James and Monica Lett, analyzed New York's rent stabilized housing stock. Despite its lack of quantitative sophistication, James and Letts' analysis concluded that the average variation between the highest rents and the lowest rents charged for four different types of apartments was 20% higher in rent stabilized

3 Goodman and Kawai, p. 94-95. The authors go on to show that, in the presence of rent skewing, recent movers "consume" less housing for every marginal increase in rents than do long term tenants, although their consumption patterns are similar in all other respects.

4 Weicher, et al., p. 30-31.

5 Arthur D. Little, Inc., Housing Gridlock in New York. May 1987, p.2.

6 Downs, Residential Rent Controls: An Evaluation, p.21-25.

7 Hamilton, et al., The Los Angeles Rent Stabilization System: Impacts and Alternatives, p.19-49. Average length-of-tenure discounts for tenants with 1-2 years of occupancy declined from 4.2% in 1977 to 0.6% in 1984, those for tenants with 3-4 years of occupancy rose from 8.5% to 11.8% and those for tenants with six or more years of occupancy grew from 15.6% in 1977 to 30.1% in 1984.

buildings than in rent controlled buildings. The authors attribute this disparity mainly to the use of variable length leases, as well as vacancy allowances for unoccupied units, which they argue will cause skewing to increase over time, particularly during periods of rampant inflation.

To ameliorate this situation, James and Lett propose the exclusive use of one year leases, which, in their view, would prevent skewing from worsening over time.[8] However, James and Lett ignore the crucial option of modifying or eliminating vacancy allowances as a means of either remedying existing skewing or dampening future rent disparities.

Joel Brenner and Herbert Franklin's analysis of European rent controls also examines rent skewing, and provides a useful summary of strategies used to counteract it. Brenner and Franklin's discussion of skewing goes into greatest depth concerning Holland, where rapid inflation during the 1970's created great disparity in rents between new construction and older housing. They focus on two particular anti-skewing policies: a system of subsidies similar to HUD's Section 8 vouchers and a more recent attempt at "rent adaptation", whereby rents in older apartments are raised to levels comparable to new ones. According to the authors, the Dutch abandoned the former in the late 1970's, after rising inflation quickly devalued the subsidies paid out, opting instead to concentrate on "rent adaptation". This refers to a gradual re-alignment of rents in both old and new units, achieved through a series of slight rent increases in older dwellings combined with a new mortgage instrument, in which interest is spread evenly throughout the life of the loan to produce smaller monthly payments.[9]

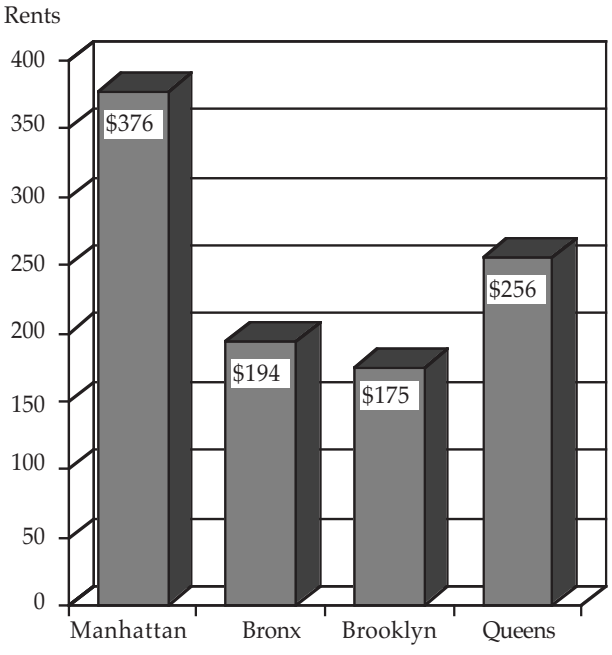
8 James and Lett, The Economics of Rental Housing in NYC, p. 80-85.

9 Joel Brenner and Herbert Franklin, Rent Control in North America and Four European Countries, p. 28-37.

Statistical Analysis

Examination of the presence and extent of skewing in New York's unregulated and stabilized rental stock required statistical analysis of two data samples. First, rents within "apartment lines" of 220 rent stabilized buildings obtained from the state Department of Housing and Community Renewal (DHCR) were analyzed to determine whether variation could be attributed to random chance or deeper structural causes. An "apartment line" represents a series of units which are vertically adjacent to each other, forming a vertical section of the property. These were chosen for analysis on the assumption that dwellings in a "line" are roughly similar in terms of size, number of bedrooms and internal layout, thus delivering

Difference Between Highest and Lowest Rent Within Apartment "Lines", Rent Stabilized Buildings, 1993



Note: The number of stabilized properties in Staten Island was too low to be statistically reliable.
Source: NYC Rent Guidelines Board, 1994.

"Length of Occupancy Discounts" in Rent Stabilized and Unregulated Rental Buildings, 1991

	RENT STABILIZED BUILDINGS		UNREGULATED RENTAL BUILDINGS	
Location:	**Annual Discount**	**Total Discount**	**Annual Discount**	**Total Discount**
Manhattan	2.6%	23.4%	2.6%	10.7%
Manhattan Core	2.8%	24.6%	2.2%	8.9%
Bronx	1.3%	11.4%	2.0%	12.1%
Brooklyn	1.7%	14.8%	2.2%	14.2%
Queens	1.6%	16.2%	2.0%	11.0%

Note: The number of stabilized properties in Staten Island was too low to be statistically reliable.
Source: NYC 1991 HVS

roughly equal levels of "housing services" to consumers (tenants). Theoretically, in markets without skewing, apartments within a line should have equal rents. In the DHCR sample, considerable variation was observed in rents within "lines", with the difference between the highest and lowest rents (the "range") within a line averaging $242. Statistical tests on the range of rents within lines from the DHCR data revealed that the observed variation was not random, but emblematic of structural forces within the rent stabilization system. Thus, skewing between roughly equivalent stabilized units throughout New York is not a quirk of chance. The chart on the previous page shows the range of rents within the lines in the DHCR sample for Manhattan, the Bronx, Brooklyn and Queens.

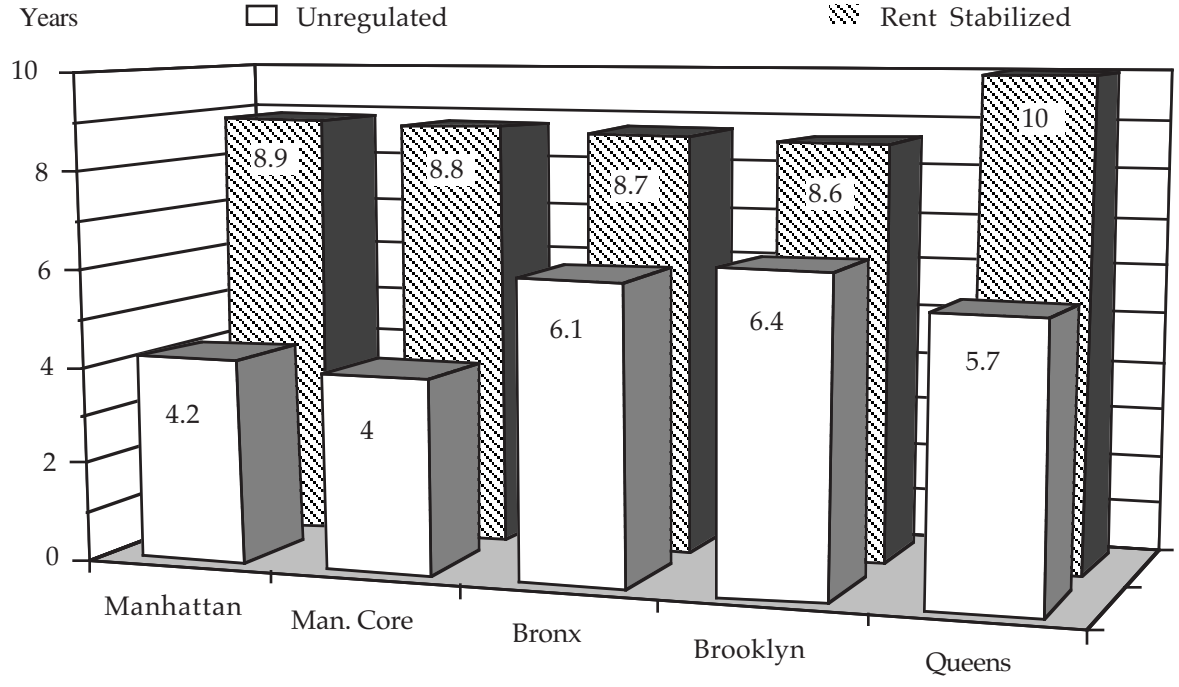
The simplicity of the DHCR data set precluded detailed insight into the factors behind skewing of rent stabilized rents beyond the fact that variance in rents between similar units (ie. units within the same line) was positively correlated with location in Manhattan and negatively correlated with building size. Thus, Manhattan addresses were linked to increased differences in rents within apartment lines while larger buildings tended to have greater observed variation within apartment lines.

Use of the 1991 HVS cross-sectional data set, featuring detailed information on large numbers of stabilized and unregulated units, allowed us to follow Goodman and Kawai's footsteps to estimate another measure of skewing, "length of occupancy discounts", within both the rent stabilized and private rental sectors. In this instance, "unregulated rental dwellings" included buildings of all sizes, as well as co-op units which were rented by their owners. Regression analysis revealed that contract rents for units of similar size and quality in both markets were significantly associated with both location and the length of occupancy of the sitting tenants. Further analysis allowed us to calculate the mean discount received for each year of tenure in both stabilized and other apartments, as well as the mean total discount received by tenants in each sector, both of which are shown in the table above. The term "Manhattan Core" refers to addresses below page 110th Street on the West Side and below 96th Street on the East Side.

The figures illuminate an interesting relationship between rent skewing and regulation status. It appears that the main factor behind the total level of skewing experienced by tenants in both markets is the length of tenure rather than the annual discounts offered to renters. This is starkly demonstrated in Manhattan and Queens, where mean annual discounts were roughly equal across the sectors, while mean total discounts were much higher in the stabilized market due to mean lengths of occupancy double those in the unregulated rental market. In both the Bronx and Brooklyn, mean annual discounts are higher in unregulated units while the mean total discounts are approximately similar due to longer tenure patterns among stabilized tenants.

These findings prompted further analysis of HVS data, to determine whether rent stabilization status significantly influenced length of occupancy, and thus the total amount of skewing observed in the 1991 HVS sample. Additional regression analysis revealed a strong positive correlation between length of occupancy and rent stabilization status among households of similar income in units of similar location, size and quality. Thus, tenants in rent stabilized units have strong incentives to occupy their units longer than their counterparts in unregulated rental dwellings, particularly in Manhattan, and especially in the high rent "Manhattan Core". In turn, this significantly influences the total amount of skewing observed in the stabilized sector.

Mean Length of Occupancy in Stabilized and Unregulated Apartments, 1991



Note: "Man. Core" refers to the "Manhattan Core", defined as the area south of East 96th Street and West 110th Street.
Source: 1991 NYC Housing and Vacancy Survey.

Tenant Income and Housing Affordability

1993 Housing and Vacancy Survey Report

Summary

The period 1991 to 1993 was kind to neither tenant nor landlord. The deepening recession made it impossible for many landlords to raise rents as fast as the guidelines for stabilized apartments allowed. Indeed, charges for many high rent apartments were reduced. Evidence from the Board's Income and Expense Studies also suggests that collection and vacancy losses soared, further reducing landlords' rent revenue.

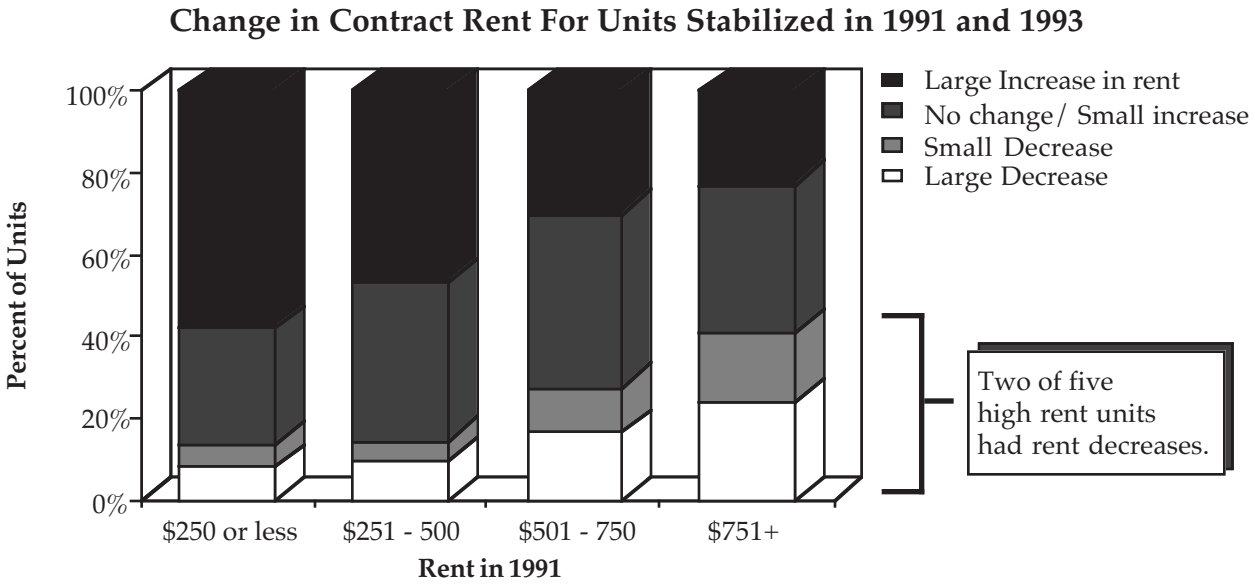
Tenants fared poorly too. After a period of rising prosperity in the 80's, tenant income plummeted 10% in real terms. The median rent-to-income ratio for stabilized tenants also showed a substantial increase, from 25.8% in 1991 to 28.2% in 1993, the highest level in modern times.

As if these grim statistics were not enough, the HVS also brings to light some other discouraging trends. Income inequality, which increased substantially during the eighties, continued to grow from 1991 to 1993. Rents for low rent units increased much faster than for high rent units, thereby increasing the burden for many low income households. Finally, inequities within the rent stabilization system are distressingly high. While many long term or older tenants have secure incomes and pay very low rents, young families have been hit hard by the recession and must pay much more for housing.

Contract Rent

Over the past few years the Rent Guidelines Board has heard an abundance of testimony from landlords regarding the impact of the long-running recession on the rental market. A number of these owners testified that market weakness had forced them to REDUCE rents, especially for high rent apartments. Other testifiers argued that the upsurge in unemployment also made it impossible to raise rents in the low end of the market. Low income tenants simply cannot afford higher rents; it would be irrational for landlords to raise rents when low income tenants cannot pay.

The new HVS data shows that the recession has restrained rent increases. **Overall, rents charged by landlords failed to keep pace with the increases authorized by the RGB between 1991 and 1993.** However, weakness in the market has been almost entirely confined to the high rent sector. Rent increases for mid- and low-rent units have been substantial, despite declining tenants' income.



Note: A "large increase" is an increase of more than 7%, a "large decrease" is a decline of more than 7%.
Source: 1991 and 1993 New York City Housing and Vacancy Surveys

Rent Increases, 1991 to 1993

The mean average rent for stabilized units increased from $554 in 1991 to $593 in 1993, or 7%. For apartments which were rent stabilized in both 1991 and 1993 the increase was only 6.6%.[1]

Although the increase in the mean average rent outpaced the Consumer Price Index, it lagged behind increases authorized by the Rent Guidelines Board. The RGB's orders allowed a 7.7% increase in aggregate rent between the Spring of 1991 and the Spring 1993, whereas actual rents rose only 6.6%.[2]

At first glance the 1.1% difference between the two figures may seem slight, or even insignificant. However, it should be noted that the increase measured by the HVS includes rent hikes NOT authorized by the RGB (i.e. individual apartment increases and major capital improvements allowed by the DHCR). Thus the deficit between RGB sanctioned rent increases and those imposed by landlords is actually somewhat greater than 1.1%. **Clearly, the recession made it impossible for some landlords to increase renewal leases by the full amount of the guidelines or to charge a vacancy allowance.**

Average rents rose faster in the older portion of the stock than in the newer. The mean average rent for Post '46 units was up only 5.8%, while the Pre-war average rose 7.1%.[3]

[1]New construction, the transition of rent controlled units to stabilization, and other factors tend to raise the overall rent level in the stabilized sector each year independent of increases authorized by the RGB. The rent increase for apartments which were stabilized in BOTH 1991 and 1993 is the truest measure of landlords' ability to raise rents.

[2]The 7.7% figure is from the RGB's rent index. The appropriate comparison here is units stabilized in both years (i.e. 1991 and 1993) since the RGB rent index is a measure of the impact of the Board's orders on the currently stabilized stock. The rent index only measures the impact of the RGB's orders on the stabilized stock. It does not consider the transition of units from the controlled sector to stabilization, the addition of new units to the stock, or the impact of individual apartment or MCI increases. Note that since the rent index is a measure of aggregate rent received by landlords the appropriate measure of comparison from the HVS is the mean average rent, not the median.

[3]Unless otherwise noted, rent increase figures refer to apartments stabilized in both 1991 and 1993 and reporting rents in both years.

In the boroughs, rent increases were inversely correlated with economic well-being. The Bronx had the greatest increase in rents (8.5%), followed by Brooklyn (6.9%), Manhattan (5.9%) and Queens (5.5%).

The difference between rent increases in affluent and poor neighborhoods was particularly striking in Manhattan. While a high income area like the Upper East Side recorded a 4% increase, rents in Washington Heights rose 12%. In the six southern Manhattan subboros (i.e. the so-called "Manhattan Core") mean rents rose approximately 5% while the comparable figure for the four northern Manhattan subboros was 11%.

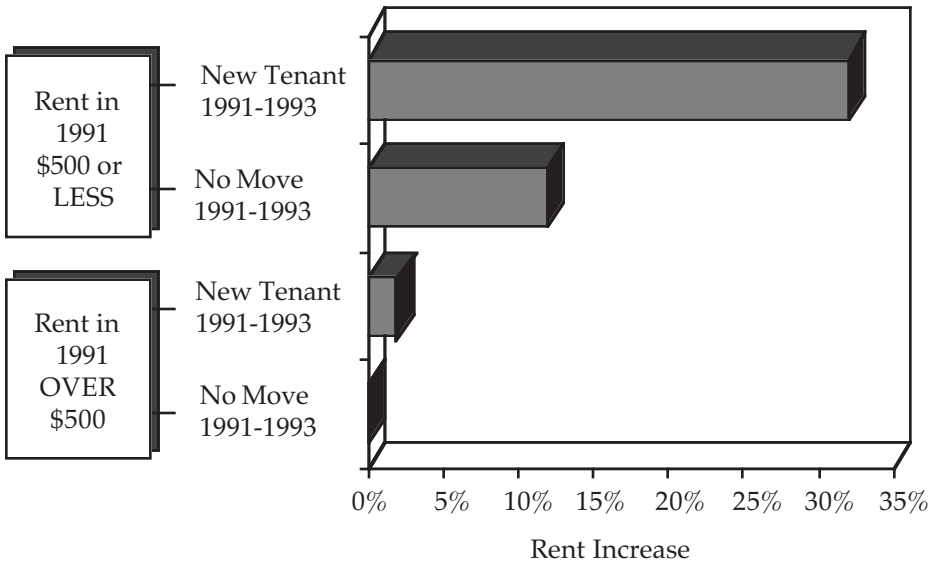
If rents tended to rise faster in poorer neighborhoods, did low rent units record larger rent increases than high rent units? The chart on the previous page affirms the question - rents increased much faster in the low rent stock than in the high rent stock. Less than 15% of units with rents of $500 or less in 1991 recorded rent decreases compared to about 40% of units in the highest rent category. Conversely, less than 30% of the units in the upper rent categories had "large" rent increases while approximately 50-60% of the least expensive apartments recorded substantial increases. [4]

This data confirms much of the testimony of building owners and managers heard by the RGB during the last two guideline "seasons." It is clear that the recession DID make it very difficult to raise rents for apartments in the mid- to upper end of the rent distribution. **The HVS figures also tend to rebut the assertion that landlords would not raise rents on low rent units because tenants simply couldn't afford to pay the increases.** The overwhelming majority of low rent units posted rent increases. Many of these increases were substantial. Without additional information it is impossible to say if these increases were actually collected. Thus the "affordability" of these increases remains in question. Evidence of recent increases in collection losses suggests that some proportion of rent hikes may not have been collectible.

In the beginning of this report we showed that the mean average rent for units stabilized in both 1991 and 1993 increased 6.6%.

[4]See Chart footnote for definition of "Small Decrease", "Large Decrease", etc.

Increase in Mean Average Rent, 1991 to 1993, by Contract Rent and Occupancy Status in 1991



Source: 1991 and 1993 New York City Housing and Vacancy Surveys

We have also demonstrated that many rents in the upper part of the rent distribution were reduced between 1991 and 1993. Given these rent reductions, how was it possible for rents overall to increase at nearly the pace that RGB guidelines allowed?

One possibility is that landlords charged greater increases for low rent units and for recent movers (i.e. renters who moved between 1991 and 1993). To examine this possibility we separated apartments which were rent stabilized in 1991 and 1993 into four groups:

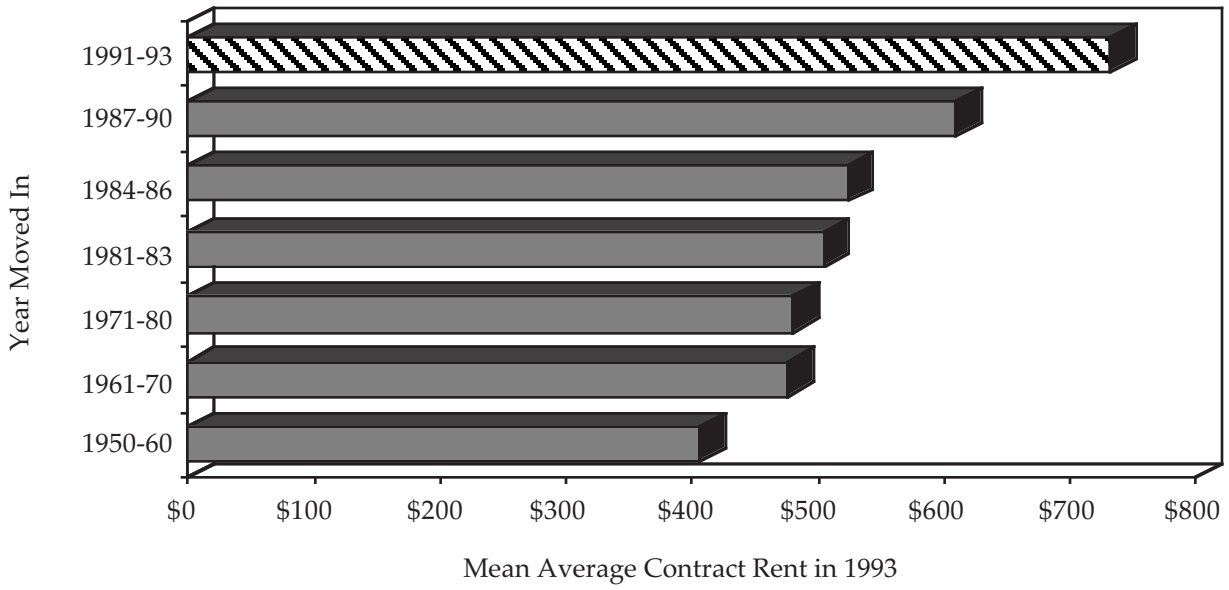
1. Rent in 1991 $500 or LESS, no change in occupancy 1991-1993.
2. Rent in 1991 $500 or LESS, new renter 1991-1993.
3. Rent in 1991 OVER $500, no change in occupancy 1991-1993.
4. Rent in 1991 OVER $500, new renter 1991-1993.

Changes in the average rent for these categories are illustrated in the chart on the previous page. As a group, apartments renting for MORE than $500 in 1991 saw an increase in rent of only 1% between 1991 and 1993. Although rents paid by recent movers rose slightly, there was no overall increase in rent for non-moving households.

By contrast, increases were substantial for units which rented for $500 or LESS in 1991. The mean rent for continuously occupied units rose about 12%. The contract rent for newly rented apartments increased by nearly a third.

Another way to look at this data is to break down the increase in landlords' aggregate rent charges between 1991 and 1993 by type of unit. **More than 90% of landlords' increased revenue came from apartments renting for $500 or less in 1991.** Although tenants remaining in place shouldered most of the increase, recent

Mean Average Contract Rent in 1993 by Year Moved Into Apartment, Rent Stabilized Units



Source: 1993 New York City Housing and Vacancy Survey

movers paid a disproportionate share. While recent movers constituted about 30% of stabilized renters, they paid about 40% of the increased rent.

Household Income

The mean income of rent stabilized households decreased by 3% between 1990 and 1992.[5] In inflation adjusted dollars the decrease was 10%, the sharpest decline since the early 70's.

It is clear that a deep recession and the accompanying increase in the unemployment rate were responsible for most of the decline in tenant incomes. In 1990 the unemployment rate was 6.8%. Two years later it stood at 10.8%. The large increase in unemployment had a disproportionate impact on households with two or more wage earners.

Not all of the drop in income was due to the worsening economy. Shifts in the demographics of the rent stabilized population also played a part. The most remarkable change was a substantial decrease in the percentage of households with two or more adults but no children, the household type with the highest mean income. We estimate that changes in demographics and in the types of households which reported income accounted for about 40% of the drop in inflation adjusted income. If these factors had stayed constant in the 1991 and 1993 HVS surveys, the real income decline would have been only 6%, rather than 10%.

[5]The 1991 HVS measured calendar 1990 income while the 1993 HVS recorded 1992 income.

Winners and Losers

Given the severity of the most recent recession, few household types were better off in 1993 than in 1991. Even so, some types of households fared better than others. The relative "winners" included households with significant non-employment income (e.g. the single elderly), households with older breadwinners, and households in the top 25% of the income distribution. The "losers" included younger families and those near the bottom of the income distribution.

For many single elderly persons social security is a primary source of income. Social security benefits have been indexed to the Consumer Price Index for some time, so it is understandable that single elderly households fared relatively well during the recession. Their inflation adjusted income decreased by only 2%.

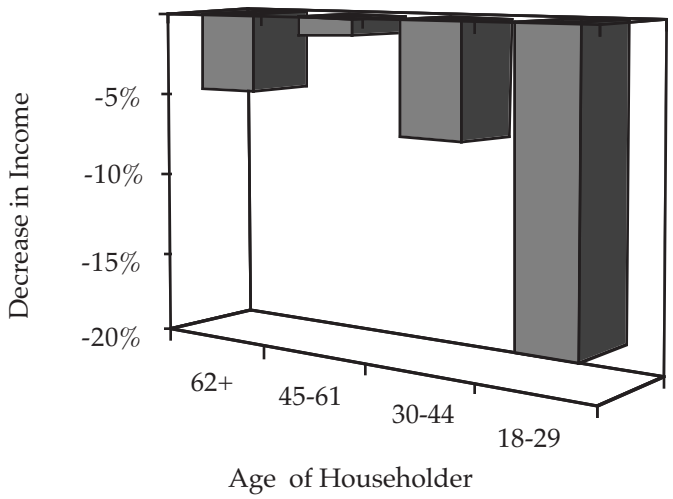
Households categorized as "Adult" households (i.e. two or more adults with a non-elderly head, no children) fared the worst, with a real income decrease of about 8%. Adult households are more likely than any of the other household types to include two wage earners. On average, they are also the most affluent of all households.

The recession was particularly cruel to younger households (ages 18 to 29), who lost nearly 20% of their income in the two year period. By contrast, householders aged 45 to 61 suffered a decrease of only about 1%. In the case of younger households, one suspects that unemployment played a major role. The old dictum "last hired, first fired" probably still holds true.

In last year's report on the 1991 HVS we showed that low income households lost ground during the 80's - the constant dollar income of these households fell. In addition, since the "higher income groups did well during the eighties."[6] income inequality increased, leaving poor families worse off in relative terms as well.

Both low and high income households lost ground over the two years. The 25% of households with the highest incomes fared best; their constant dollar income declined by about 5% during the two year period. The poorest households fared next best, probably due to a high proportion of single elderly households who had relatively stable incomes. Worst off were low to moderate income households (i.e. those in the second income quartile) whose income fell by approximately 12%. **Since high income households lost less ground than low or moderate income households, income inequality increased in the stabilized sector, continuing the pattern of the 80's.**

Decrease in Mean Average Income (Constant Dollars) by Age of Householder, 1990-92



Source: 1991 and 1993 New York City Housing and Vacancy Surveys

Geographical Differences

In general, the richer boroughs fared better than the poorer during the most recent recession. In the Bronx, the city's poorest borough, real income of stabilized renters declined 11%. The decrease in Brooklyn (the second poorest borough) was 9%, while Manhattan renters' income (the most affluent) fell by only 3%. The sole exception to this correspondence between affluence and changes in income was in Queens. Inflation adjusted income in Queens plummeted 13%.

These patterns are also apparent in levels of poverty and public assistance. While poverty levels were fairly stable in Manhattan, the other boroughs experienced double-digit increases. The percentage of households receiving public assistance rose only 7% in Manhattan compared to 25 to 33% in the other boroughs.

Why is it that stabilized renters in Manhattan fared so well? Two factors were certainly at work. As we showed earlier, affluent households suffered less from job cutbacks and other recession induced maladies. Manhattan has a very high share of the city's affluent renters. Demographics also played a role. In Manhattan about two-fifths of renters are single individuals,

6 See *Rent Stabilized Housing in New York City, 1993* p. 64.

compared to about one-fifth in the outer boroughs. Single adults lost less ground during the recession than households with multiple wage earners.

The substantial drop in income in Queens is harder to explain. It is true that Queens has the highest percentage of households with two or more adults, but this cannot be entirely responsible for the large drop in income. Other, as yet undiscovered factors must also have been at work.

In the city's community districts, it is difficult to make generalizations about changes in income. In general, affluent areas in Manhattan and Brooklyn appear to have gained ground or at least lost little. Inflation adjusted income fell in many low income neighborhoods throughout the city.

Poverty and Public Assistance

One would expect a sharp decline in real incomes to produce a corresponding increase in households living below the poverty level. Such an increase did occur, as the percentage of stabilized households living below the poverty level rose from 24.6% in 1990 to 27.2% in 1992. This 1992 figure establishes a new high for the percentage of stabilized households below the poverty line.

Poverty levels increased for all types of households, with the sole exception of the single elderly. Increases were particularly large for households with two or more adults but no children. The percentage of households below the poverty level also increased for all age groups. Once again, the elderly were affected the least as poverty levels grew only slightly.

The increase in joblessness and poverty forced many stabilized households onto the welfare rolls. The percentage of households receiving public assistance jumped from 18.4% in 1991 to 22.3% in 1993, an increase of more than one-fifth. Single parents with children fared particularly poorly. In 1991 slightly over half of these households were receiving public assistance, but by 1993 the figure was closer to two-thirds.

Housing Affordability

In previous sections of this report we showed that current dollar incomes of rent stabilized tenants fell while contract rents continued to increase. The inevitable outcome was a decrease in housing affordability. The median contract rent to income ratio increased from 25.8% in 1991 to 28.2% in 1993. Another measure of tenant burden, the aggregate share of tenant income spent on rent, increased from 22.2% to 24.5%.

Although tenants paid substantially more income on rent in 1993 than in 1991, the increase in the rent burden was not shared equally by all income classes. While the average rent to income ratio for the bottom three income quartiles rose substantially, the highest income quartile (e.g. the fourth of renters with the highest incomes) saw virtually no change in their rent burden. For these renters a decrease in income was matched by a decrease in rents, thereby keeping the proportion of income spent on rent nearly unchanged.

Renters in Manhattan fared much better than tenants in the outer boroughs. Increases in rent were smaller in Manhattan, as were

decreases in income. As a result, the rent to income ratio grew about half as fast as in the rest of the city.

The effect of the recession on younger households' finances was particularly severe. The rent-to-income ratio of household heads aged 18-29 rose from 26% to 31% in two years, by far the largest jump. Among the household types, single adults with children had the greatest increase in rent burden while the increase for the elderly was the smallest. Once again, the middle-aged and elderly fared much better than younger households.

Vacancies

The overall rental housing vacancy rate decreased from 3.8% in 1991 to 3.4% in 1993. In the rent stabilized sector the decline in the vacancy rate was slightly greater - from 3.9% in 1991 to 3.4% in 1993.[7] All of the decrease in vacancies occurred in the Pre '47 stock; the vacancy rate in the Post '46 sector remained unchanged.[8]

The decline in the overall vacancy rate was due **entirely** to a sharp reduction in the number of empty Manhattan apartments. In 1991 the vacancy rate in Manhattan was 5.0%. Two years later it had fallen to 3.5%. In the outer boroughs both the number of vacancies (21,000) and the rate (3.3%) were identical in both years.

Given recent economic conditions it would be natural to suspect that most of the drop in Manhattan vacancies was in the high rent stock, which had become unaffordable. However, this was not the case. Although the number of units with asking rents of $1000 or more did decrease from 1991 to 1993, there was also a substantial reduction in the number of low and moderate rent units available for rent.

It appears that two separate trends may have been at work to decrease the Manhattan vacancy rate. As the recession made housing less affordable, the lowest rent units disappeared from the market - the number of available units with asking rent of less than $500 was nearly halved from 1991 to 1993. In addition, it appears that landlords probably reduced asking rents for the highest rent units.

In an earlier portion of this report we showed that a significant proportion of renter occupied units had rent reductions. The same forces were certainly at work in the market for vacant units, as the mean average asking rent in Manhattan declined from approximately $850 in 1991 to $810 in 1993.

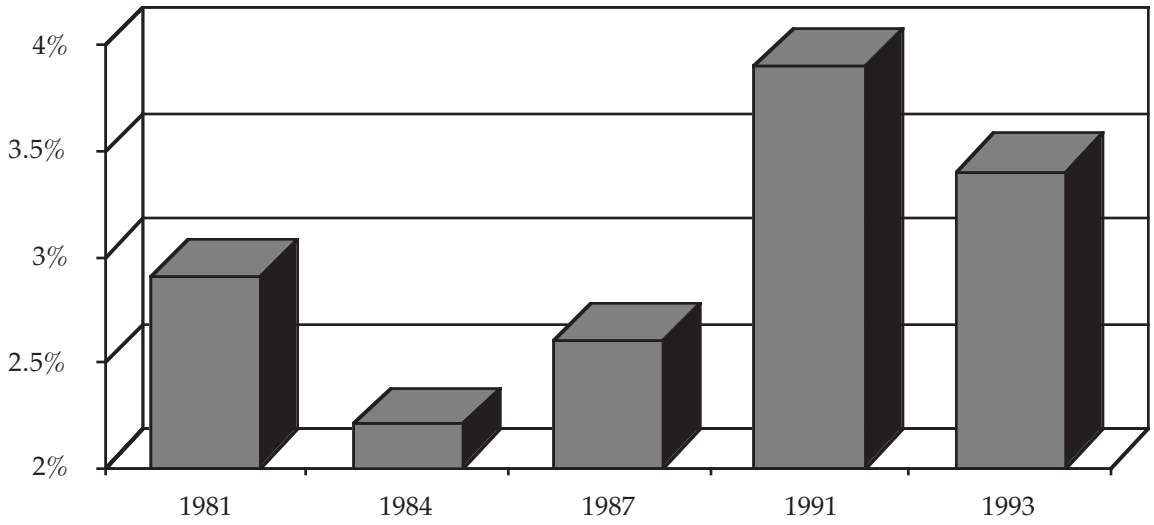
Affordability of Vacant Units

As we have seen, the rental market tightened slightly from 1991 to 1993. Fewer vacant units were available to prospective renters. The decline in available units was due entirely to a drop in the number of empty Manhattan apartments. The decline in vacant apartments in Manhattan was a function of the relative stability of renters' incomes in that borough and somewhat reduced asking rents.

[7]The vacancy rate for rent stabilized housing can be computed on an adjusted basis, taking into consideration rent controlled units which would become part of the stabilized stock on vacancy. Using this method would lower the vacancy rate from 3.5% in 1991 to 3.1% in 1993.

[8]The vacancy rate for Pre '47 housing was 4.5% in 1991 and 3.7% in 1993. The rate for the Post '46 stock was basically unchanged - 2.25% in 1991 and 2.35% in 1993.

Net Rental Vacancy Rate, Stabilized Units, 1981-1993



Source: New York City Housing and Vacancy Surveys, 1981-1993

How affordable were the asking rents of apartments in 1993 compared to offerings two years earlier? The simplest way to measure affordability is to compare the average asking rent with the average tenant's income. Using the median rent and income, affordability declined slightly. Substituting the mean tenant income and the mean asking rent, affordability improved slightly. In short, the results are ambiguous and do not indicate much change in affordability.

Another way to approach the question is to compare the distribution of asking rents for vacant units with rents actually paid by existing tenants, using rent quartiles.[9] This method enables us to measure the disparity between asking rents and rents actually paid by tenants.

In 1991 about 41% of units for rent had asking rents in the top quartile (versus 25% of occupied units), indicating that asking rents were running far ahead of rents for occupied units. In 1993 the figure for the top quartile had declined to 31% - far fewer high rent units were available. The rent distribution of vacant units had become much more like the distribution for occupied units.

While the number of high rent units for rent declined substantially from 1991 to 1993, the number of low and moderate rent units was unchanged. From the perspective of low and moderate income households the market looked fairly similar in 1991 in 1993, if slightly less affordable. For high income renters in 1993 there were fewer units to choose from. However, it seems likely that other high income renters benefitted from declining rents in the intervening years.

9 In this approach we divide the rents of occupied units into four groups of equal size. The first quartile consists of the fourth of units with the lowest rents and the fourth quartile is the fourth of units with the highest rents. The rent cutoff points of these quartiles are then compared to the vacant rent distribution.

1994 Tenant Income and Affordability Study

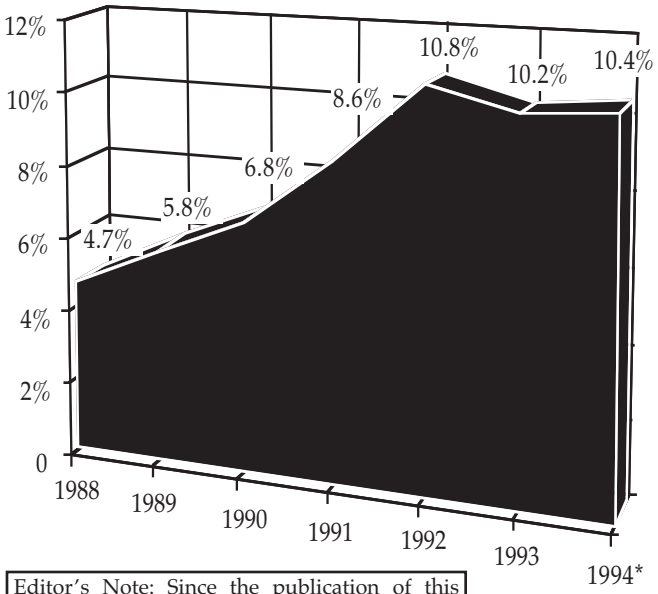
Summary

Employment in New York has continually declined since the late 1980's, when the onset of a deep national recession combined with the stock market crash of 1987 stalled the city's economic growth. Joblessness in the city soared from 4.7% in 1988 to 10.8% in 1992, as hundreds of large and small firms reduced their payrolls to remain solvent.

Recent surges in output and job creation during the latter half of 1993, which reduced national unemployment to a three year low (6.4%), have spurred some hope for renewed job growth in New York. Although unemployment in New York fell by sixth-tenths of a percent (from 10.8% to 10.2%) in 1993, this reflected a decrease in the city's labor force from 56.3% to 55.4% of the work aged population rather than substantial new job growth.[1] Data from the State Department of Labor indicates that the city's unemployment rate rose to 10.4% during the first quarter of 1994, due to contraction in the construction, manufacturing and wholesale sectors.

While employment in New York's economy has stagnated in recent years, productivity has risen. The Office of the Deputy Mayor for Finance and Economic Development estimates that the city's real (inflation adjusted) gross city product grew by 4.1% in 1992, the largest increase witnessed since 1986. Financial and corporate service firms have experienced the greatest productivity gains by using advanced

New York City Average Unemployment Rate, 1988-1994



Editor's Note: Since the publication of this report the average unemployment rate dropped to 8.2% in August 1994.

*Note: 1994 figures represents data only for January, February and March
Source: NYS Department of Labor.

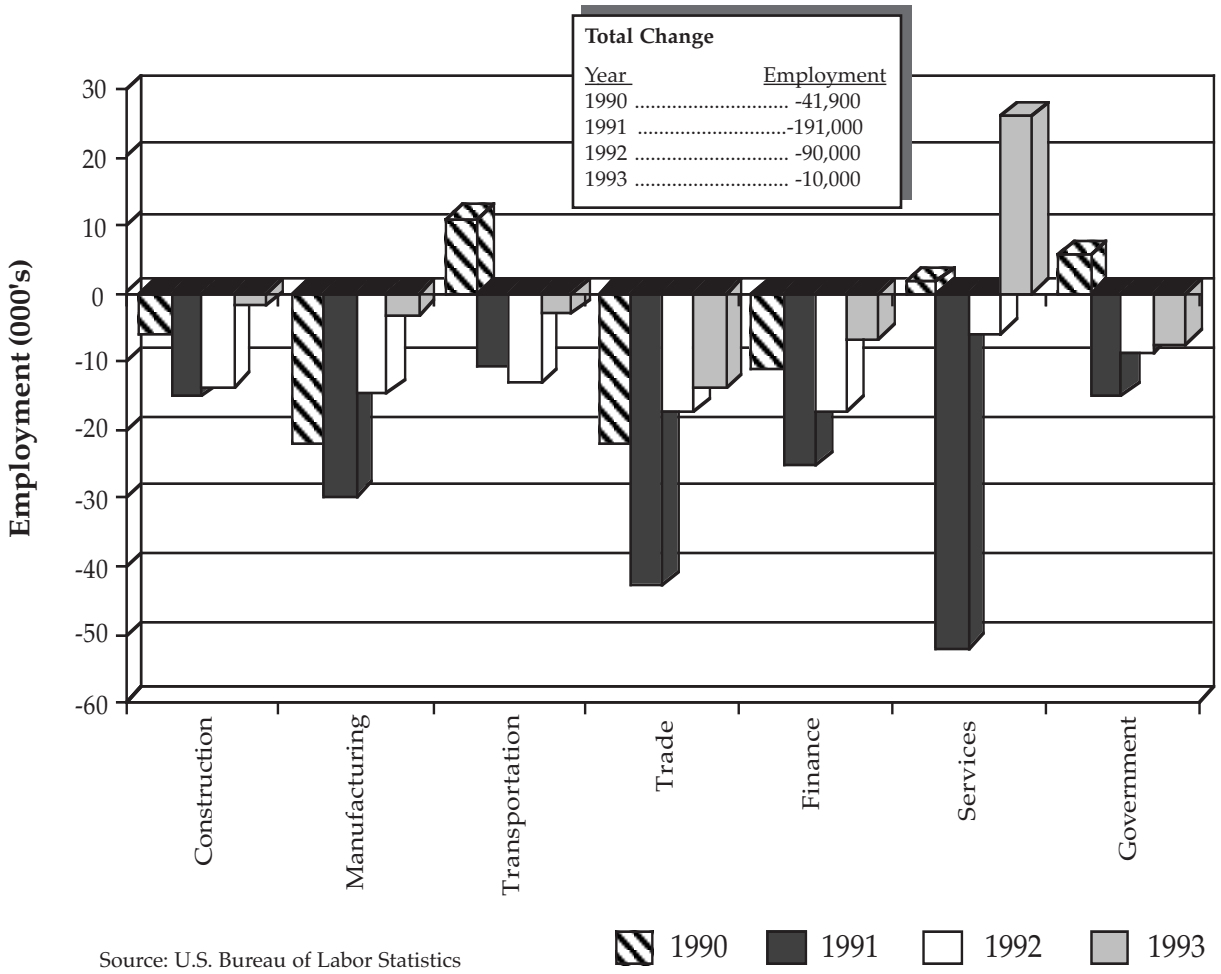
[1] In 1993, New York's work force shrank by 95,000 people, resulting in the modest unemployment "drop" described in this report. New York Post, December 21, 1993, p. 12.

technology to generate increased revenues and profits with a smaller, more efficient work force comprised of more skilled, highly paid managers and fewer lower skilled clerical and support staff.[2] Many economists expect the trend towards fewer employees generating larger sales and profits to continue well into the next decade. Because New York's financial and service sectors pay disproportionately well (in 1991, the securities industry alone employed 4% of New York's total work force, yet paid 10% of the total wages earned by city residents) overall gains in employment are unlikely until hiring in these key sectors starts to rise.

Nonagricultural employment in New York continued to drop during 1993, but at a lower rate than experienced either in 1991 or 1992. As the chart below shows, while New York lost 10,000 total jobs over the past year, the city's construction, manufacturing, transportation and financial sectors experienced much less job erosion than in previous years. Growth in service sector employment (26,000 positions) buoyed total private employment, causing a net decline of only 2600 jobs in the private sector. On the

[2] Stephen Prokesch, "Service Jobs Fall as Business Gains", New York Times, April 18, 1993, p.43.

Average Annual Change in NYC Payroll Employment by Industry, 1990-1993



Source: U.S. Bureau of Labor Statistics

other hand, New York's public sector continued to contract, eliminating 7600 jobs in 1993 due to fiscal retrenchment within both the state and municipal governments. While this data may signify New York's emergence from its long recession, preliminary employment figures for the first three months of 1994 cast doubt on this assumption. This information indicates large job cutbacks in the city's construction, manufacturing and wholesale sectors which, combined with little growth in service employment, has produced a net loss of jobs. How much of this current decline is attributable to seasonal factors cannot be determined.

Income and Rents

In the past, without the availability of up-to-date information from New York's Housing and Vacancy Survey (HVS), staff was forced to use less targeted data to gauge shifting income patterns among rent stabilized tenants. This year we were able to compare the findings of past HVS data with the current 1993 HVS.

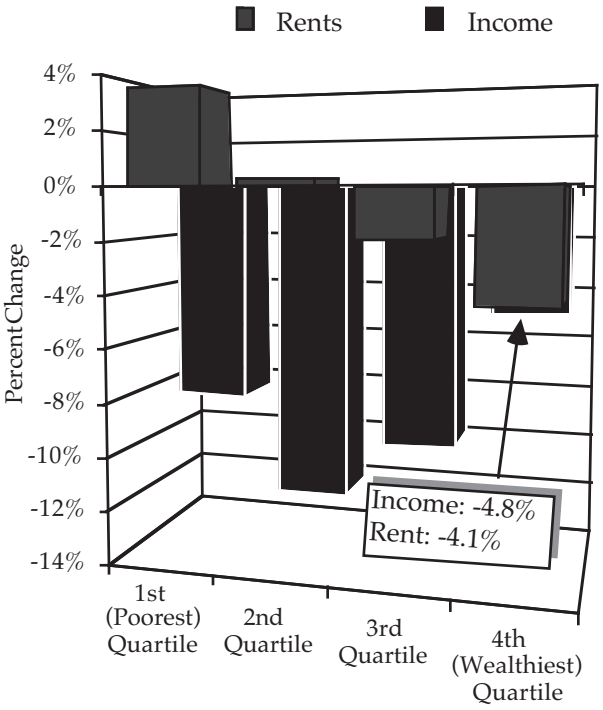
In 1992, the average real (inflation adjusted) income for all stabilized tenants was $26,819. This represented a substantial decrease of 10.3% from the 1990 real average of $29,896.[3]

Change in Real Average Income, Rent Stabilized Households, 1990-1992

Income Quartile	1990 - 1992
First (Poorest)	- 8.5 %
Second	- 12.3 %
Third	- 10.1 %
Fourth (Wealthiest)	- 4 .8 %

Source: 1991 and 1993 HVS

Change in Real Income and Rents, Rent Stabilized Households, 1990-1992



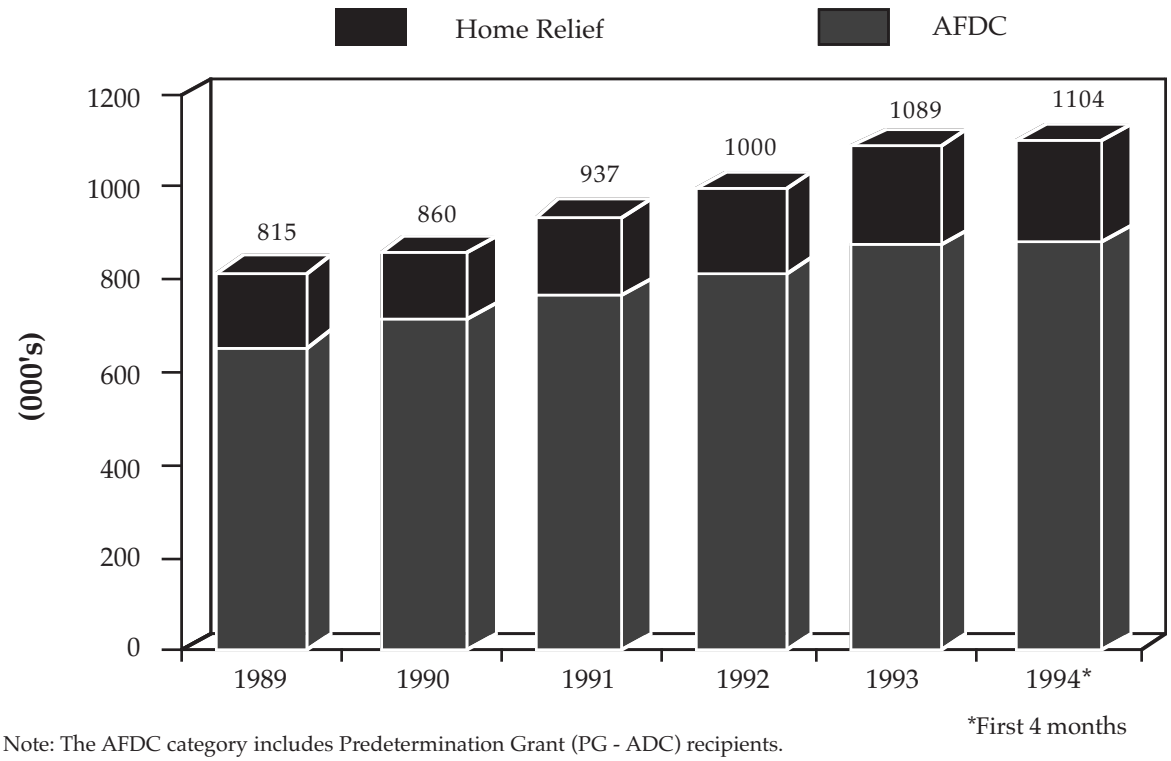
Source: 1991 and 1993 HVS

Erosion of income was not shared equally among rent stabilized tenants. Grouping stabilized households into four income categories (quartiles), as shown in the box below, illustrates this disparity. This pattern may reflect heavy job losses among New York's "pink" and "white" collar work force, as well as on-going employment decline in the city's manufacturing industries between 1990 and 1992.

While household income has recently declined in rent stabilized households, rents have risen. According to data from the 1991 and 1993 HVS, the mean average contract rent in stabilized units grew by 7% between 1991 and 1993. These increases have primarily affected lower income households, as the chart above shows.

[3] Inflation adjusted figures in constant 1990 dollars.

Public Assistance Recipients - AFDC and Home Relief Grants, Fiscal Years 1989-94



Note: The AFDC category includes Predetermination Grant (PG - ADC) recipients.
Source: Mayor's Management Reports

Declining incomes and increasing rents have forced the median contract rent-to-income ratio for stabilized units to grow significantly, from 26% in 1991 to 28% in 1993. Lower income stabilized households appear to have suffered most from this increasing rent burden, as the rent and income data in the chart on the previous page illustrates. Although their income did not erode as quickly as that of more affluent households, the poorest stabilized households suffered the most between 1990 and 1992 because they faced the highest rent increases with the least amount of "disposable" income on hand to divert from non-essential items to housing costs.

Low Income Renters

Among the worst dilemmas facing New York is that the number of low paying, unskilled jobs in the city is shrinking faster than the creation of highly paid, skilled managerial positions in the financial and service sectors.[4] Given this situation, it is logical to assume that low-income households are disproportionately affected by declines in employment and income.

In late 1992, public assistance recipients in New York numbered over 1,000,000. One year later, the number of people receiving public

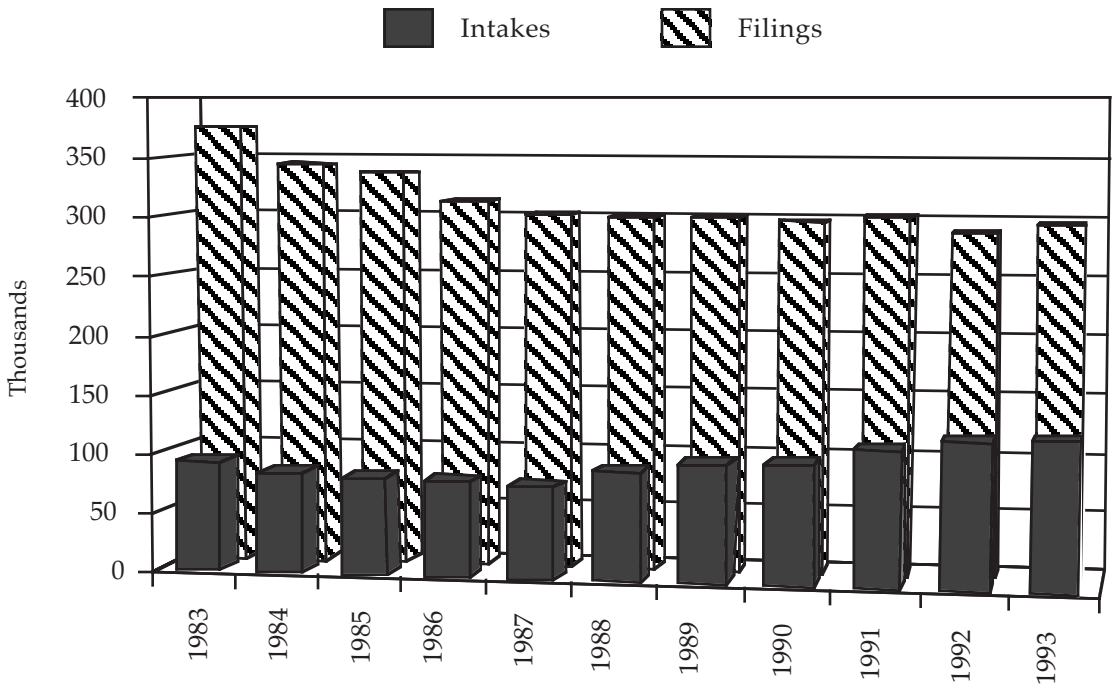
[4] While total employment decreased by about 8.5% from 1987 to 1991, data in a New York Times article on April 18, 1993 showed that the number of clerical jobs in the city dropped 12% over the same time period. Many industries have increased employment in the professional and executive positions while decreasing the number of trainees and junior professional positions. Further evidence of this trend was provided in an article published in the New York Post on August 1, 1991, which stated that the number of entry level jobs in New York decreased while the number of higher paying jobs stayed relatively stable.

assistance grew by 8.9%, as shown in the chart on the previous page. Estimates for the first four months of 1994 indicate an additional 1.4% increase from the 1993 total. While part of this increase can be traced to larger numbers of individuals with AIDS-related illnesses, the bulk of this case load stems from economic conditions.

Approximately 5700 families were housed in temporary city shelters by the end of 1993, an increase of 8.9% since the end of 1992. Over the first four months of 1994, this figure has fallen to 5560 families, which is still greater than the number temporarily housed at the start of 1993.

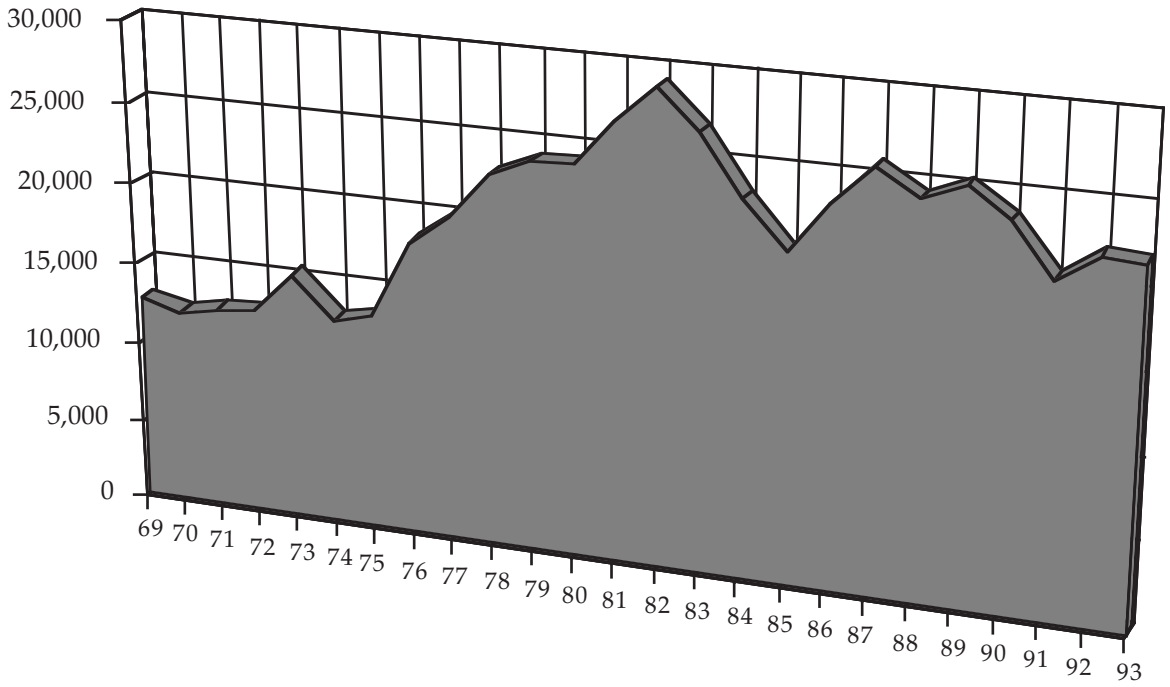
According to documentation in the Mayor's Management Report, New York is combating homelessness in many ways. Through the Emergency Assistance Rehousing Program, the city has continued its efforts to relocate families from the shelter system to permanent housing. During the first four months of the 1994 Fiscal Year, the Human Resources Administration (HRA) successfully relocated over 1,599 families to permanent housing, a 6% increase compared to the same period in Fiscal 1993. The city also plans to increase its voucher program for homeless families who agree to participate in the New York City Housing Authority's Family Self-Sufficiency Program.

Non-Payment Petition Filings and Case Intakes in NYC Housing Courts, 1983-1993



Note : These figures account for case restorations
Source: New York City Civil Court

Possessions and Evictions Performed by City Marshals, 1969-1993



Source: NYC Department of Investigation, Bureau of City Marshals

Housing Court Actions and Evictions

Long term trends in housing court actions and evictions reflect, for the most part, economic and institutional forces. Court proceedings are costly and time consuming. In a loosening housing market where the benefit of a vacancy is declining, the incentive for owners to work out resolutions with late paying tenants is heightened. At the same time, new housing opportunities for those who can afford them may reduce the number of tenants forced to hang on until an eviction is secured. Whatever the explanation, the effect of this recession on non-payment and eviction proceedings has not paralleled the sharp rise witnessed during the last recession of the 1970's and early 1980's.

As shown in the chart on the previous page, non-payment petitions have remained flat for several years, rising slightly to 295,000 in 1993 from 289,000 in 1992. Case intakes, reflecting non-payment actions noticed for trial (less restorations), have risen for the past six years, from a low of 77,000 in 1987 to 124,000 in 1993. In general, it seems that fewer tenants are able to resolve non-payment actions prior to court appearances. Despite this, as the chart above shows, the number of evictions fell to 21,900 in 1993, a slight (.5%) decrease from the 22,000 carried out in 1992.

Housing Supply

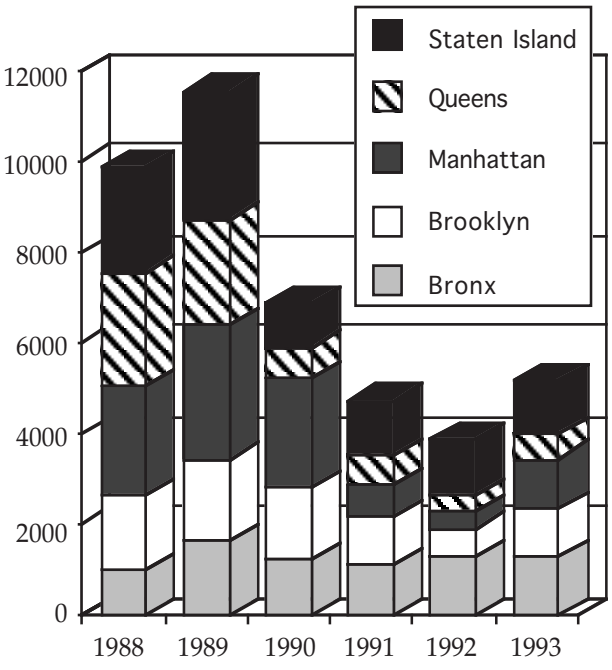
Housing Supply

New Construction and Tax Abatements

Housing Permits

The number of units authorized by new building permits for construction increased for the first year since 1989. Units authorized rose 33% to 5170 from a post war low of 3880 in 1992.

Units Authorized for New Construction, 1988-93



Source: Bureau of the Census, Construction Statistics Division

The largest increase in construction activity came in Manhattan, where 1150 new units were authorized, triple last year's level of 370. Brooklyn also showed a dramatic increase in 1993, up to 1015 units from 645 in 1992. New units in Queens also increased to 530 from 350. The number of units authorized in the Bronx and Staten Island was virtually unchanged.

About 1700 units (30% of the total) authorized in 1993 were in structures containing five units or more. This includes all units authorized in Manhattan, a quarter of the units both in the Bronx and Queens, and 6% of Brooklyn units. All the units authorized in Staten Island were in one or two unit structures.

J-51

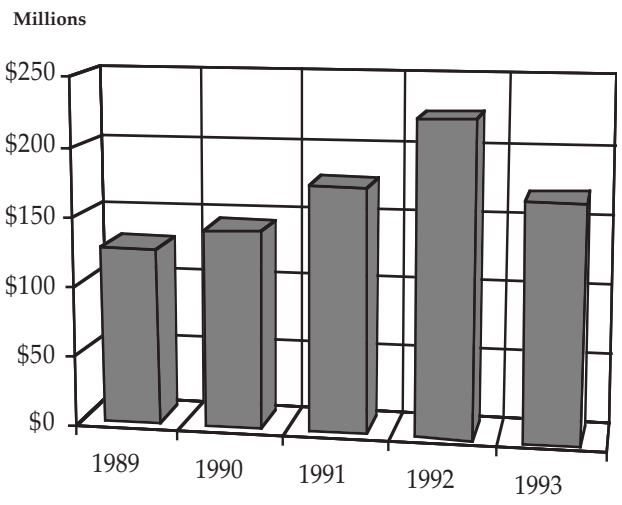
Figures on the J-51 tax abatement and exemption program are a measure of the level of rehabilitation activities in existing buildings. Tax abatements are issued for major capital improvements, moderate rehabilitation requiring the replacement of at least one building system, and gut rehabilitation. In 1993, there were decreases in both the number of units receiving J-51 tax abatement benefits and the dollar amount of certified reasonable costs.

The number of units receiving J-51 tax abatement benefits decreased 15% in 1993 from 144,000 to 122,000 units. The dollar amount of certified reasonable cost for these J-51 units decreased from $224 million to $169 million. This decrease in benefits is probably related to the economic slowdown in the early nineties. Because buildings cannot apply for J-51 benefits until after construction and rehabilitation is complete, the amount of J-51 abatements usually lags several years behind the level of economic activity.

It should be noted that certified reasonable costs approved by HPD's Office of Development are approximations of the actual rehabilitation costs. In most cases, the tax abatement received is based on 90 percent of the total certified cost.

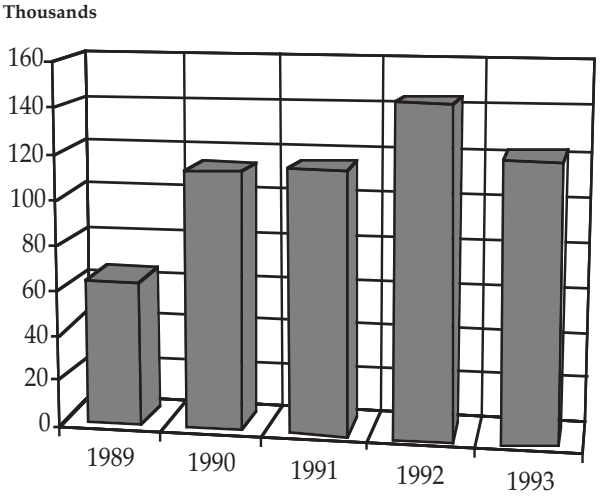
Even though two-thirds of the units receiving J-51 tax abatements were located in Manhattan and Queens, the dollar amount in tax abatements from these two boroughs constituted only 50% of the total. The average tax abatement benefit is about $1300 per unit in Manhattan and $700 in Queens.

Total Certified Reasonable Costs for J-51 Tax Abatement, 1989-93



Source: NYC Department of Housing Preservation and Development, Office of Development

Number of Units Receiving J-51 Tax Abatements, 1989-93



Source: NYC Department of Housing Preservation and Development, Office of Development

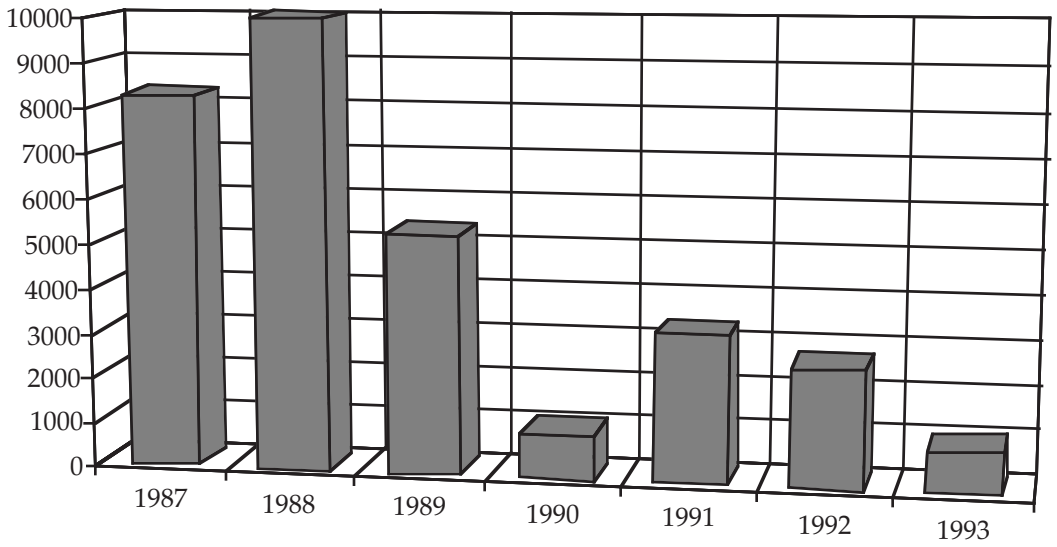
Assuming there is a direct relationship between the amount of tax abatement benefits received and the level of rehabilitation activity, units in the Bronx and Brooklyn saw greater improvements than units in Manhattan or Queens. The average tax abatement benefit received in the Bronx is about $2400 per unit, almost twice as high as the Manhattan average. Building improvements in Brooklyn ranked in between Manhattan and the Bronx at $1700 per unit.

421-a

One indicator of new multi-family units entering the housing market is the number of preliminary 421-a certificates issued by HPD's Office of Development. The number of units receiving 421-a certificates in 1993 fell 65% from 2650 to 910 units, the lowest number in recent years.

The number of units in the Bronx and Brooklyn receiving 421-a certificates accounted for 80% of the city total. The number of units in

Units in Buildings Receiving Preliminary Certificates for 421-a Tax Abatements, 1987-93



Source: NYC Department of Housing Preservation and Development, Office of Development

Queens constituted 17% of the city total while Manhattan had only 3% of all units receiving 421-a certificates. This is in marked contrast to last year when Manhattan constituted more than 50% of the city total.

In Rem Housing and Tax Foreclosure

In Rem Housing

The number of buildings in the city's Central Management *in rem* stock continued to decline in fiscal year 1994, falling from 5180 in 1993 to 5030.[1] Vacant buildings decreased from 2085 to 1945 during this period, accounting for most of the decline in city ownership. According to The Mayor's Management Report (September 1993), the city has reduced its *in rem* stock largely through sales or rehabilitations of vacant buildings. The number of occupied buildings in the *in rem* stock has remained relatively stable.

The total number of *in rem* units decreased by nearly 5% in fiscal 1994. Again most of the decrease in units was due to the reduction in vacant buildings. The number of units in habitable buildings declined by only half as much as the decline in units in vacant buildings, thus underscoring the focus placed on rehabilitating vacant buildings in the *in rem* stock.

Tax Foreclosure

The city chartered an *In Rem* Tax Foreclosure Release Board in 1991 to approve redemption applications, a task formerly performed by the Board of Estimate. After a multiple dwelling falls in tax arrears for at least one year, the city is entitled to initiate foreclosure proceedings. While the city may be legally entitled to a judgment of foreclosure three

1 Alternative management programs held an additional 470 buildings.

months after the commencement of the proceedings, such judgments are typically sought about one year after proceedings are initiated. The judgment entitles the city to obtain title to the property. The owner may redeem the property as of right, by paying what is owed to the city within four months of the city obtaining title. However if the property owner wishes to redeem the property during the following 20 months, the owner has to apply for discretionary redemption with the new *In Rem* Foreclosure Release Board. The vesting statistics shown in the graph (pg. 86) are the actual number of buildings vested by the city.

More buildings were vested in fiscal 1993 (486) than in any year since 1986.[2] Through three quarters of this fiscal year, only 119 buildings have been vested, a drop of 75% from last fiscal year's total. The actual drop on the year may be slightly overstated since a large vesting in Brooklyn is soon expected. Since there is a considerable lag of at least 16 months between failure to pay taxes and vesting, the explanation for the decrease in vesting activity is unclear since vestings in 1994 would most probably reflect the downturn in the real estate market from a few years prior.

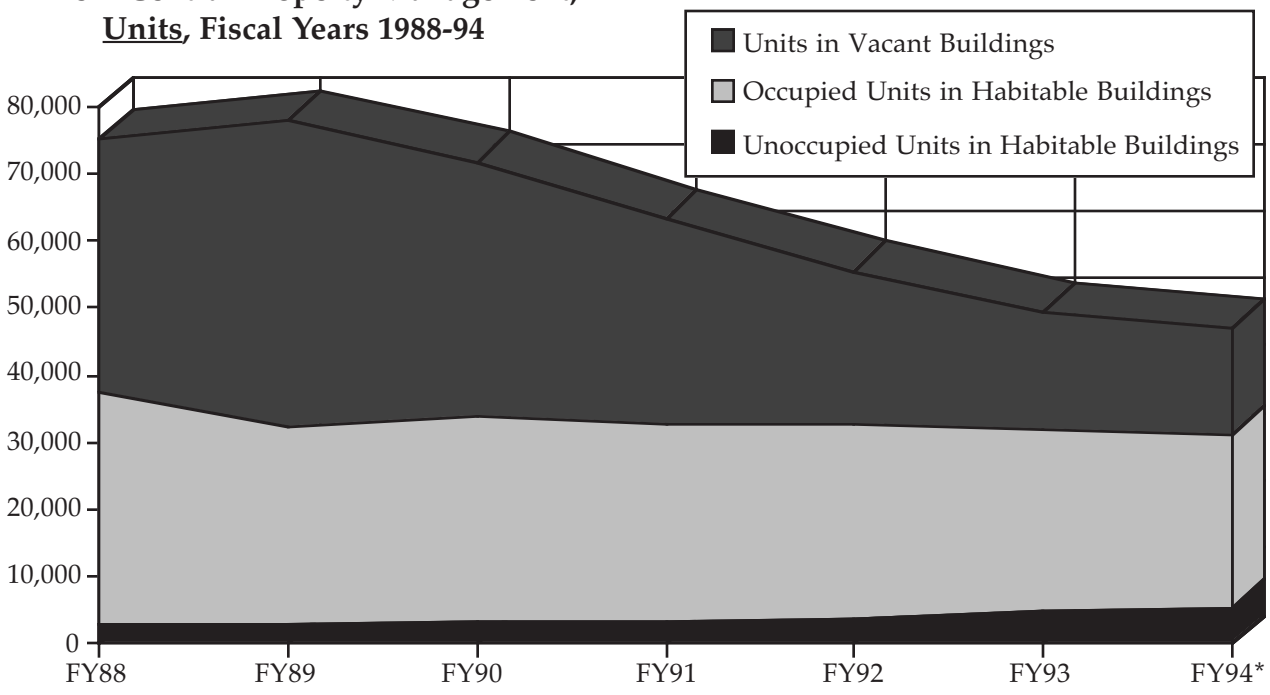
Recent vestings have targeted larger buildings than the previous few years. In fiscal 1991 and 92, the average number of units in buildings appropriated by HPD's Office of Property Management was 8, compared to 11 units in fiscal 1993 and 94.

Residential Co-op and Condominium Activity

The overall level of co-op and condo construction and conversion activities fell for the fifth straight year to a low of 58 plans accepted for

2 Figures for FY93 and FY94 are preliminary and subject to verification.

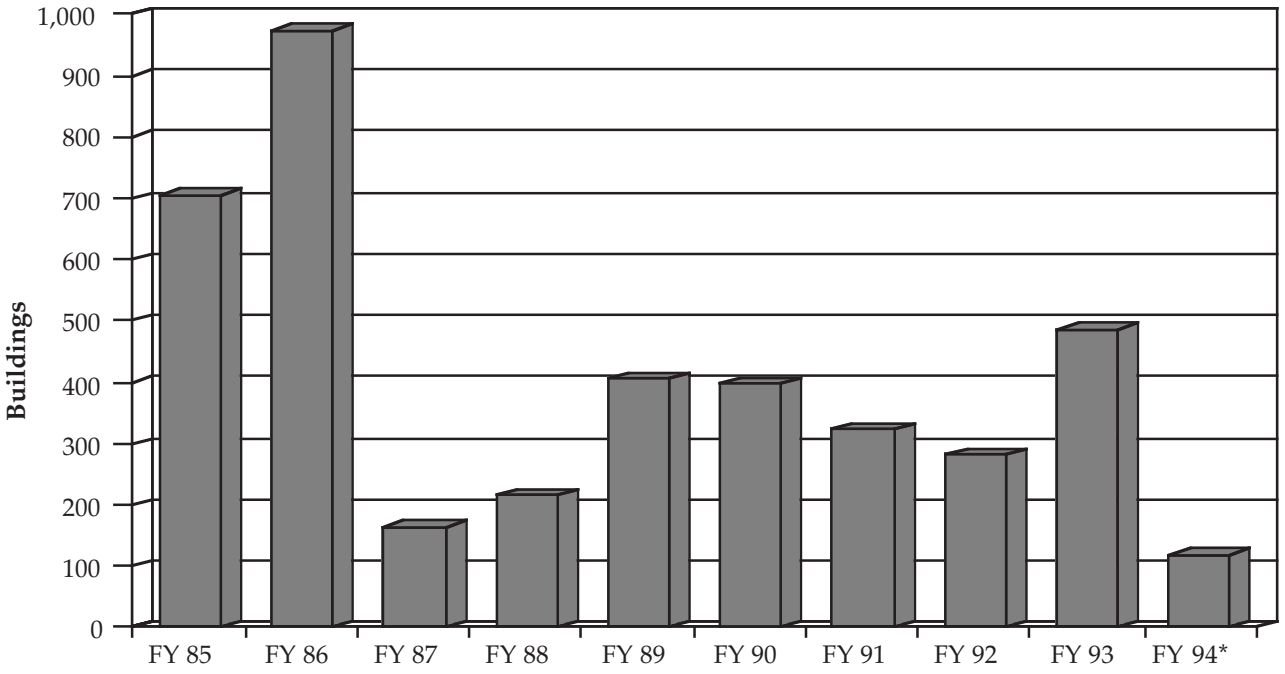
In Rem Central Property Management, Units, Fiscal Years 1988-94



Source: Mayor's Management Reports, 1988-94

* First four months

HPD Vestings of Multiple Dwellings, Fiscal Years 1985-94



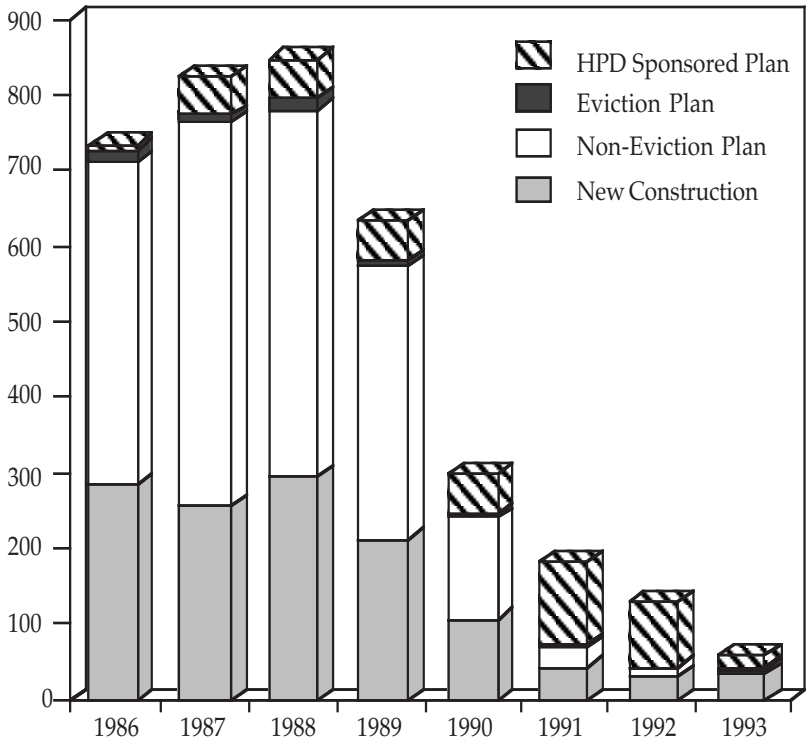
Source: Department of Housing Preservation and Development, Office of Property Management

* As of January 18, 1994

filing in 1993. This represents a 55% decrease from 1992's level of 130 plans. Most of the decrease was due to a sharp drop in the number of HPD sponsored plans.

Of these 58 plans, 65% (37 plans) were for new construction, accounting for 775 units. Thirty of these new construction plans were for Brooklyn and Manhattan. Approximately one quarter (15) of the accepted plans were HPD sponsored conversions, a large decrease from last year when 87 accepted plans were HPD sponsored. Only 7% of all plans were private co-op and condominium conversions under a non-eviction plan. All of these were in Manhattan. There were two private conversions with evictions, both in Manhattan.

Co-op and Condominium Plans Accepted for Filing, 1986-93



Source: NYS Attorney General's Office.

Appendices

Appendix A: Guidelines Adopted by the Board

A1. Apartments & Lofts

On June 20, 1994, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 1994 and on or before September 30, 1995 for rent stabilized apartments:

One-Year Lease	Two-Year Lease
2%	4%

A supplemental adjustment of $15 per month may be added for apartments renting below $400 as of September 30, 1994 and located in buildings containing thirty dwelling units or less.

For tenants entering new leases the increases are the same as renewal leases, except 1) where the rent charged and paid on September 30, 1994 is less than $1000, an additional 5% over the rent charged on September 30, 1994 may be added; or 2) where the rent charged and paid on September 30, 1994 for apartments renting for less than $400 and located in buildings containing thirty units or less, an additional 10% may be charged. No vacancy increase is permitted if the rent is $1000 or more. Under Order 26, owners will be permitted to collect the vacancy allowance if vacancies occur during consecutive guideline periods; that is, even if a vacancy allowance was collected for the same unit under the previous order. No vacancy allowance can be taken under Order 26, however, if the apartment first enters rent stabilization within the guidelines period (from October 1, 1994 to September 30, 1995).

Any increase for a renewal lease as well as any for the vacancy allowance may be collected no more than once during the guideline period.

For Loft units that have met the legalization requirements under Article 7-C of the Multiple Dwelling Law, the Board established the following maximum rent increases for leases commencing or being renewed on or after October 1, 1994 and on or before September 30, 1995 for rent stabilized apartments:

One-Year Lease	Two-Year Lease
2.5%	4.5%

Leases for units subject to rent control on September 30, 1994 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 of 40% above the Maximum Collectible Rent paid by the prior tenant or 35% above the Maximum Base Rent, whichever is greater.

A.2 Hotel Units

On June 20, 1994, the RGB set a maximum allowable increase of 2% over the

lawful rent actually charged and paid on September 30, 1994 for residential lodging houses, rooming houses, Class B hotels, single room occupancy and Class A residential hotels. The allowable increases will apply to leases commencing or being renewed on or after October 1, 1994 and on or before September 30, 1995. The guidelines do not limit rental levels for commercial space, non-rent stabilized residential units, or transient units in hotel stabilized buildings.

Single room occupancy buildings, Class B hotels, rooming houses, and lodging houses will not be entitled to the increase and will receive a zero percent adjustment if either or both of the following conditions exist:

1) The building contains 20 or more dwelling units and 10% or more of the units have been withheld from the rental market for a period exceeding thirty days unless the owner can show a reasonable basis for the withholding; or
2) 20% or more of the dwelling units in the building are not registered with the State Division of Housing and Community Renewal pursuant to part 2528 of the Rent Stabilization Code.

Appendix B: 1994 Price Index of Operating Costs

B.1 PIOC Sample, Price Quotes per Spec, 1993 vs. 1994

Spec	Description	1993	1994
211	Apartment Value	115	125
212	Non-Union Super*	61	82
216	Non-Union Janitor/Porter*	46	45
	LABOR COST	222	252
301	Fuel Oil #2	39	38
302	Fuel Oil #4	13	12
303	Fuel Oil #6	9	9
	FUEL COSTS	61	59
501	Repainting	125	126
502	Plumbing, Faucet	32	33
503	Plumbing, Stoppage	30	30
504	Elevator #1	11	10
505	Elevator #2	12	11
506	Elevator #3	12	14
507	Burner Repair	19	11
508	Boiler Repair, Tube	13	10
509	Boiler Repair, Weld	9	7
510	Refrigerator Repair	5	5
511	Range Repair	10	12
512	Roof Repair	26	26
513	Air Conditioner Repair	5	5
514	Floor Maint. #1	10	7
515	Floor Maint. #2	10	7
516	Floor Maint. #3	10	7
518	Linen/Laundry Service	6	5
	CONTRACTOR SERVICES	345	326
601	Management Fees	42	45
602	Accountant Fees	29	29
603	Attorney Fees	29	26
604	Newspaper Ads	18	18
605	Agency Fees	5	5
606	Lease Forms	5	7
607	Bill Envelopes	11	10
608	Ledger Paper	6	5
	ADMINISTRATIVE COSTS	145	145
701	INSURANCE COSTS	443	523
801	Light bulbs	7	5
802	Light Switch	7	5
803	Wet Mop	5	6
804	Floor Wax	5	5
805	Paint	11	11
806	Pushbroom	6	8
807	Detergent	5	5
808	Bucket	12	12
809	Washers	13	12
810	Linens	12	10
811	Pine Disinfectant	5	7
812	Window/Glass Cleaner	7	6
813	Switch Plate	6	7
814	Duplex Receptacle	5	6
815	Toilet Seat	13	12
816	Deck Faucet	13	10
	PARTS & SUPPLIES	132	127
901	Refrigerator #1	5	6
902	Refrigerator #2	10	10
903	Air Conditioner #1	6	5
904	Air Conditioner #2	7	5
905	Floor Runner	9	12
906	Dishwasher	5	5
907	Range #1	5	7
908	Range #2	5	6
909	Carpet	11	11
910	Dresser	5	6
911	Mattress & Box Spring	8	7
	REPLACEMENT COSTS	76	80
	All Items	**1424**	**1512**

*Note: Spec 204 (Non-Union Labor) is the sum of Specs 212 and 216

B.2 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Apartments, 1994

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES	0.2591	1.0226	2.26%	0.1794
201	Payroll, Bronx, All	0.1243	1.0366	3.66%	0.0000
202	Payroll, Other, Union, Supts.	0.1219	1.0408	4.08%	0.0000
203	Payroll, Other, Union, Other	0.3006	1.0405	4.05%	0.0000
204	Payroll, Other, Non-Union, All	0.2617	1.0472	4.72%	1.1812
205	Social Security Insurance	0.0490	1.0421	4.21%	0.0000
206	Unemployment Insurance	0.0081	1.3561	35.61%	0.0000
207	Private Health & Welfare	0.1346	1.0283	2.83%	0.0000
	LABOR COSTS	0.1610	1.0428	4.28%	0.3091
301	Fuel Oil #2	0.2689	0.9810	-1.90%	0.4720
302	Fuel Oil #4	0.2218	0.9792	-2.08%	2.6190
303	Fuel Oil #6	0.5094	1.0092	0.92%	2.6767
	FUEL	0.1038	0.9950	-0.50%	1.4874
401	Electricity #1, 2,500 KWH	0.0153	0.9314	-6.86%	0.0000
402	Electricity #2, 15,000 KWH	0.1883	0.9142	-8.58%	0.0000
403	Electricity #3, 82,000 KWH	0.0000	0.9166	-8.34%	0.0000
404	Gas #1, 12,000 therms	0.0053	1.1897	18.97%	0.0000
405	Gas #2, 65,000 therms	0.0597	1.1429	14.29%	0.0000
406	Gas #3, 214,000 therms	0.1501	1.1434	14.34%	0.0000
407	Steam #1, 1.2m lbs	0.0151	1.0735	7.35%	0.0000
408	Steam #2, 2.6m lbs	0.0057	1.0685	6.85%	0.0000
409	Telephone	0.0133	0.9836	-1.64%	0.0000
410	Water & Sewer	0.5473	1.0102	1.02%	0.2247
	UTILITIES	0.1470	1.0207	2.07%	0.1230
501	Repainting	0.4173	1.0085	0.85%	1.0892
502	Plumbing, Faucet	0.1327	1.0112	1.12%	1.8737
503	Plumbing, Stoppage	0.1247	1.0158	1.58%	1.2415
504	Elevator #1, 6 fl., 1 e.	0.0508	0.9924	-0.76%	6.2997
505	Elevator #2, 13 fl., 2 e.	0.0358	0.9920	-0.80%	3.7765
506	Elevator #3, 19 fl., 3 e.	0.0215	0.9387	-6.13%	7.2746
507	Burner Repair	0.0391	1.0248	2.48%	1.5372
508	Boiler Repair, Tube	0.0450	1.0146	1.46%	2.2440
509	Boiler Repair, Weld	0.0364	0.9692	-3.08%	3.8229
510	Refrigerator Repair	0.0139	1.0000	0.00%	0.0000
511	Range Repair	0.0144	1.0311	3.11%	1.4434
512	Roof Repair	0.0523	1.0430	4.30%	1.8447
513	Air Conditioner Repair	0.0099	1.0213	2.13%	0.0000
514	Floor Maint. #1, Studio	0.0003	1.0355	3.55%	3.7631
515	Floor Maint. #2, 1 Br.	0.0006	1.0375	3.75%	3.9680
516	Floor Maint. #3, 2 Br.	0.0053	1.0371	3.71%	3.9356
	CONTRACTOR SERVICES	0.1504	1.0087	0.87%	0.6935
601	Management Fees	0.6724	1.0387	3.87%	1.0295
602	Accountant Fees	0.1451	1.0424	4.24%	1.4837
603	Attorney Fees	0.1414	1.0330	3.30%	1.2817
604	Newspaper Ads	0.0041	1.0392	3.92%	2.0812
605	Agency Fees	0.0048	1.0187	1.87%	2.8107
606	Lease Forms	0.0110	1.0000	0.00%	0.0000
607	Bill Envelopes	0.0104	1.0182	1.82%	0.8935
608	Ledger Paper	0.0107	0.9363	-6.37%	7.5204
	ADMINISTRATIVE COSTS	0.0800	1.0366	3.66%	0.7519
701	INSURANCE COSTS	0.0640	1.0076	0.76%	0.1075
801	Light Bulbs	0.0422	1.0000	0.00%	0.0000
802	Light Switch	0.0478	1.0239	2.39%	2.7438
803	Wet Mop	0.0427	1.0112	1.12%	2.0533
804	Floor Wax	0.0402	1.0000	0.00%	0.0000
805	Paint	0.2144	1.0063	0.63%	0.6273
806	Pushbroom	0.0405	1.0071	0.71%	0.0000
807	Detergent	0.0338	1.0242	2.42%	2.4696
808	Bucket	0.0433	0.9886	-1.14%	0.8092
809	Washers	0.1042	1.0019	0.19%	0.1999
811	Pine Disinfectant	0.0493	1.0169	1.69%	1.2874
812	Window/Glass Cleaner	0.0528	1.0248	2.48%	2.4071
813	Switch Plate	0.0408	1.0000	0.00%	0.0000
814	Duplex Receptacle	0.0369	1.0000	0.00%	0.0000
815	Toilet Seat	0.1044	1.0167	1.67%	1.1278
816	Deck Faucet	0.1068	1.0211	2.11%	1.3959
	PARTS AND SUPPLIES	0.0243	1.0099	0.99%	0.3284
901	Refrigerator #1	0.0886	1.0261	2.61%	1.4586
902	Refrigerator #2	0.4766	1.0162	1.62%	2.0415
903	Air Conditioner #1	0.0165	1.0816	8.16%	6.7123
904	Air Conditioner #2	0.0209	1.0290	2.90%	1.6863
905	Floor Runner	0.0897	1.0157	1.57%	2.4216
906	Dishwasher	0.0479	0.9650	-3.50%	3.3358
907	Range #1	0.0435	0.9951	-0.49%	2.4259
908	Range #2	0.2164	1.0190	1.90%	1.2428
	REPLACEMENT COSTS	0.0105	1.01560	1.56%	1.0644
	ALL ITEMS	**1.0000**	**1.02040**	**2.04%**	**0.2075**

B.3 Price Relatives by Building Type, All Apartments, 1994

Spec #	Item Description	Pre-1947	Post-1947	Gas Heated	OIL Heated	MASTER METERED BLDGS
101	TAXES, FEES, & PERMITS	1.0226	1.0226	1.0226	1.0226	1.0226
201	Payroll,Bronx,All	0.1779	0.0735	0.0021	0.1562	0.0000
202	Payroll,Other,Union,Supts.	0.1296	0.1236	0.1553	0.1150	0.0982
203	Payroll,Other,Union,Other	0.1887	0.4526	0.3652	0.2958	0.3976
204	Payroll,Other,Non-Union,All	0.3714	0.1642	0.3366	0.2747	0.3981
205	Social Security Insurance	0.0469	0.0558	0.0549	0.0500	0.0480
206	Unemployment Insurance	0.0106	0.0114	0.0117	0.0112	0.0147
207	Private Health & Welfare	0.1182	0.1611	0.1183	0.1398	0.0890
	LABOR COSTS	1.0434	1.0421	1.0441	1.0427	1.0455
301	Fuel Oil #2	0.3179	0.0964	0.0066	0.2629	0.3936
302	Fuel Oil #4	0.2583	0.0900	0.1586	0.2137	0.1599
303	Fuel Oil #6	0.4159	0.8173	0.8390	0.5186	0.4395
	FUEL	0.9922	1.0037	1.0042	0.9951	0.9930
401	Electricity #1, 2,500 KWH	0.0211	0.0010	0.0237	0.0112	0.0000
402	Electricity #2, 15,000 KWH	0.1394	0.2354	0.0768	0.2151	0.0000
403	Electricity #3, 82,000 KWH	0.0000	0.0000	0.0000	0.0000	0.5055
404	Gas #1, 12,000 therms	0.0089	0.0012	0.0053	0.0070	0.0002
405	Gas #2, 65,000 therms	0.0851	0.0358	0.1645	0.0380	0.0177
406	Gas #3, 214,000 therms	0.1582	0.1974	0.4892	0.0426	0.0574
407	Steam #1, 1.2m lbs	0.0001	0.0473	0.0012	0.0001	0.0000
408	Steam #2, 2.6m lbs	0.0001	0.0176	0.0004	0.0001	0.0000
409	Telephone	0.0146	0.0103	0.0083	0.0155	0.0161
410	Water & Sewer	0.5956	0.4703	0.3076	0.6672	0.3700
	UTILITIES	1.0230	1.0162	1.0769	0.9967	0.9669
501	Repainting	0.4027	0.4697	0.5499	0.3886	0.3662
502	Plumbing, Faucet	0.1553	0.0769	0.1287	0.1316	0.1465
503	Plumbing, Stoppage	0.1462	0.0736	0.1234	0.1261	0.1405
504	Elevator #1, 6 fl., 1 e.	0.0630	0.0165	0.0204	0.0565	0.0008
505	Elevator #2, 13 fl., 2 e.	0.0180	0.0831	0.0050	0.0448	0.0977
506	Elevator #3, 19 fl., 3 e.	0.0069	0.0561	0.0413	0.0164	0.0344
507	Burner Repair	0.0407	0.0386	0.0201	0.0470	0.0356
508	Boiler Repair, Tube	0.0463	0.0440	0.0229	0.0535	0.0406
509	Boiler Repair, Weld	0.0359	0.0340	0.0177	0.0413	0.0313
510	Refrigerator Repair	0.0136	0.0148	0.0132	0.0140	0.0075
511	Range Repair	0.0145	0.0157	0.0141	0.0151	0.0080
512	Roof Repair	0.0592	0.0422	0.0382	0.0601	0.0438
513	Air Conditioner Repair	0.0028	0.0299	0.0042	0.0069	0.0353
514	Floor Maint. #1, Studio	0.0002	0.0005	0.0004	0.0004	0.0006
515	Floor Maint. #2, 1 Br.	0.0005	0.0009	0.0008	0.0006	0.0096
516	Floor Maint. #3, 2 Br.	0.0043	0.0087	0.0075	0.0057	0.0093
	CONTRACTOR SERVICES	1.0099	1.0052	1.0077	1.0087	1.0078
601	Management Fees	0.6203	0.7966	0.6475	0.7040	0.4680
602	Accountant Fees	0.1776	0.1182	0.1070	0.1614	0.3626
603	Attorney Fees	0.1819	0.1013	0.2447	0.1295	0.1472
604	Newspaper Ads	0.0052	0.0031	0.0071	0.0039	0.0042
605	Agency Fees	0.0059	0.0035	0.0081	0.0044	0.0048
606	Lease Forms	0.0155	0.0052	0.0076	0.0115	0.0171
607	Bill Envelopes	0.0151	0.0050	0.0074	0.0112	0.0166
608	Ledger Paper	0.0143	0.0047	0.0070	0.0106	0.0158
	ADMINISTRATIVE COSTS	1.0357	1.0377	1.0364	1.0366	1.0363
701	INSURANCE COSTS	1.0076	1.0076	1.0076	1.0076	1.0076
801	Light Bulbs	0.0413	0.0442	0.0432	0.0419	0.0809
802	Light Switch	0.0479	0.0511	0.0501	0.0485	0.0938
803	Wet Mop	0.0408	0.0487	0.0347	0.0475	0.0557
804	Floor Wax	0.0379	0.0453	0.0322	0.0441	0.0518
805	Paint	0.2180	0.2109	0.2446	0.2076	0.1112
806	Pushbroom	0.0406	0.0412	0.0292	0.0401	0.0470
807	Detergent	0.0326	0.0390	0.0278	0.0379	0.0446
808	Bucket	0.0404	0.0483	0.0343	0.0469	0.0550
809	Washers	0.1095	0.0929	0.1128	0.1001	0.0558
811	Pine Disinfectant	0.0491	0.0524	0.0513	0.0498	0.0962
812	Window/Glass Cleaner	0.0529	0.0565	0.0553	0.0536	0.1037
813	Switch Plate	0.0384	0.0459	0.0327	0.0446	0.0524
814	Duplex Receptacle	0.0349	0.0417	0.0296	0.0406	0.0476
815	Toilet Seat	0.1112	0.0945	0.1146	0.1019	0.0567
816	Deck Faucet	0.1144	0.0972	0.1179	0.1047	0.0583
	PARTS AND SUPPLIES	1.0100	1.0097	1.0103	1.0097	1.0106
901	Refrigerator #1	0.0877	0.0984	0.0737	0.0987	0.0796
902	Refrigerator #2	0.4775	0.5002	0.4009	0.5016	0.4046
903	Air Conditioner #1	0.0094	0.0375	0.0240	0.0158	0.0111
904	Air Conditioner #2	0.0114	0.0451	0.0288	0.0190	0.0134
905	Floor Runner	0.0861	0.1027	0.0481	0.1031	0.2442
906	Dishwasher	0.0397	0.0612	0.1451	0.0223	0.0135
907	Range #1	0.0492	0.0294	0.0470	0.0440	0.0430
908	Range #2	0.2543	0.1420	0.2430	0.2122	0.2072
	REPLACEMENT COSTS	1.0152	1.01643	1.0107	1.0167	1.0166
	ALL ITEMS	**1.0181**	**1.02284**	**1.0353**	**1.0169**	**1.0110**

B.4 Percentage Change in Real Estate Tax Sample by Borough and Source of Change, Apartments and Hotels, 1994

	% Change Due to Assessments	% Change Due to Exemptions	% Change Due to Abatements	% Change Due to Tax Rate	% Change Due to Interactions	Total % Change
APARTMENTS						
Manhattan (Below 96th St)	6.23%	2.32%	0.14%	4.63%	-.04%	0.82%
Manhattan (Above 96th St)	0.59%	0.55%	1.00%	4.63%	1.15%	7.93%
All Manhattan	-5.60%	2.15%	0.22%	4.63%	0.08%	1.48%
Bronx	1.22%	0.54%	0.70%	4.63%	1.73%	8.83%
Brooklyn	-1.43%	1.87%	0.19%	4.63%	1.10%	6.37%
Queens	-6.02%	0.32%	0.05%	4.63%	0.49%	-0.53%
Staten Island	-8.26%	1.40%	0.08%	4.63%	0.16%	-1.99%
Total	**-4.67%**	**1.68%**	**0.22%**	**4.63%**	**0.40%**	**2.26%**
HOTELS						
Hotels	-7.35%	0.26%	0.00%	2.37%	0.01%	-4.72%
Rooming Houses	3.72%	-0.03%	0.00%	2.37%	0.05%	6.11%
SROs	-1.33%	-0.03%	0.00%	2.37%	-0.04%	0.96%
Total	**-2.91%**	**0.05%**	**0.00%**	2.37%	**-0.03%**	**-0.51%**

Note: Totals may not add due to rounding.

B.5 Tax Change by Borough and Community Board, Apartments, 1994

Borough	Community Board	Number of Buildings	Tax Relative
Manhattan	**All**	**11,307**	**1.5**
	1	15	-2.1
	2	1,045	4.1
	3	1,299	7.0
	4	944	-1.3
	5	283	-0.1
	6	858	-1.2
	7	2,047	2.2
	8	2,219	1.2
	9	569	6.9
	10	336	11.7
	11	378	4.7
	12	1,305	8.8
Bronx	**All**	**3753**	**8.8**
	1	160	13.5
	2	116	14.1
	3	100	17.1
	4	449	14.4
	5	487	18.1
	6	302	22.0
	7	814	14.2
	8	325	3.1
	9	276	4.0
	10	112	7.0
	11	269	5.7
	12	337	6.1
Brooklyn	**All**	**9953**	**6.4**
	1	1,191	13.3
	2	553	4.4
	3	393	28.1
	4	1,031	16.2
	5	201	3.0
	6	816	13.3
	7	678	8.2
	8	637	22.9
	9	447	12.9
	10	760	3.4
	11	710	5.0
	12	569	6.4
	13	157	0.8
	14	762	6.1
	15	346	0.6
	16	121	15.3
	17	514	9.9
	18	61	5.1
Queens	**All**	**5,750**	**-0.5**
	1	1,675	4.7
	2	767	5.3
	3	372	0.9
	4	308	-3.2
	5	1,068	9.0
	6	324	-4.3
	7	394	-1.6
	8	165	-3.3
	9	190	0.1
	10	79	-0.1
	11	111	5.4
	12	143	1.6
	13	43	3.8
	14	67	1.2
Staten Island	**All**	**145**	**-2.0**
	1	94	-2.4
	2	35	0.2
	3	16	-3.7
Citywide	**All**	**30,908**	**2.3**

Note: 65 buildings had no Community Board identifiers.

B.6 Expenditure Weights and Price Relatives, Lofts, 1994

Spec #	Item Description	Price Weights	Relative
101	TAXES	0.2493	1.0226
201	Payroll, Bronx, All	0.0000	1.0366
202	Payroll, Other, Union, Supts.	0.3120	1.0408
203	Payroll, Other, Union, Other	0.0000	1.0405
204	Payroll, Other, Non-Union, All	0.5102	1.0472
205	Social Security Insurance	0.0495	1.0430
206	Unemployment Insurance	0.0092	1.3561
207	Private Health & Welfare	0.1191	1.0283
	LABOR COSTS	0.1059	1.0456
301	Fuel Oil #2	0.3379	0.9810
302	Fuel Oil #4	0.5555	0.9792
303	Fuel Oil #6	0.1066	1.0092
	FUEL	0.0682	0.9852
401	Electricity #1, 2,500 KWH	0.0153	0.9334
402	Electricity #2, 15,000 KWH	0.1883	0.9215
403	Electricity #3, 82,000 KWH	0.0000	0.9295
404	Gas #1, 12,000 therms	0.0053	1.1897
405	Gas #2, 65,000 therms	0.0598	1.1429
406	Gas #3, 214,000 therms	0.1501	1.1434
407	Steam #1, 1.2m lbs	0.0151	1.0735
408	Steam #2, 2.6m lbs	0.0056	1.0685
409	Telephone	0.0133	0.9836
410	Water & Sewer	0.5472	1.0102
	UTILITIES	0.0817	1.0295
501	Repainting	0.4172	1.0085
502	Plumbing, Faucet	0.1327	1.0112
503	Plumbing, Stoppage	0.1247	1.0158
504	Elevator #1, 6 fl., 1 e.	0.0508	0.9924
505	Elevator #2, 13 fl., 2 e.	0.0359	0.9920
506	Elevator #3, 19 fl., 3 e.	0.0215	0.9387
507	Burner Repair	0.0391	1.0248
508	Boiler Repair, Tube	0.0450	1.0146
509	Boiler Repair, Weld	0.0365	0.9692
510	Refrigerator Repair	0.0139	1.0000
511	Range Repair	0.0144	1.0311
512	Roof Repair	0.0523	1.0430
513	Air Conditioner Repair	0.0099	1.0213
514	Floor Maint. #1, Studio	0.0003	1.0355
515	Floor Maint. #2, 1 Br.	0.0006	1.0375
516	Floor Maint. #3, 2 Br.	0.0053	1.0371
	CONTRACTOR SERVICES	0.0821	1.0086
	ADMINISTRATIVE COSTS, LEGAL	0.1111	1.0330
601	Management Fees	0.7911	1.0387
602	Accountant Fees	0.1585	1.0371
604	Newspaper Ads	0.0051	1.0392
605	Agency Fees	0.0059	1.0187
606	Lease Forms	0.0121	1.0000
607	Bill Envelopes	0.0136	1.0182
608	Ledger Paper	0.0137	0.9363
	ADMINISTRATIVE COSTS, OTHER	0.0974	1.0362
701	INSURANCE COSTS	0.1577	1.0076
801	Light Bulbs	0.0422	1.0000
802	Light Switch	0.0477	1.0239
803	Wet Mop	0.0427	1.0112
804	Floor Wax	0.0402	1.0000
805	Paint	0.2144	1.0063
806	Pushbroom	0.0405	1.0071
807	Detergent	0.0338	1.0242
808	Bucket	0.0433	0.9886
809	Washers	0.1042	1.0019
811	Pine Disinfectant	0.0492	1.0169
812	Window/Glass Cleaner	0.0528	1.0248
813	Switch Plate	0.0407	1.0000
814	Duplex Receptacle	0.0370	1.0000
815	Toilet Seat	0.1043	1.0167
816	Deck Faucet	0.1069	1.0211
	PARTS AND SUPPLIES	0.0257	1.0099
901	Refrigerator #1	0.0886	1.0261
902	Refrigerator #2	0.4765	1.0162
903	Air Conditioner #1	0.0165	1.0816
904	Air Conditioner #2	0.0208	1.0290
905	Floor Runner	0.0897	1.0157
906	Dishwasher	0.0479	0.9650
907	Range #1	0.0434	0.9951
908	Range #2	0.2165	1.0190
	REPLACEMENT COSTS	0.0209	1.0156
	ALL ITEMS	**1.0000**	**1.0215**

B.7 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Hotels, 1994

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES, FEES, & PERMITS	0.2287	0.9949	-0.0051	0.7812
205	Social Security Insurance	0.0593	1.0430	0.0430	0.0000
206	Unemployment Insurance	0.0180	1.3561	0.3561	0.0000
208	Hotel Private Health/Welfare	0.0363	1.0482	0.0482	0.0000
209	Hotel Union Labor	0.3412	1.0377	0.0377	0.0000
210	SRO Union Labor	0.0136	1.0369	0.0369	0.0000
211	Apartment Value	0.1163	1.0286	0.0286	0.5276
212	Non-Union Superintendent	0.2911	1.0494	0.0494	1.3162
213	Non-Union Maid	0.0000	0.0000	NA	0.0000
214	Non-Union Desk Clerk	0.0000	0.0000	NA	0.0000
215	Non-Union Maint. Worker	0.0000	0.0000	NA	0.0000
216	Non-Union Janitor/Porter	0.1241	1.0364	0.0364	1.2095
	LABOR COSTS	0.1721	1.0463	0.0463	0.4160
301	Fuel Oil #2	0.7045	0.9810	-0.0190	0.4720
302	Fuel Oil #4	0.0151	0.9792	-0.0208	2.6190
303	Fuel Oil #6	0.2805	1.0092	0.0092	2.6767
	FUEL	0.1073	0.9889	-0.0111	0.8220
401	Electricity #1, 2,500 KWH	0.0842	0.9314	-0.0686	0.0000
402	Electricity #2, 15,000 KWH	0.0877	0.9142	-0.0858	0.0000
403	Electricity #3, 82,000 KWH	0.2756	0.9166	-0.0834	0.0000
404	Gas #1, 12,000 therms	0.0451	1.1897	0.1897	0.0000
405	Gas #2, 65,000 therms	0.0359	1.1429	0.1429	0.0000
406	Gas #3, 214,000 therms	0.1464	1.1434	0.1434	0.0000
407	Steam #1, 1.2m lbs	0.0002	1.0735	0.0735	0.0000
409	Telephone	0.1904	0.9836	-0.0164	0.0000
410	Water & Sewer	0.1346	1.0434	0.0434	2.6649
	UTILITIES	0.1790	1.0011	0.0011	0.3586
501	Repainting	0.2090	1.0085	0.0085	1.0892
502	Plumbing, Faucet	0.0754	1.0112	0.0112	1.8737
503	Plumbing, Stoppage	0.0751	1.0158	0.0158	1.2415
504	Elevator #1, 6 fl., 1 e.	0.0313	0.9924	-0.0076	6.2997
505	Elevator #2, 13 fl., 2 e.	0.0304	0.9920	-0.0080	3.7765
506	Elevator #3, 19 fl., 3 e.	0.0299	0.9387	-0.0613	7.2746
507	Burner Repair	0.0257	1.0248	0.0248	1.5372
508	Boiler Repair, Tube	0.0267	1.0146	0.0146	2.2440
509	Boiler Repair, Weld	0.0255	0.9692	-0.0308	0.0000
511	Range Repair	0.1521	1.0311	0.0311	1.4434
512	Roof Repair	0.0212	1.0430	0.0430	1.8447
513	Air Conditioner Repair	0.0458	1.0213	0.0213	0.0000
514	Floor Maint. #1, Studio	0.0009	1.0355	0.0355	3.7631
515	Floor Maint. #2, 1 Br.	0.0020	1.0375	0.0375	3.9680
516	Floor Maint. #3, 2 Br.	0.0182	1.0371	0.0371	3.9356
518	Linen/Laundry Service	0.2309	1.0775	0.0775	6.0437
	CONTRACTOR SERVICES	0.1001	1.0270	0.0270	1.4820
601	Management Fees	0.6095	1.0387	0.0387	1.0295
602	Accountant Fees	0.0846	1.0424	0.0424	1.4837
603	Attorney Fees	0.1482	1.0330	0.0330	1.2817
604	Newspaper Ads	0.0975	1.0392	0.0392	2.0812
605	Agency Fees	0.0212	1.0187	0.0187	2.8107
606	Lease Forms	0.0124	1.0000	0.0000	0.0000
607	Bill Envelopes	0.0142	1.0182	0.0182	0.8935
608	Ledger Paper	0.0123	0.9363	-0.0637	7.5204
	ADMINISTRATIVE COSTS	0.0877	1.0357	0.0357	0.7065
701	INSURANCE COSTS	0.0353	1.0076	0.0076	0.1075
801	Light Bulbs	0.0175	1.0000	0.0000	0.0000
802	Light Switch	0.0180	1.0239	0.0239	2.7438
803	Wet Mop	0.0505	1.0112	0.0112	2.0533
804	Floor Wax	0.0501	1.0000	0.0000	0.0000
805	Paint	0.1180	1.0063	0.0063	0.6273
806	Pushbroom	0.0461	1.0071	0.0071	0.0000
807	Detergent	0.0453	1.0242	0.0242	2.4696
808	Bucket	0.0529	0.9886	-0.0114	0.8092
809	Washers	0.0522	1.0019	0.0019	0.1999
810	Linens	0.3111	1.0144	0.0144	1.2455
811	Pine Disinfectant	0.0193	1.0169	0.0169	1.2874
812	Window/Glass Cleaner	0.0204	1.0248	0.0248	2.4071
813	Switch Plate	0.0483	1.0000	0.0000	0.0000
814	Duplex Receptacle	0.0446	1.0000	0.0000	0.0000
815	Toilet Seat	0.0521	1.0167	0.0167	1.1278
816	Deck Faucet	0.0535	1.0211	0.0211	1.3959
	PARTS AND SUPPLIES	0.0637	1.0100	0.0100	0.4420
901	Refrigerator #1	0.0193	1.0261	0.0261	1.4586
902	Refrigerator #2	0.1030	1.0162	0.0162	2.0415
903	Air Conditioner #1	0.0597	1.0816	0.0816	6.7123
904	Air Conditioner #2	0.0718	1.0290	0.0290	1.6863
907	Range #1	0.0083	0.9951	-0.0049	2.4259
908	Range #2	0.0425	1.0190	0.0190	1.2428
909	Carpet	0.3220	1.0000	0.0000	0.0000
910	Dresser	0.1862	0.9603	-0.0397	3.1340
911	Mattress & Box Spring	0.1872	0.9058	-0.0942	7.7742
	REPLACEMENT COSTS	0.0261	0.9849	-0.0151	1.6375
	ALL ITEMS	**1.0000**	**1.0122**	**0.0122**	**0.2783**

B.8 Price Relative by Hotel Type, 1994

Spec #	Item Description	Hotel	RH	SRO
101	TAXES, FEES, & PERMITS	0.9528	1.0611	1.0096
205	Social Security Insurance	0.0778	0.0592	0.0369
206	Unemployment Insurance	0.0222	0.0187	0.0351
208	Hotel Private Health/Welfare	0.0558	0.0000	0.0054
209	Hotel Union Labor	0.5336	0.0000	0.0000
210	SRO Union Labor	0.0000	0.0000	0.0701
211	Apartment Value	0.0331	0.4252	0.1798
212	Non-Union Superintendent	0.1020	0.4237	0.5522
213	Non-Union Maid	0.0000	0.0000	0.0000
214	Non-Union Desk Clerk	0.0000	0.0000	0.0000
215	Non-Union Maintenance Worker	0.0000	0.0000	0.0000
216	Non-Union Janitor/Porter	0.2200	0.1164	0.1710
	LABOR COSTS	1.0445	1.0432	1.0505
301	Fuel Oil #2	0.7358	0.9810	0.3065
302	Fuel Oil #4	0.0000	0.0000	0.0768
303	Fuel Oil #6	0.2523	0.0000	0.6147
	FUEL	0.9881	0.9810	0.9981
401	Electricity #1, 2,500 KWH	0.0034	0.4413	0.0674
402	Electricity #2, 15,000 KWH	0.0797	0.0000	0.1381
403	Electricity #3, 82,000 KWH	0.3211	0.0000	0.2018
404	Gas #1, 12,000 therms	0.0040	0.3411	0.0128
405	Gas #2, 65,000 therms	0.0331	0.0000	0.0964
406	Gas #3, 214,000 therms	0.1723	0.0000	0.2684
407	Steam #1, 1.2m lbs	0.0000	0.0018	0.0000
409	Telephone	0.2520	0.0296	0.0824
410	Water & Sewer	0.1248	0.2167	0.1490
	UTILITIES	0.9904	1.0305	1.0163
501	Repainting	0.2163	0.2461	0.1668
502	Plumbing, Faucet	0.0306	0.1768	0.1485
503	Plumbing, Stoppage	0.0306	0.1767	0.1484
504	Elevator #1, 6 fl., 1 e.	0.0433	0.0000	0.0146
505	Elevator #2, 13 fl., 2 e.	0.0420	0.0000	0.0142
506	Elevator #3, 19 fl., 3 e.	0.0391	0.0000	0.0132
507	Burner Repair	0.0088	0.0277	0.0821
508	Boiler Repair, Tube	0.0090	0.0284	0.0842
509	Boiler Repair, Weld	0.0082	0.0260	0.0769
511	Range Repair	0.1842	0.0608	0.1404
512	Roof Repair	0.0338	0.0017	0.0000
513	Air Conditioner Repair	0.0394	0.0788	0.0470
514	Floor Maint. #1, Studio	0.0004	0.0021	0.0021
515	Floor Maint. #2, 1 Br.	0.0008	0.0044	0.0044
516	Floor Maint. #3, 2 Br.	0.0068	0.0414	0.0406
518	Linen/Laundry Service	0.3389	0.1523	0.0309
	CONTRACTOR SERVICES	1.0319	1.0233	1.0142
601	Management Fees	0.6826	0.4870	0.5771
602	Accountant Fees	0.0581	0.1881	0.1137
603	Attorney Fees	0.1193	0.2150	0.2196
604	Newspaper Ads	0.1246	0.0497	0.0626
605	Agency Fees	0.0186	0.0340	0.0224
606	Lease Forms	0.0107	0.0196	0.0129
607	Bill Envelopes	0.0124	0.0227	0.0150
608	Ledger Paper	0.0099	0.0182	0.0120
	ADMINISTRATIVE COSTS	1.0362	1.0343	1.0354
701	INSURANCE COSTS	1.0076	1.0076	1.0076
801	Light Bulbs	0.0059	0.0415	0.0344
802	Light Switch	0.0062	0.0437	0.0363
803	Wet Mop	0.0667	0.0240	0.0246
804	Floor Wax	0.0654	0.0235	0.0241
805	Paint	0.0539	0.3130	0.1675
806	Pushbroom	0.0606	0.0218	0.0224
807	Detergent	0.0605	0.0217	0.0223
808	Bucket	0.0683	0.0245	0.0252
809	Washers	0.0147	0.0864	0.1401
810	Linens	0.4425	0.0925	0.1013
811	Pine Disinfectant	0.0066	0.0466	0.0386
812	Window/Glass Cleaner	0.0070	0.0496	0.0412
813	Switch Plate	0.0631	0.0227	0.0233
814	Duplex Receptacle	0.0582	0.0209	0.0215
815	Toilet Seat	0.0149	0.0877	0.1421
816	Deck Faucet	0.0153	0.0903	0.1464
	PARTS AND SUPPLIES	1.0094	1.0104	1.0113
901	Refrigerator #1	0.0085	0.0437	0.0394
902	Refrigerator #2	0.0453	0.2308	0.2085
903	Air Conditioner #1	0.0957	0.0118	0.0000
904	Air Conditioner #2	0.1095	0.0135	0.0000
907	Range #1	0.0013	0.0163	0.0256
908	Range #2	0.0068	0.0856	0.1339
909	Carpet	0.3067	0.3583	0.3453
910	Dresser	0.2095	0.1186	0.1217
911	Mattress & Box Spring	0.1986	0.1124	0.1153
	REPLACEMENT COSTS	0.9820	0.9910	0.9897
	ALL ITEMS	**0.9962**	**1.0265**	**1.0212**

B.9 Changes in the Price Index of Operating Costs, Expenditure Weights and Price Relatives, 1984-1994

	1984		1985		1986		1987		1988	
	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
Taxes	0.191	1.0%	0.183	5.5%	0.183	6.8%	0.184	8.7%	0.196	8.1%
Labor	0.161	9.2%	0.166	7.1%	0.169	6.4%	0.169	5.7%	0.175	5.3%
Fuel	0.209	8.8%	0.214	-0.8%	0.201	-8.4%	0.174	-22.3%	0.132	12.6%
Utilities	0.141	2.5%	0.136	3.1%	0.133	-0.6%	0.124	-1.2%	0.120	1.3%
Contractor Services	0.136	10.2%	0.141	10.4%	0.148	11.0%	0.155	4.5%	0.158	9.3%
Administrative Costs	0.079	6.8%	0.080	10.5%	0.083	9.4%	0.086	5.9%	0.089	4.1%
Insurance	0.035	4.2%	0.035	14.8%	0.038	89.0%	0.067	33.7%	0.087	1.6%
Parts & Supplies	0.031	3.6%	0.031	4.7%	0.030	2.3%	0.030	3.3%	0.029	2.4%
Replacement Costs	0.015	3.2%	0.015	1.4%	0.014	-0.4%	0.014	0.2%	0.013	1.7%
All Items		**6.1%**		**5.4%**		**6.4%**		**2.1%**		**6.4%**

Pre '47

Taxes	0.140	1.0%	0.132	5.5%	0.132	6.8%	0.132	8.7%	0.139	8.1%
Labor	0.140	8.8%	0.142	7.2%	0.144	6.7%	0.144	5.8%	0.146	5.2%
Fuel	0.250	8.5%	0.257	-0.8%	0.242	-7.7%	0.209	-22.1%	0.161	12.8%
Utilities	0.140	2.4%	0.134	4.4%	0.133	0.1%	0.124	-0.5%	0.122	2.3%
Contractor Services	0.160	10.1%	0.170	10.5%	0.178	10.8%	0.184	4.6%	0.189	9.3%
Administrative Costs	0.070	7.1%	0.071	10.2%	0.075	9.7%	0.077	5.6%	0.083	4.6%
Insurance	0.040	4.2%	0.043	14.8%	0.046	89.0%	0.082	33.7%	0.108	1.6%
Parts & Supplies	0.040	3.5%	0.034	4.8%	0.034	2.3%	0.033	3.3%	0.033	3.0%
Replacement Costs	0.020	3.0%	0.017	1.4%	0.017	-0.3%	0.016	0.1%	0.020	1.2%
All Items		**6.4%**		**5.5%**		**6.9%**		**1.4%**		**6.6%**

Post '46

Taxes	0.270	1.0%	0.258	5.5%	0.259	6.8%	0.262	8.7%	0.278	8.1%
Labor	0.190	9.5%	0.201	7.0%	0.204	6.1%	0.205	5.7%	0.210	5.9%
Fuel	0.150	9.8%	0.150	-0.9%	0.142	-10.2%	0.120	-22.9%	0.090	12.3%
Utilities	0.140	2.7%	0.139	1.4%	0.134	-1.6%	0.124	-2.2%	0.118	-0.3
Contractor Services	0.100	10.5%	0.100	10.2%	0.105	11.2%	0.111	4.4%	0.112	8.8%
Administrative Costs	0.090	6.3%	0.092	10.8%	0.096	8.9%	0.099	6.2%	0.102	3.5%
Insurance	0.020	4.2%	0.023	14.8%	0.025	89.0%	0.045	33.7%	0.058	1.6%
Parts & Supplies	0.030	3.6%	0.025	4.6%	0.025	2.2%	0.024	3.2%	0.024	2.5%
Replacement Costs	0.010	3.6%	0.012	1.6%	0.011	-0.6%	0.011	0.3%	0.010	2.0%
All Items		**5.8%**		**5.4%**		**5.7%**		**3.1%**		**6.1%**

1989		1990		1991		1992		1993		1994	
Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
0.211	15.8%	0.229	12.0%	0.232	12.8%	0.246	11.0%	0.263	3.1%	0.259	2.3%
0.169	5.1%	0.167	5.7%	0.159	5.2%	0.158	5.2%	0.160	5.6%	0.161	4.3%
0.126	-5.2%	0.112	20.9%	0.122	4.6%	0.121	-10.9%	0.103	5.2%	0.104	-0.5%
0.122	12.4%	0.128	20.8%	0.140	1.2%	0.133	6.6%	0.137	12.7%	0.147	2.1%
0.164	6.1%	0.163	6.5%	0.157	5.5%	0.156	2.4%	0.154	2.5%	0.150	0.9%
0.087	6.7%	0.087	7.5%	0.084	3.0%	0.082	2.8%	0.081	3.8%	0.080	3.7%
0.080	-0.6%	0.074	3.6%	0.069	4.4%	0.068	2.3%	0.067	-0.5%	0.064	0.8%
0.028	3.6%	0.027	6.1%	0.026	3.6%	0.026	2.5%	0.025	1.0%	0.024	1.0%
0.012	2.4%	0.012	2.7%	0.011	1.3%	0.011	3.8%	0.011	4.2%	0.010	1.6%
	6.7%		**10.9%**		**6.0%**		**4.0%**		**4.7%**		**2.0%**
0.141	15.8%	0.155	12.0%	0.156	12.8%	0.167	11.0%	0.180	3.1%	0.178	2.3%
0.144	5.1%	0.143	5.5%	0.136	5.2%	0.134	5.1%	0.139	5.3%	0.140	4.3%
0.170	-4.6%	0.154	20.0%	0.167	4.8%	0.166	-10.4%	0.144	5.1%	0.145	-0.8%
0.117	12.8%	0.125	22.2%	0.137	1.5%	0.137	7.6%	0.138	12.3%	0.149	2.3%
0.194	6.2%	0.195	6.5%	0.188	5.4%	0.187	2.1%	0.186	2.5%	0.183	1.0%
0.082	6.7%	0.082	7.0%	0.079	3.2%	0.078	2.7%	0.078	3.7%	0.077	3.6%
0.102	-0.6%	0.097	3.6%	0.090	4.4%	0.089	2.3%	0.089	-0.5%	0.085	0.8%
0.032	3.6%	0.032	6.2%	0.030	3.5%	0.030	2.5%	0.030	1.0%	0.029	1.0%
0.019	2.3%	0.018	2.7%	0.017	1.3%	0.016	3.6%	0.016	4.2%	0.016	1.5%
	5.5%		**10.9%**		**5.5%**		**2.8%**		**4.6%**		**1.8%**
0.281	15.8%	0.303	12.0%	0.306	12.8%	0.324	11.0%	0.343	3.1%	0.337	2.3%
0.210	5.0%	0.205	6.0%	0.196	5.1%	0.194	5.4%	0.195	6.0%	0.197	4.2%
0.095	-7.3%	0.082	23.4%	0.091	3.8%	0.089	-12.5%	0.074	5.6%	0.075	0.4%
0.111	11.7%	0.115	18.2%	0.123	0.6%	0.116	4.7%	0.116	13.6%	0.125	1.6%
0.115	6.0%	0.113	6.6%	0.109	5.8%	0.108	3.1%	0.106	2.5%	0.104	0.5%
0.100	6.8%	0.099	8.2%	0.097	2.7%	0.093	3.0%	0.092	4.0%	0.091	3.8%
0.056	-0.6%	0.052	3.6%	0.048	4.4%	0.047	2.3%	0.046	-0.5%	0.044	0.8%
0.023	3.7%	0.022	6.0%	0.021	3.6%	0.021	2.5%	0.020	1.1%	0.019	1.0%
0.010	2.6%	0.010	2.8%	0.009	1.3%	0.008	4.2%	0.008	4.1%	0.008	1.6%
	7.5%		**10.8%**		**6.5%**		**4.8%**		**4.9%**		**2.3%**

Appendix C: 1994 Income and Expense Study

C.1 Cross Sectional Income and Expense Study: Estimated Average Operating & Maintenance Costs (1992) by Building Size and Location, Structures Built Before 1947

	Taxes	Labor	Fuel	Water & Sewer	Light & Power	Maint.	Admin.	Insurance	Misc.	Total
Citywide	$78	$44	$43	$24	$16	$72	$41	$22	$25	$364
11 - 19	$99	$20	$54	$24	$15	$75	$43	$28	$28	$386
20 - 99	$68	$39	$45	$24	$12	$71	$40	$22	$24	$345
100+	$112	$95	$29	$23	$23	$80	$46	$16	$28	$452
Bronx	$44	$37	$46	$22	$13	$71	$36	$21	$23	$313
11 - 19	$42	$19	$65	$24	$14	$77	$34	$27	$28	$329
20 - 99	$37	$32	$47	$23	$11	$70	$35	$21	$22	$298
100+	$36	$45	$36	$21	$8	$70	$35	$18	$17	$287
Brooklyn	$61	$33	$46	$21	$14	$65	$35	$20	$23	$318
11 - 19	$57	$15	$61	$21	$11	$67	$30	$24	$26	$313
20 - 99	$54	$26	$46	$23	$12	$62	$34	$20	$22	$298
100+	$55	$47	$34	$20	$11	$68	$33	$19	$19	$306
Manhattan	$107	$57	$41	$23	$18	$80	$49	$23	$28	$427
11 - 19	$140	$23	$48	$26	$18	$81	$56	$32	$32	$456
20 - 99	$98	$53	$43	$25	$15	$80	$49	$24	$27	$414
100+	$141	$116	$27	$24	$29	$84	$53	$15	$31	$519
Queens	$73	$31	$44	$22	$13	$61	$34	$20	$23	$320
11 - 19	$66	$17	$54	$22	$9	$61	$24	$21	$16	$291
20 - 99	$70	$27	$43	$23	$11	$59	$35	$20	$24	$312
100+	$70	$63	$30	$26	$11	$73	$33	$18	$27	$351
St Island *										
20+	-	-	-	-	-	-	-	-	-	-

* The number of pre - 47 buildings in Staten Island was too small to calculate reliable statistics. Totals in this table may not match those in Table C3 due to rounding. Data in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The category "Utilities" used in the I & E report is the sum of "Water & Sewer" and "Light & Power".

Source: NYC Department of Finance, RPIE Filings

C.2 Cross Sectional Income and Expense Study: Estimated Average Operating & Maintenance Costs (1992) by Building Size and Location, Structures Built After 1946.

	Taxes	Labor	Fuel	Water & Sewer	Light & Power	Maint.	Admin.	Insurance	Misc.	Total
Citywide	$141	$85	$33	$25	$22	$71	$54	$19	$31	$482
11 - 19	$175	$43	$48	$28	$28	$87	$77	$27	$88	$601
20 - 99	$101	$48	$35	$24	$17	$64	$41	$18	$27	$376
100+	$176	$120	$31	$25	$27	$77	$65	$18	$33	$570
Bronx*	$86	$52	$36	$25	$16	$58	$36	$19	$23	$350
11 - 19	-	-	-	-	-	-	-	-	-	-
20 - 99	$76	$34	$39	$24	$13	$45	$34	$19	$23	$308
100+	$98	$82	$29	$25	$19	$56	$36	$18	$18	$382
Brooklyn*	$84	$54	$35	$23	$19	$65	$44	$20	$27	$370
11 - 19	-	-	-	-	-	-	-	-	-	-
20 - 99	$84	$45	$35	$24	$17	$67	$42	$20	$24	$359
100+	$76	$78	$31	$22	$23	$59	$44	$18	$28	$380
Manhattan*	$249	$148	$31	$27	$31	$88	$80	$20	$46	$720
11 - 19	-	-	-	-	-	-	-	-	-	-
20 - 99	$191	$83	$31	$27	$20	$81	$61	$22	$38	$554
100+	$262	$163	$30	$27	$34	$90	$85	$20	$47	$757
Queens	$102	$62	$34	$23	$19	$65	$44	$17	$24	$390
11 - 19	$108	$20	$42	$23	$14	$50	$37	$21	$19	$334
20 - 99	$97	$46	$36	$24	$18	$59	$36	$18	$26	$360
100+	$102	$82	$31	$23	$21	$69	$50	$15	$18	$412
St Island *	$102	$53	$32	$31	$24	$49	$45	$19	$32	$387
20+	$86	$55	$29	$31	$23	$41	$38	$18	$19	$340

* The number of rent stabilized units located in buildings with fewer than 20 units in Brooklyn, the Bronx, Manhattan and Staten Island were too small to calculate reliable statistics. Totals in this table may not match those in Table C3 due to rounding. Data in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs.
Source: NYC Department of Finance, RPIE Filings

C.3 Cross Sectional Income and Expense Study Estimated Average Rents and Income (1992) by Building Size and Location.

	Post '46			Pre '47			All Stabilized		
	Rent	Income	Expenses	Rent	Income	Expenses	Rent	Income	Expenses
Citywide	$664	$733	$482	$468	$518	$364	$521	$576	$395
11 - 19	$544	$951	$601	$448	$561	$386	$449	$569	$401
20 - 99	$518	$555	$376	$448	$488	$345	$456	$496	$351
100+	$795	$888	$570	$607	$676	$452	$710	$792	$524
Bronx	$482	$515	$350	$394	$417	$313	$428	$448	$320
11 - 19	-	-	-	$384	$424	$329	$398	$444	$339
20 - 99	$464	$483	$308	$394	$411	$298	$401	$418	$300
100+	$508	$542	$382	$403	$417	$287	$435	$455	$316
Brooklyn	$485	$512	$370	$406	$420	$318	$439	$461	$330
11 - 19	-	-	-	$374	$401	$313	$381	$408	$317
20 - 99	$476	$496	$359	$407	$420	$298	$416	$429	$306
100+	$505	$521	$380	$436	$446	$306	$485	$500	$359
Manhattan	$1,024	$1,180	$720	$526	$616	$427	$632	$736	$490
11 - 19	-	-	-	$487	$657	$456	$487	$670	$464
20 - 99	$735	$851	$554	$512	$591	$414	$523	$604	$421
100+	$1,088	$1,253	$757	$683	$780	$519	$869	$997	$628
Queens	$523	$565	$390	$450	$472	$320	$491	$524	$360
11 - 19	$459	$489	$334	$410	$429	$291	$414	$434	$294
20 - 99	$492	$521	$360	$442	$459	$312	$457	$478	$327
100+	$556	$593	$412	$501	$513	$351	$543	$574	$397
St Island *	$529	$605	$387	--	--	--	$529	$605	$387

City and borough totals are weighted, while figures for building size categories are unweighted. ALL EXPENSE DATA IS UNAUDITED. The number of Post-1946 buildings in the Bronx, Brooklyn and Manhattan were too small to calculate reliable statistics. The number of stabilized buildings in Staten Island was small enough to permit only the preparation of summary statistics.

Source: NYC Department of Finance, RPIE Filings.

C.4 Cross Sectional Sample, 1994 RPIE Filings

	Post-'46		Pre-'47		All	
	Buildings	Units	Buildings	Units	Buildings	Units
Citywide	1,255	135,970	11,581	450,511	12,836	586,481
11 - 19	82	1,202	3,060	46,063	3,142	47,265
20 - 99	752	44,629	8,145	330,260	8,897	374,889
100+	421	90,139	376	74,188	797	164,327
Bronx	206	14,041	2,173	99,004	2,379	113,045
11 - 19	10	157	219	3,250	229	3,407
20 - 99	173	9,908	1,891	86,652	2,064	96,560
100+	23	3,976	63	9,102	86	13,078
Brooklyn	274	28,811	2,499	94,654	2,773	123,465
11 - 19	19	275	609	9,233	628	9,508
20 - 99	172	11,412	1,835	78,755	2,007	90,167
100+	83	17,124	55	6,666	138	23,790
Manhattan	280	48,839	5,617	205,771	5,897	254,610
11 - 19	13	193	1,855	27,760	1,868	27,953
20 - 99	110	6,542	3,563	128,262	3,673	134,804
100+	157	42,104	199	49,749	356	91,853
Queens	457	42,086	1,270	50,361	1,727	92,447
11 - 19	34	494	365	5,627	399	6,121
20 - 99	270	15,560	848	36,279	1,118	51,839
100+	153	26,032	57	8,455	210	34,487
St Island	38	2,193	22	721	60	2,914
11 - 19	6	8	2	193	18	276
20 - 99	27	1,207	8	312	35	1,519
100+	5	903	2	216	7	1,119

Source: NYC Department of Finance, RPIE Filings.

Appendix D: 1994 RGB Mortgage Survey

D.1 Interest Rates for New and Refinanced Mortgages, 1994

New Mortgages

Instn.	Rate	Points	Term (yrs)	Type
A-02	8.63%	1.0	5	fxd
B-05	7.50%	1.0	5	fxd
B-06	11.00%	1.0	5	fxd/bal
B-13	Did Not Supply			
B-27	8.13%	1.0	10	adj
B-28	No New Commercial Lending			
B-60	9.25%	2.0	10 to 25	adj
B-62	8.50%	1.5	5+5	fxd + adj
B-63	8.50%	1.0	5+5	fxd
B-64	8.25%	1.5	5-25	fxd
B-66	8.50%	1.8	10	adj
B-68	9.00%	2.0	10-15 yrs	fxd/adj
B-70	8.00%	1.0	5	fxd
B-71	7.75%	1.0	5	fxd
B-77	8.50%	1.0	5	fxd
C-02	8.00%	1.0	30	fxd
C-05	8.75%	1.0	5+5	fxd + adj
C-09	8.06%	1.5	15	fxd
C-28	8.50%	1.0	25	adj
C-30	Δ	1 to 3	5 to 10	adj
C-34	9.00%	1.0	5	fxd
SL-15	8.00%	1.5	15	adj
SL-26	Did Not Supply			
SL-54	9.50%	0.0	15, 10-20	fxd 15 bal 10-20
SL-58	Did Not Supply			
SL-80	8.50%	1.0	15	fxd 5, adj 10
Avg	**8.6%**	**1.17**	**12.2**	

Refinanced Mortgages

Instn.	Rate	Points	Term (yrs)	Type
A-02	8.63%	1.0	5	fxd
B-05	7.50%	1.0	5	fxd
B-06	11.00%	1.0	5-balloon	fxd
B-13	Did Not Supply			
B-27	8.13%	1.0	10	adj
B-28	8.50%	1.0	5	fxd
B-60	9.25%	2.0	10 to 25	adj
B-62	8.50%	1.5	5+5	fxd + adj
B-63	*	1.0	5+5	fxd
B-64	8.25%	1.5	5-25	fxd
B-66	8.75%	1.8	11	adj
B-68	9.00%	2.0	10-15	fxd/adj
B-70	8.00%	1.0	5	fxd
B-71	7.75%	0.0	5	fxd
B-77	8.50%	1.0	5	fxd
C-02	Did Not Supply			
C-05	8.75%	1.0	5+5	fxd + adj
C-09	8.06%	1.5	16	fxd
C-28	8.50%	1.0	25	adj
C-30	Δ	1 to 3	5 to 10	adj
C-34	8.75%	1.0	5	fxd
SL-15	8.00%	1.5	15	adj
SL-26	Did Not Supply			
SL-54	9.50%	0.0	15 or 10/20	fxd or bal
SL-58	Did Not Supply			
SL-80	8.50%	1.0	15	fxd 5, adj 10
Avg	**8.6%**	**1.10**	**10.2**	

A, B = Savings banks, C = Commercial banks, SL = Savings & Loans
fxd = fixed, adj = adjustable, bal = balloon
Δ: Rate equals prime + 1-3%
***: Rate equals 3% + 5 year Treasury Bill**

Source: 1994 Rent Guidelines Board Mortgage Survey

D.2 Interest Rates for New Financing and Refinancing for Lending Institutions Responding in 1993 and 1994

	Interest Rates		**Points**		**Term**		**Type**	
Institution	1994	1993	1994	1993	1994	1993	1994	1993
B-05	7.5%	8.3%	1.0	1.0	5.0	5.0	fxd	fxd
B-27	8.1%	9.0%	1.0	1.0	10.0	10.0	adj	adj
B-62	8.5%	9.5%	1.5	1.5	5+5	10.0	fxd/adj	fxd/adj
B-70	8%	8.5%	1.0	1.0	5.0	5.0	fxd	fxd
B-71	7.8%	9.0%	1.0	1.0	5.0	5.0	fxd	fxd
C-09	8.1%	9.0%	1.5	2.0	15.0	10.0	fxd	fxd
SL-15	8%	9.0%	1.5	1.5	15.0	NA	adj	fxd
Avg	**8%**	**8.9%**	**1.2**	**1.3**	**9.3**	**7.5**	**-**	**-**

Note: The difference between new interest rate and refinancing interest rate is negligible.
Source: 1994 RGB Mortgage Survey.

D.3 Loan Characteristics, 1994

Institution	Loan to Value Ratio	Vacancy Loss	Minimum Building Size	Monthly O&M Cost per Unit
A-02	65%	2%	'11-19	Did not Specify
B-05	70%	NA	-	Did not Specify
B-06	60%	4%	50-99	Did not Specify
B-13	65%	3%	20-49	$220 (w/o taxes)
B-27	65%	5%	'11-19	Did not Specify
B-28	65%	2%	20-49	48-53% of Income
B-60	NA	NA	-	Did not Specify
B-62	65%	5%	50-99	$175-$200Δ
B-63	60%	6%	'11-19	$900
B-64	NA	NA	-	Did not Specify
B-66	60%	5%	50-99	$300 (w/o taxes)
B-68	70%	5%	50-99	$300-$350
B-70	60%	6%	'6-10	$250
B-71	65%	2%	50-99	Did not Specify
B-77	70%	5%	20-49	Did not Specify
C-02	NA	NA	-	Did not Specify
C-05	80%	3%	20-49	$600 per year
C-09	65%	5%	50-99	$200
C-28	70%	5%	50-99	$325
C-30	65%	6%	>100	Did not Specify
C-34	65%	3%	-	50-55% of Gross Income
SL-15	75%	6%	50-99	$300
SL-26	75%	5%	'6-10	Did not Specify
SL-54	55%	3%	20-49	$225
SL-58	70%	6%	'6-10	$650
SL-80	65%	6%	20-49	$65
Avg:	**66%**	**4%**	**50**	*

* No monthly average could be computed due to large data variations.
Δ Without taxes or mortgage costs.
Source: 1994 RGB Mortgage Survey

Appendix E: Tax Arrears in Rent Stabilized Buildings, 1994

E.1 Tax Arrearages, Buildings Three or More Quarters in Arrears, 1988-93.

	1988	1989	1990	1991	1992	1993
Number of Buildings	2797	2758	3037	3520	3816	4291
Number of Units	40196	36879	45622	55966	60900	75532
Arrears Per Unit	$801	$848	$931	$1217	$1413	$1527
Arrears per Building	$11514	$11339	$13982	$19345	$22556	$26923

Note: Table includes only rent stabilized buildings which have registered with DHCR.
Source: NYC Department of City Planning.

F: 1993 Housing and Vacancy Survey, Summary Tables

F.1: Occupancy Status

	ALL UNITS@	Owner Units	Renter Units	Stabilized :
Number of Units	2,985,527	827,001	2,047,016	1,013,097
Occupied Units	2,783,150	806,479	1,976,671	979,026
Bronx	412,329	84,564	327,765	177,338
Brooklyn	816,602	219,879	596,723	254,743
Manhattan	708,215	126,974	581,241	355,310
Queens	709,537	289,360	420,176	182,180
Staten Island	136,469	85,703	50,766	9,455
Vacant Units	202,377	20,522	70,345	34,071
Vacant, available for rent or sale	90,867	20,522	70,345	34,071
Bronx	17,043	3,423	13,620	7,045
Brooklyn	25,284	5,269	20,015	9,004
Manhattan	26,881	5,668	21,213	12,807
Queens	19,105	5,801	13,304	4,871
Staten Island	2,554	361	2,193	344
Asking Rent				
<$300	-	-	1,851	524
$300-$399	-	-	2,063	1,384
$400-$499	-	-	5,403	3,806
$500-$599	-	-	12,981	8,328
$600-$699	-	-	9,579	4,729
$700-$799	-	-	8,633	3,343
$800-$899	-	-	5,717	1,738
$900-$999	-	-	3,268	1,606
$1000-$1249	-	-	4,527	2,117
$1250 +	-	-	3,249	1,624
(Not Reported)	(13,073)	-	(13,073)	(4,871)
Vacant, unavailable for rent or sale	111,510	-	-	-
Bronx	11,860	-	-	-
Brooklyn	26,254	-	-	-
Manhattan	48,170	-	-	-
Queens	21,658	-	-	-
Staten Island	3,568	-	-	-
Dilapidated	5,136	-	-	-
Rented - Not Yet Occupied	9,788	-	-	-
Sold - Not Yet Occupied	4,401	-	-	-
Undergoing Renovation	11,427	-	-	-
Awaiting Renovation	11,167	-	-	-
Non-Residential Use	1,220	-	-	-
Legal Dispute	7,915	-	-	-
Awaiting Conversion	626	-	-	-
Held for Occasional Use	39,603	-	-	-
Unable to Rent or Sell	4,211	-	-	-
Held Pending Sale of Building	2,534	-	-	-
Held for Planned Demolition	0	-	-	-
Held for Other Reasons	12,246	-	-	-
(Not Reported)	(1,235)	-	-	-

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

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
735,412	277,685	101,798	81,677	175,362	93,491	580,891	Number of Units
707,878	271,148	101,798	79,138	173,561	91,022	552,126	Occupied Units
147,090	30,248	10,284	23,123	37,565	22,751	56,703	Bronx
203,140	51,603	26,666	17,068	59,673	24,014	214,560	Brooklyn
279,154	76,155	47,309	26,077	54,164	37,396	60,985	Manhattan
76,008	106,172	16,501	12,870	16,839	5,241	186,545	Queens
2,486	6,970	1,037	0	5321	1619	33,333	Staten Island
27,534	6,537	0	2539	1801	2469	29,465	Vacant Units
27,534	6,537	0	2539	1801	2469	29,465	Vacant, for rent or sale
6,706	339	-	323	508	1,002	4742	Bronx
7,910	1,094	-	1,234	344	347	9086	Brooklyn
11,200	1,607	-	561	949	1,121	5775	Manhattan
1,719	3,152	-	421	0	0	8013	Queens
0	344	-	0	0	0	1849	Staten Island
							Asking Rent
524	0	-	179	349	799	0	<$300
1,384	0	-	0	0	317	362	$300-$399
3,015	791	-	0	0	168	1,429	$400-$499
7,093	1,234	-	884	188	84	3,498	$500-$599
3,846	883	-	401	0	69	4,380	$600-$699
2,965	378	-	175	0	0	5,115	$700-$799
1,595	142	-	380	0	0	3,599	$800-$899
421	1,185	-	0	0	0	1,662	$900-$999
1,975	143	-	0	0	0	2,409	$1000-$1249
911	713	-	0	0	0	1,625	$1250 +
(3,803)	(1,068)	-	(520)	(1,264)	(1,032)	(5,386)	(Not Reported)
-	-	-	-	-	-	-	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 encompass *In Rem* units, as well as those regulated by HUD, Article 4 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.

F.2: Economic Characteristics

	All Households@	Owner Households	Renter Households	Stabilized:
Monthly Contract Rent				
$0-$199	-	-	170,346	36,881
$200-$299	-	-	145,079	54,920
$300-$399	-	-	204,643	120,221
$400-$49	-	-	317,052	184,335
$500-$59	-	-	305,329	183,487
$600-$99	-	-	234,223	125,490
$700-799	-	-	159,664	73,423
$800-$899	-	-	101,759	39,879
$900-$999	-	-	49,448	22,735
$1000-$1249	-	-	70,892	39,209
$1250-$1499	-	-	28,079	16,601
$1500+	-	-	41,289	25,013
(Not Reported / No Cash Rent)	-	-	(148,870)	(56,831)
Mean	-	-	$564	$593
Mean/Room	-	-	$174	$203
Median	-	-	$501	$525
Median/Room	-	-	$140	$156
Monthly Cost of Electricity				
Mean	$54	$74	$44	$41
Median	$45	$64	$40	$35
Monthly Cost of Utility Gas				
Mean	$62	$121	$29	$22
Median	$25	$100	$20	$18
Monthly Cost of Water / Sewer				
Mean	$34	$34	-	-
Median	$33	$33	-	-
Monthly Mortgage Payments				
Mean	-	$978	-	-
Median	-	$800	-	-
Monthly Insurance Payments				
Mean	-	$54	-	-
Median	-	$46	-	-
Monthly Property Taxes				
Mean	-	$136	-	-
Median	-	$117	-	-

@All households, including owners and renters.

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
Pre-1947	*Post-1946*	Controlled	Lama	Housing	Regulated*	Rentals**	
							Monthly Contract Rent
30,659	6,222	15,742	6322	80,361	26,476	4563	$0-$199
45,069	9,851	18,248	5708	29,320	23,653	13,230	$200-$299
104,220	16,001	14,575	8500	15,720	14,430	31,197	$300-$399
140,602	43,734	20,503	16,918	24,178	7224	63,895	$400-$499
132,601	50,886	9,248	14,763	10,374	6236	81,220	$500-$599
86,000	39,490	3,729	9492	5482	2822	87,208	$600-$699
46,974	26,448	4,288	5483	208	1423	74,841	$700-$799
26,508	13,370	1,276	2598	160	594	57,253	$800-$899
14,321	8,414	1,777	1304	0	640	22,992	$900-$999
25,788	13,420	1,367	1968	0	164	28,184	$1000-$1249
7,975	8,626	181	819	0	0	10,478	$1250-$1499
12,120	12,893	338	909	0	370	15,244	$1500+
(35,039)	(21,791)	(10,528)	(4,938)	(7,759)	(6,991)	(61,823)	(Not Reported)
$555	$695	$392	$517	$266	$306	$688	Mean
$193	$231	$112	$160	$67	$92	$202	Mean/Room
$500	$590	$366	$498	$203	$253	$640	Median
$150	$175	$93	$138	$51	$76	$162	Median/Room
							Monthly Cost of Electricity
$41	$42	$40	$46	$47	$44	$49	Mean
$35	$35	$35	$40	$40	$37	$40	Median
							Monthly Cost of Utility Gas
$22	$22	$25	$27	$23	$27	$39	Mean
$18	$15	$15	$20	$20	$25	$20	Median
							Monthly Cost of Water / Sewer
							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 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.

F.2: Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized :
1992 Total Household Income				
Loss, no income or < $5000	168,808	20,225	148,583	63,010
$5000-$9999	340,509	40,331	300,178	140,130
$10,000-$19,999	355,836	73,311	282,526	138,823
$20,000-$29,999	284,847	60,632	224,214	119,295
$30,000-$39,999	221,019	61,849	159,169	87,129
$40,000-$49,999	161,069	57,373	103,697	51,625
$50,000-$59,999	122,184	49,203	72,981	38,930
$60,000-$69,999	85,255	39,527	45,728	23,711
$70,000-$79,999	55,488	28,587	26,901	12,769
$80,000-$89,999	41,865	23,311	18,554	9,743
$90,000-$99,999	23,893	16,095	7,798	3,867
$100,000 +	102,815	61,088	41,727	26,036
(Not Reported)	(819,562)	(274,947)	(544,615)	(263,958)
Mean	$35,732	$57,569	$27,627	$29,042
Median	$23,000	$40,500	$19,005	$20,160
Contract Rent to Income Ratio				
<10%	-	-	80,582	44,301
10%-19%	-	-	316,462	168,235
20%-29%	-	-	326,364	146,089
30%-39%	-	-	179,136	83,964
40%-49%	-	-	111,965	53,951
50%-59%	-	-	79,521	40,912
60%-69%	-	-	56,766	30,628
70% +	-	-	200,441	112,762
(Not Computed / Reported)	-	-	(625,435)	(298,183)
Mean	-	-	45.3%	47.8%
Median	-	-	28.2%	28.2%
Households in Poverty				
Households Below 100% of Poverty Level	479,298	51,134	428,164	194,846
Households Above 100% of Poverty Level	1,484,290	480,397	1,003,893	520,222
(Not Reported)	(819,562)	(274,947)	(544,615)	(263,958)
Households Below 125% of Poverty Level	594,233	70,647	523,585	239,815
Households Above 125% of Poverty Level	1,369,355	460,884	908,471	475,253
(Not Reported)	(819,562)	(274,947)	(544,615)	(263,958)
Households Receiving Public Assistance	422,328	20,618	401,710	189,195
" " Not Receiving Public Assistance)	1,993,991	666,311	1,327,680	659,037
(Not Reported)	(366,831)	(119,550)	(247,281)	(130,794)
Households Receiving Rent Subsidy	-	-	179,564	78,440
" " Not Receiving Rent Subsidy	-	-	1,488,653	742,656
Did Not Know	-	-	41,332	18,839
(Not Reported)	-	-	(267,122)	(139,091)

@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**	
							1992 Total Household Income
50,820	12,189	4,073	4996	32,496	-	-	< $5000
117,115	23,015	19,447	12,511	50,735	-	-	$5000-$9999
101,912	36,911	18,276	9,262	31,200	-	-	$10,000-$19,999
89,683	29,612	7,919	9,441	16,712	-	-	$20,000-$29,999
63,752	23,378	4,758	5,698	6,569	-	-	$30,000-$39,999
35,998	15,627	4,069	5,051	2,574	-	-	$40,000-$49,999
26,085	12,845	2,772	2,399	706	-	-	$50,000-$59,999
16,590	7,121	1,096	1,606	718	-	-	$60,000-$69,999
7,576	5,193	1,207	648	172	-	-	$70,000-$79,999
5,885	3,858	1,746	369	0	-	-	$80,000-$89,999
2,652	1,216	189	176	187	-	-	$90,000-$99,999
14,462	11,574	870	1408	204	-	-	$100,000 +
(175,348)	(88,610)	(35,377)	(25,572)	(31,289)	-	-	(Not Reported)
$26,562	$36,278	$23,252	$25,866	$12,385	-	-	Mean
$19,288	$24,700	$14,400	$19,068	$7800	-	-	Median
							Contract Rent / Household Income
31,482	12,819	9,242	344	2,144	-	-	<10%
122,230	46,005	15,625	5,978	78,217	-	-	10%-19%
109,047	37,042	9,522	5,708	29,320	-	-	20%-29%
60,953	23,011	8,380	8,500	15,720	-	-	30%-39%
39,155	14,796	6,393	16,918	24,178	-	-	40%-49%
30,834	10,077	4,295	14,763	10,374	-	-	50%-59%
24,427	6,202	3,047	9,492	5,482	-	-	60%-69%
91,028	21,734	5,585	12,497	367	-	-	70% +
(198,722)	(99,462)	(39,709)	(4,938)	(7,759)	-	-	(Not Reported)
46.6%	51.6%	32.9%	43.3%	37.1%	-	-	Mean
28.8%	27.1%	25.8%	27.9%	28.2%	-	-	Median
							Households in Poverty
165,614	29,232	14,740	14,296	83,457	41,701	79,124	Households < 100% of Poverty Level
366,916	153,306	51,682	39,270	58,816	29,215	304,683	Households > 100% of Poverty Level
(175,348)	(88,610)	(35,377)	(25,572)	(31,289)	(20,106)	(168,319)	(Not Reported)
200,803	39,012	21,825	17,689	94,500	48,679	101,078	Households < 125% of Poverty Level
331,727	143,526	44,596	35,877	47,773	22,237	282,729	Households > 125% of Poverty Level
(175,348)	(88,610)	(35,377)	(25,572)	(31,289)	(20,106)	(168,319)	(Not Reported)
165,571	23,625	11,316	9,730	80,605	40,883	69,981	HH's Receiving Public Assistance
453,387	205,650	76,232	56,386	78,268	41,880	415,877	" " Not Receiving P. Assistance
(88,920)	(41,874)	(14,249)	(13,022)	(14,689)	(8,259)	(66,268)	(Not Reported)
64,202	14,238	5,086	14,626	29,513	29,952	21,948	Households Receiving Rent Subsidy
535,059	207,597	79,629	47,423	117,687	47,520	453,737	" " Not Receiving Rent Subsidy
14,541	4,297	2,010	2,642	7,908	3,925	6,009	Do Not Know
(94,076)	(45,015)	(15,072)	(14,447)	(18,454)	(9,625)	(70,433)	(Not Reported)

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 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.

F.2: Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized :
Monthly Contract Rent				
$0-$199	-	-	9.3%	4.0%
$200-$299	-	-	7.9%	6.0%
$300-$399	-	-	11.2%	13.0%
$400-$499	-	-	17.4%	20.0%
$500-$599	-	-	16.7%	19.9%
$600-$699	-	-	12.8%	13.6%
$700-$799	-	-	8.7%	8.0%
$800-$899	-	-	5.6%	4.3%
$900-$999	-	-	2.7%	2.5%
$1000-$1249	-	-	3.9%	4.3%
$1250-$1499	-	-	1.5%	1.8%
$1500+	-	-	2.3%	2.7%
(Not Reported / No Cash Rent)	-		-	-
Mean	-	-	-	-
Mean/Room	-	-	-	-
Median	-	-	-	-
Median/Room	-	-	-	-
Monthly Cost of Utilities				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Water/Sewer				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Fuel				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Mortgage Payments				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Insurance Payments				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Property Taxes				
Mean	-	-	-	-
Median	-	-	-	-

@All households, including owners and renters.

Totals may not add to 100% due to rounding.

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
Pre-1947	*Post-1946*	Controlled	Lama	Housing	Regulated*	Rentals**	
							Monthly Contract Rent
4.4%	2.5%	17.3%	8.6%	48.5%	31.5%	0.9%	$0-$199
6.7%	4.0%	20.0%	7.7%	17.7%	28.1%	2.7%	$200-$299
15.5%	6.4%	16.0%	11.5%	9.5%	17.2%	6.4%	$300-$399
20.9%	17.5%	22.5%	22.8%	14.6%	8.6%	13.0%	$400-$499
19.7%	20.4%	10.1%	19.9%	6.3%	7.4%	16.6%	$500-$599
12.8%	15.8%	4.1%	12.8%	3.3%	3.4%	17.8%	$600-$699
7.0%	10.6%	4.7%	7.4%	0.1%	1.7%	15.3%	$700-$799
3.9%	5.4%	1.4%	3.5%	0.1%	0.7%	11.7%	$800-$899
2.1%	3.4%	2.0%	1.8%	0	0.8%	4.7%	$900-$999
3.8%	5.4%	1.5%	2.7%	0	0.2%	5.7%	$1000-$1249
1.2%	3.5%	0.2%	1.1%	0	0	2.1%	$1250-$1499
1.8%	5.2%	0.4%	0.4%	0	0.4%	3.1%	$1500+
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Mean/Room
-	-	-	-	-	-	-	Median
-	-	-	-	-	-	-	Median/Room
							Monthly Cost of Utilities
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Water/Sewer
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Fuel
-	-	-	-	-	-	-	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 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

F.2: Economic Characteristics (Continued)

	All Households @	Owner Households	Renter Households	Stabilized :
1992 Total Household Income				
< $5000	8.6%	3.8%	10.4%	8.8%
$5000-$9999	17.3%	7.6%	21.0%	19.6%
$10,000-$19,999	18.1%	13.8%	19.7%	19.4%
$20,000-$29,999	14.5%	11.4%	15.7%	16.7%
$30,000-$39,999	11.3%	11.6%	11.1%	12.2%
$40,000-$49,999	8.2%	10.8%	7.2%	7.2%
$50,000-$59,999	6.2%	9.3%	5.1%	5.4%
$60,000-$69,999	4.3%	7.4%	3.2%	3.3%
$70,000-$79,999	2.8%	5.4%	1.9%	1.8%
$80,000-$89,999	2.1%	4.4%	1.3%	1.4%
$90,000-$99,999	1.2%	3.0%	0.5%	0.5%
$100,000 +	5.2%	11.5%	2.9%	3.6%
Mean	-	-	-	-
Median	-	-	-	-
Contract Rent / Household Income				
<10%	-	-	6.0%	6.5%
10%-19%	-	-	23.4%	24.7%
20%-29%	-	-	24.2%	21.5%
30%-39%	-	-	13.3%	12.3%
40%-49%	-	-	8.3%	7.9%
50%-59%	-	-	5.9%	6.0%
60%-69%	-	-	4.2%	4.5%
70% +	-	-	14.8%	16.6%
(Not Reported)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-
Households in Poverty				
Households Below 100% of Poverty Level	24.4%	9.6%	29.9%	27.2%
Households Above 100% of Poverty Level	75.6%	90.4%	70.1%	72.8%
(Not Reported)	-	-	-	-
Households Below 125% of Poverty Level	30.3%	13.3%	36.6%	33.5%
Households Above 125% of Poverty Level	69.7%	86.7%	63.4%	66.5%
(Not Reported)	-	-	-	-
Households Receiving Public Assistance	17.5%	3.0%	23.2%	22.3%
(Not Reported)	-	-	-	-
Households Receiving Rent Subsidy	-	-	10.5%	-
(Not Reported)	-	-	-	-

@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**	
							1992 Total Household Income
9.5%	6.7%	6.1%	9.3%	22.8%	-	-	< $5000
22.0%	12.6%	29.3%	23.4%	35.7%	-	-	$5000-$9999
19.1%	20.3%	27.5%	17.7%	22.1%	-	-	$10,000-$19,999
16.9%	16.3%	12.0%	17.3%	11.5%	-	-	$20,000-$29,999
12.0%	12.8%	7.2%	10.6%	4.4%	-	-	$30,000-$39,999
6.8%	8.6%	6.1%	9.4%	2.0%	-	-	$40,000-$49,999
4.9%	7.0%	4.2%	4.5%	0.5%	-	-	$50,000-$59,999
3.1%	3.9%	1.6%	3.0%	0.5%	-	-	$60,000-$69,999
1.4%	2.8%	1.8%	1.2%	0.1%	-	-	$70,000-$79,999
1.1%	2.1%	2.6%	0.7%	-	-	-	$80,000-$89,999
0.5%	0.7%	0.3%	0.3%	0.1%	-	-	$90,000-$99,999
2.7%	6.3%	1.3%	2.6%	0.1%	-	-	$100,000 +
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Contract Rent / Household Income
6.2%	7.5%	14.9%	5.0%	4.1%	-	-	<10%
24.0%	26.8%	25.2%	23.9%	13.9%	-	-	10%-19%
21.4%	21.6%	15.4%	25.5%	40.6%	-	-	20%-29%
12.0%	13.4%	13.5%	16.2%	18.0%	-	-	30%-39%
7.7%	8.6%	10.3%	8.4%	7.8%	-	-	40%-49%
6.1%	5.9%	6.9%	4.4%	5.1%	-	-	50%-59%
4.8%	3.6%	4.9%	3.4%	2.9%	-	-	60%-69%
17.9%	12.7%	9.0%	13.2%	7.6%	-	-	70% +
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Households in Poverty
31.1%	16.0%	22.2%	26.7%	58.7%	58.8%	20.6%	Households < 100% of Poverty Level
68.9%	84.0%	77.8%	73.3%	41.3%	41.2%	79.4%	Households > 100% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
37.7%	21.4%	32.9%	33.0%	66.4%	68.6%	26.3%	Households < 125% of Poverty Level
62.3%	78.6%	67.1%	67.0%	33.6%	31.4%	73.7%	Households > 125% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
26.7%	10.3%	12.9%	14.7%	50.7%	49.4%	14.4%	Households Receiving Welfare
-	-	-	-	-	-	-	(Not Reported)
10.5%	6.3%	5.9%	22.6%	19.0%	38.7%	4.6%	Households Receiving Rent Subsidy
-	-	-	-	-	-	-	(Not Reported)

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 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.

F.3: Demographic Characteristics

	All Households[@]	Owner Households	Renter Households	Stabilized :
Year Moved Into Current Dwelling				
1990-93	815,107	107,726	707,381	360,663
1987-89	413,501	116,330	297,171	146,624
1984-86	241,852	78,994	162,858	80,545
1981-83	217,265	62,719	154,546	86,807
1971-80	640,532	216,530	424,002	233,047
Prior to 1971	454,893	224,180	230,714	71,340
Household Composition				
Married Couples	1,070,878	459,064	611,814	293,801
w. Children < 18 Years of Age	362,842	128,355	234,487	112,602
w/o. Children < 18 Years of Age	155,431	88,324	67,107	30,962
w. Other Household Members	131,272	60,612	70,661	33,033
w/o. Other Household Members	404,927	173,899	231,028	113,203
(Not Reported)	(16,406)	(7,874)	(8,532)	(4,001)
Female Householder	1,138,646	233,497	905,149	430,673
w. Children < 18 Years of Age	213,303	13,215	200,088	89,088
w/o. Children < 18 Years of Age	223,564	61,686	161,878	79,333
w. Other Household Members	127,358	18,869	108,489	46,979
w/o. Other Household Members	564,171	136,848	427,323	212,314
(Not Reported)	(10,252)	(2,880)	(7,372)	(2959)
Male Householder	558,384	110,576	447,808	248,113
w. Children < 18 Years of Age	13,677	3,028	10,649	5,111
w/o. Children < 18 Years of Age	151,400	30,901	120,498	65,226
w. Other Household Members	30,849	8,866	21,983	10,247
w/o. Other Household Members	357,838	67,072	290,766	165,951
(Not Reported)	(4,618)	(708)	(3,911)	(1577)
(Sex Not Reported)	(15,241)	(3,342)	(11,899)	(6,439)
Race of Householder				
White, non-Hispanic	1,323,551	522,135	801,416	420,083
Black, non-Hispanic	640,206	142,732	497,474	190,214
Puerto Rican	279,695	33,596	246,099	114,063
Other Hispanic	285,846	34,285	251,561	157,218
Asian / Pacific Islander	160,500	49,569	110,931	58,400
Other	42,359	9,166	33,193	18,190
(Not Reported)	(50,992)	(14,995)	(35,997)	(20,857)
Age of Householder				
Under 25 years	110,933	5,440	105,493	56,924
25-34	563,209	83,838	479,371	245,144
35-44	646,414	164,714	481,700	259,167
45-54	467,503	163,675	303,828	160,829
55-61	250,900	101,758	149,142	68,752
62-64	108,116	46,600	61,516	27,879
65-74	317,395	129,428	187,967	78,834
75-84	186,973	69,852	117,121	43,543
85 or more years	57,362	16,037	41,325	14,112
(Not Reported)	(74,343)	(25,135)	(49,208)	(23,842)
Mean	49.5	55.1	47.3	45.7
Median	46.0	53.0	42.0	41.0

@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
272,726	87,938	0	17,773	27,127	23,757	278,062	1990-93
113,358	33,265	0	14,324	25,668	13,180	97,376	1987-89
59,857	20,688	0	7,590	18,874	14,601	41,247	1984-86
64,903	21,903	2,498	5,971	14,023	12,433	32,815	1981-83
165,619	67,428	13,355	29,143	50,164	20,713	77,580	1971-80
31,416	39,925	85,945	4,337	37,706	6,339	25,046	Prior to 1971
							Household Composition
200,694	93,107	25,611	25,019	29,117	13,032	225,232	Married Couples
82,915	29,687	2,340	8,292	9,137	4,379	97,736	w. Children < 18 Years of Age
22,246	8,716	3,689	3,175	5,439	1,333	22,509	w. No Children < 18 Years of Age
24,200	8,833	1,441	1,577	5,177	1,619	27,813	w. Other Household Members
68,209	44,995	17,829	11,416	8,208	5,379	74,993	w/o Other Household Members
(3,125)	(877)	(313)	(558)	(1,156)	(322)	(2,182)	(Not Reported)
318,311	112,361	52,848	39,962	123,479	61,192	196,997	Female Householder
74,373	14,716	1,339	7,876	39,374	18,876	43,536	w. Children < 18 Years of Age
60,060	19,273	8,143	4,301	18,570	9,582	41,949	w. No Children < 18 Years of Age
42,193	4,786	1,970	3,450	21,668	8,385	26,037	w. Other Household Members
139,300	73,013	41,214	24,178	42,052	24,209	83,356	w/o Other Household Members
(2,386)	(573)	(182)	(157)	(1,815)	(140)	(2,119)	(Not Reported)
184,388	63,724	23,162	13,824	20,434	16,222	126,053	Male Householder
3,851	1,260	780	607	1,467	850	1,835	w. Children < 18 Years of Age
51,792	13,434	3,696	3,539	4,149	2,730	41,156	w. No Children < 18 Years of Age
8,918	1,328	710	536	663	1,275	8,553	w. Other Household Members
118,425	47,526	17,976	8,740	13,821	11,367	72,910	w/o Other Household Members
(1,401)	(176)	(0)	(402)	(333)	(0)	(1599)	(Not Reported)
(4,485)	(1,955)	(177)	(333)	(531)	(575)	(3,844)	(Sex Not Reported)
							Race of Householder
267,524	152,559	72,743	26,915	14,712	16,436	250,526	White, non-Hispanic
136,092	54,122	10,063	33,664	91,714	42,418	129,401	Black, non-Hispanic
102,261	11,802	7,391	7,273	48,454	18,741	50,176	Puerto Rican
132,127	25,090	7,754	5,065	12,241	9,783	59,500	Other Latino
43,035	15,365	1,586	2,793	2,878	1,378	43,896	Asian / Pacific Islander
13,059	5,131	320	1,175	1,797	1,335	10,376	Other
(13,779)	(7,078)	(1,940)	(2,252)	(1765)	(932)	(8,250)	(Not Reported)
							Age of Householder
46,605	10,318	1,487	2,695	7,218	3,507	33,663	Under 25 years
191,968	53,176	2,313	10,879	28,381	18,046	174,608	25-34
194,839	64,329	6,142	15,233	33,843	19,157	148,158	35-44
114,732	46,097	11,722	14,630	30,067	12,932	73,648	45-54
48,112	20,639	12,220	8,018	19,533	6,910	33,709	55-61
20,249	7,630	5,477	4,007	7,113	2,738	14,302	62-64
46,765	32,069	26,166	9,364	25,526	13,165	34,911	65-74
22,152	21,391	22,303	7,767	14,375	9,531	19,602	75-84
6,792	7,319	11,383	3,149	2,923	3,609	6,149	85 or more years
(15,663)	(8,178)	(2,584)	(3,397)	(4,582)	(1,428)	(13,376)	(Not Reported)
43.9	50.3	66.9	54.2	52.0	51.0	43.0	Mean
40.0	46.0	70.0	52.0	50.0	47.0	39.0	Median

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 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.

F.3: Demographic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized :
Year Moved Into Current Dwelling				
1990-93	29.3%	13.4%	35.8%	36.8%
1987-89	14.9%	14.4%	15.0%	15.0%
1984-86	8.7%	9.8%	8.2%	8.2%
1981-83	7.8%	7.8%	7.8%	8.9%
1971-80	23.0%	26.8%	21.5%	23.8%
Prior to 1971	16.3%	27.8%	11.7%	7.3%
Household Composition				
Married Couples	38.5%	57.0%	31.0%	30.1%
w. Children < 18 Years of Age	13.3%	16.2%	11.9%	11.7%
w/o. Children < 18 Years of Age	5.7%	11.2%	3.5%	3.2%
w. Other Household Members	4.8%	7.7%	3.6%	3.4%
w/o. Other Household Members	14.8%	22.0%	12.1%	11.7%
(Not Reported)	-	-	-	-
Female Householder	41.3%	29.0%	46.2%	44.4%
w. Children < 18 Years of Age	7.8%	1.7%	10.3%	9.2%
w/o. Children < 18 Years of Age	8.2%	7.8%	8.3%	8.2%
w. Other Household Members	4.7%	2.4%	5.6%	4.9%
w/o Other Household Members	20.6%	17.3%	22.0%	22.0%
(Not Reported)	-	-	-	-
Male Householder	20.2%	13.9%	22.8%	25.6%
w. Children < 18 Years of Age	0.5%	0.4%	0.6%	0.5%
w/o. Children < 18 Years of Age	5.5%	3.9%	6.2%	6.8%
w. Other Household Members	1.1%	1.1%	1.1%	1.1%
w/o Other Household Members	13.1%	8.5%	15.0%	17.2%
(Not Reported)	-	-	-	-
(Sex Not Reported)	-	-	-	-
Race of Householders				
White, non-Latino	48.4%	66.0%	41.3%	43.8%
Black, non-Latino	23.4%	18.0%	25.6%	19.9%
Puerto Rican	10.2%	4.2%	12.7%	11.9%
Other Latino	10.5%	4.3%	13.0%	16.4%
Asian / Pacific Islander	5.9%	6.3%	5.7%	6.1%
Other	1.6%	1.2%	1.7%	1.9%
(Not Reported)	-	-	-	-
Age of Householders				
Under 25 years	4.1%	0.7%	5.5%	6.0%
25-34	20.8%	10.7%	24.9%	25.7%
35-44	23.9%	21.1%	25.0%	27.1%
45-54	17.3%	20.9%	15.8%	16.8%
55-61	9.3%	13.0%	7.7%	7.2%
62-64	4.0%	6.0%	3.2%	2.9%
65-74	11.7%	16.6%	9.8%	8.3%
75-84	6.9%	8.9%	6.1%	4.6%
85 or more years	2.1%	2.1%	2.1%	1.5%
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
38.5%	32.4%	0.0%	22.5%	15.6%	26.1%	50.4%	1990-93
16.0%	12.3%	0.0%	18.1%	14.8%	14.5%	17.6%	1987-89
8.5%	7.6%	0.0%	9.6%	10.9%	16.0%	7.5%	1984-86
9.2%	8.1%	2.5%	7.6%	8.1%	13.7%	5.9%	1981-83
23.4%	24.9%	13.1%	36.8%	28.9%	22.8%	14.1%	1971-80
4.4%	14.7%	84.4%	5.5%	21.7%	7.0%	4.5%	Prior to 1971
							Household Composition
28.4%	34.5%	25.0%	31.5%	16.5%	14.2%	41.0%	Married Couples
11.9%	11.1%	2.3%	10.7%	5.4%	4.9%	18.0%	w. Children < 18 Years of Age
3.2%	3.3%	3.7%	4.1%	3.2%	1.5%	4.1%	w/o Children < 18 Years of Age
3.5%	3.3%	1.4%	2.0%	3.1%	1.8%	5.1%	w. Other Household Members
9.8%	16.8%	17.6%	14.7%	4.8%	6.0%	13.8%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
45.4%	41.8%	51.9%	51.2%	71.7%	67.8%	36.0%	Female Householder
10.7%	5.5%	1.3%	10.1%	23.2%	21.0%	8.0%	w. Children < 18 Years of Age
8.6%	7.2%	8.1%	5.5%	10.9%	10.6%	7.7%	w/o Children < 18 Years of Age
6.1%	1.8%	2.0%	4.4%	12.8%	9.3%	4.8%	w. Other Household Members
20.0%	27.3%	40.5%	31.1%	24.8%	26.9%	15.5%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
26.3%	23.8%	22.9%	17.3%	11.8%	17.9%	22.9%	Male Householder
0.6%	0.5%	0.8%	0.8%	0.9%	0.9%	0.3%	w. Children < 18 Years of Age
7.4%	5.0%	3.7%	4.6%	2.4%	3.0%	7.6%	w/o Children < 18 Years of Age
1.3%	0.5%	0.7%	0.7%	0.4%	1.4%	1.6%	w. Other Household Members
17.0%	17.8%	17.8%	11.3%	8.1%	12.6%	13.4%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	(Sex Not Reported)
							Race of Householders
38.5%	57.8%	72.8%	35.0%	8.6%	18.2%	46.1%	White, non-Latino
19.6%	20.5%	10.1%	43.8%	53.4%%	47.1%	23.8%	Black, non-Latino
14.7%	4.5%	7.4%	9.5%	28.2%	20.8%	9.2%	Puerto Rican
19.0%	9.5%	7.8%	6.6%	7.1%	10.9%	10.9%	Other Latino
6.2%	5.8%	1.6%	4.3%	2.2%	1.5%	8.1%	Asian / Pacific Islander
1.9%	1.9%	0.3%	0.8%	0.5%	1.5%	1.9%	Other
-	-	-	-	-	-	-	(Not Reported)
							Age of Householders
6.7%	3.9%	1.5%	3.6%	4.3%	3.9%	6.2%	Under 25 years
27.7%	20.2%	2.3%	14.4%	16.8%	20.1%	32.4%	25-34
28.1%	24.5%	6.2%	20.1%	20.0%	21.4%	27.5%	35-44
16.6%	17.5%	11.8%	19.3%	17.8%	14.4%	13.7%	45-54
7.0%	7.8%	12.3%	10.6%	11.6%	7.7%	6.3%	55-61
2.9%	2.9%	5.5%	5.3%	4.2%	3.1%	2.7%	62-64
6.8%	12.2%	26.4%	12.4%	15.1%	14.7%	6.4%	65-74
3.2%	8.1%	22.5%	10.3%	8.5%	10.6%	3.6%	75-84
1.0%	2.8%	11.5%	4.2%	1.7%	4.0%	1.1%	85 or more years
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 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.

F.4: Housing / Neighborhood Quality Characteristics

	All Units[@]	Owner Units	Renter Units	Stabilized :
Maintenance Quality				
(Units experiencing:)				
Additional Heating Required	369,743	47,458	322,285	160,634
" " Not Required	2,112,447	659,261	1,453,186	711,890
(Not Reported)	(300,960)	(99,760)	(201,200)	(106,502)
Heating Breakdowns	416,905	60,698	356,207	204,024
No Breakdowns	2,056,309	644,408	1,411,901	662,612
(Not Reported)	(309,936)	(101,372)	(208,564)	(112,390)
Broken Plaster/Peeling Paint	464,523	57,157	407,366	239,078
No Broken Plaster/Peeling Paint	1,994,160	645,978	1,348,182	620,457
(Not Reported)	(324,467)	(103,344)	(221,123)	(119,491)
Cracked Interior Walls or Ceilings	362,518	25,896	336,621	200,100
No Cracked Walls or Ceilings	2,120,120	682,170	1,437,951	671,990
(Not Reported)	(300,512)	(98,413)	(202,099)	(106,935)
Holes in Floor	181,642	7908	173,734	109,880
No Holes in Floor	2,251,073	680,954	1,570,120	747,121
(Not Reported)	(350,435)	(117,618)	(232,818)	(122,025)
Rodent Infestation	615,041	59,466	555,575	324,811
No Infestation	1,870,356	647,297	1,223,059	549,899
(Not Reported)	(297,753)	(99,716)	(198,038)	(104,316)
Toilet Breakdown	259,310	51,687	207,623	111,005
No Toilet Breakdown	2,399,225	698,881	1,700,344	834,666
(Not Reported)	(124,614)	(55,911)	(68,704)	(30,355)
Water Leakage Inside Unit	526,084	99,205	426,879	251,625
No Water Leakage	1,952,352	607,053	1,345,299	619,443
(Not Reported)	(304,715)	(100,221)	(204,494)	(107,958)
Units in Buildings w. No Maintenance Defects	1,124,639	436,184	688,455	288,779
Units in Buildings w. 1 Maintenance Defect	541,271	154,988	386,283	194,096
Units in Buildings w. 2 Maintenance Defects	294,316	50,140	244,177	126,405
Units in Buildings w. 3 Maintenance Defects	180,796	17,861	162,935	89,846
Units in Buildings w. 4 Maintenance Defects	103,206	4491	98,715	60,451
Units in Buildings w. 5+ Maintenance Defects	102,296	3,323	98,973	63,583
(Not Reported)	(436,626)	(139,493)	(297,134)	(155,865)
Condition of Neighboring Buildings				
Excellent	372,933	173,441	199,492	87,764
Good	1,315,754	418,314	897,440	439,870
Fair	633,005	103,487	529,518	268,831
Poor Quality	158,115	10,121	174,994	74,862
(Not Reported)	(303,344)	(101,116)	(202,228)	(107,698)
Units Close to " Boarded-Up " Buildings	432,546	87,158	345,388	162,927
Units Not Close to " "	2,081,949	627,241	1,454,708	718,635
(Not Reported)	(268,655)	(92,080)	(176,575)	(97,464)

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

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Maintenance Quality (Units experiencing:)
129,667	30,967	15,414	10,523	44,462	25,438	65,815	Additional Heating Required
504,517	207,373	75,353	56,876	118,144	59,083	431,841	" " Not Required
(73,694)	(32,808)	(11,031)	(11,739)	(10,956)	(6502)	(54,470)	(Not Reported)
167,154	36,870	17,814	8,124	37,206	24,084	64,955	Heating Breakdowns
463,680	198,933	73,000	59,071	124,537	60,277	432,403	No Heating Breakdown
(77,044)	(35,345)	(10,984)	(11,943)	(11,818)	(6.661)	(54,768)	(Not Reported)
200,960	38,119	25,557	8,618	44,399	21,355	68,361	Broken Plaster/Peeling Paint
423,550	196,907	63,398	58,699	115,225	62,376	428,027	No Broken Plaster/ Paint
(88,368)	(36,122)	(12,843)	(11,821)	(13,938)	(7,292)	(55,768)	(Not Reported)
174,766	25,335	17,846	5,997	35,552	26,099	51,027	Cracked Walls or Ceilings
459,652	212,338	72,301	61,558	126,134	58,032	447,936	No Cracked Walls or Ceilings
(73,460)	(33,475)	(11,651)	(11,538)	(11,876)	(6,891)	(53,163)	(Not Reported)
103,013	6,867	9,708	1931	11,144	15,607	25,464	Holes in Floor
521,069	226,051	79,556	63,777	147,343	67,092	465,231	No Holes in Floor
(83,795)	38,230	(12,534)	(13,430)	(15,074)	8,324	61,432	(Not Reported)
274,302	50,509	25,106	12,941	55,926	46,643	90,148	Rodent Infestation
361,762	188,137	65,308	54,711	105,675	37,889	409,517	No Infestation
(71,814)	(32,502)	(11,384)	(11,426)	(11,960)	(6,491)	(52,461)	(Not Reported)
86,036	24,968	9,339	6,505	21,871	14,157	44,747	Toilet Breakdown
596,055	238,612	88,138	69,098	147,849	74,784	485,809	No Toilet Breakdown
(25,787)	(7,568)	(4321)	(3,535)	(3,841)	(2,083)	(21,569)	(Not Reported)
205,089	46,537	24,231	10,641	41,358	29,472	69,551	Water Leakage Inside Unit
428,160	191,283	66,106	57,004	120,104	54,689	427,952	No Water Leakage
(74,629)	(33,328)	(11,460)	(11,493)	(12,098)	(6,861)	(54,623)	(Not Reported)
176,435	112,344	33,662	32,207	47,216	19,957	266,634	Units in Buildings w. No Defects
138,958	55,138	85,784	16,283	36,880	16,345	103,592	Units in Buildings w. 1 Defect
99,506	26,899	33,662	8,459	27,880	12,079	55,036	Units in Buildings w. 2 Defects
74,853	14,993	19,087	5,402	20,968	11,309	26,164	Units in Buildings w. 3 Defects
52,585	7,867	14,379	331	11,099	9,502	12,716	Units in Buildings w. 4 Defects
58,315	5,268	4,795	1,035	8,463	10,757	10,340	Units in Buildings w. 5+ Defects
(107,226)	(48,639)	(16,014)	(15,421)	(21,117)	(11,055)	(77,662)	(Not Reported)
							Condition of Neighboring Buildings
54,040	33,724	12,273	7,194	5,686	4,119	82,456	Excellent
296,383	143,488	47,988	34,939	54,596	29,675	290,371	Good
219,982	48,849	24,865	23,602	69,951	36,068	106,201	Fair
64,161	10,702	5,494	1,831	31,384	14,469	19,954	Poor Quality
(73,313)	(34,386)	(11,177)	(11,572)	(11,945)	(6,691)	(53,144)	(Not Reported)
133,881	29,046	12,661	11,114	49,929	33,499	75,258	Units Close to " Boarded-Up " Buildings
508,530	210,105	80,164	57,844	112,722	52,570	432,024	Units Not Close to " "
(65,467)	(31,997)	(8,973)	(10,150)	(10,910)	(4,953)	(44,844)	(Not Reported)

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 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.

F.4: Housing / Neighborhood Quality Characteristics (Continued)

	All Dwellings@	Owner Units	Rental Units	Stabilized :
Maintenance Quality				
(Units experiencing:)				
Additional Heating Required	14.9%	6.7%	18.2%	18.4%
" " Not Required	85.1%	93.3%	81.8%	81.6%
(Not Reported)	-	-	-	-
Heating Breakdowns	16.9%	8.6%	20.2%	23.5%
No Breakdowns	83.1%	91.4%	79.9%	76.5%
(Not Reported)	-	-	-	-
Broken Plaster/Peeling Paint	18.9%	8.1%	23.2%	27.8%
No Broken Plaster/Peeling Paint	81.1%	91.9%	76.8%	72.2%
(Not Reported)	-	-	-	-
Cracked Interior Walls or Ceilings	14.6%	3.7%	19.0%	22.9%
No Cracked Walls or Ceilings	85.4%	96.3%	81.0%	77.1%
(Not Reported)	-	-	-	-
Holes in Floors	7.5%	1.1%	10.0%	12.8%
No Holes in Floors	92.5%	98.9%	90.0%	87.2%
(Not Reported)	-	-	-	-
Rodent Infestation	24.9%	8.5%	31.3%	37.2%
No Infestation	75.1%	91.5%	68.7%	62.8%
(Not Reported)	-	-	-	-
Toilet Breakdown	9.8%	6.9%	10.9%	11.7%
No Toilet Breakdowns	90.2%	92.1%	89.1%	88.3%
(Not Reported)	-	-	-	-
Water Leakage Inside Unit	21.2%	14.1%	24.1%	28.9%
No Water Leakage	78.8%	85.9%	75.9%	71.1%
(Not Reported)	-	-	-	-
Units in Buildings w. No Maintenance Defects	47.9%	65.4%	41.0%	35.1%
Units in Buildings w. 1 Maintenance Defect	23.1%	23.2%	23.0%	23.6%
Units in Buildings w. 2 Maintenance Defects	12.5%	7.5%	14.5%	15.4%
Units in Buildings w. 3 Maintenance Defects	7.7%	2.7%	9.7%	10.9%
Units in Buildings w. 4 Maintenance Defects	4.4%	0.7%	5.9%	7.3%
Units in Buildings w. 5+ Maintenance Defects	4.4%	0.5%	5.9%	7.8%
(Not Reported)	-	-	-	-
Condition of Neighboring Buildings				
Excellent	15.0%	24.6%	11.2%	10.1%
Good	53.1%	59.3%	50.6%	50.5%
Fair	25.5%	14.7%	29.8%	30.9%
Poor Quality	6.4%	1.4%	8.3%	8.6%
(Not Reported)	-	-	-	-
Units Close to " Boarded-Up " Buildings	17.2%	12.2%	19.2%	18.5%
Units Not " "	82.8%	87.8%	80.8%	81.5%
(Not Reported)	-	-	-	-

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

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:)
20.5%	13.0%	17.0%	15.6%	27.3%	30.1%	13.2%	Additional Heating Required
79.5%	87.0%	83.0%	84.4%	72.7%	69.9%	86.8%	" " Not Required
-	-	-	-	-	-	-	(Not Reported)
26.5%	15.6%	19.6%	12.1%	23.0%	28.5%	13.1%	Heating Breakdowns
73.5%	84.4%	80.4%	87.9%	77.0%	71.5%	86.9%	No Heating Breakdowns
-	-	-	-	-	-	-	(Not Reported)
32.2%	16.3%	28.7%	12.9%	27.9%	25.5%	13.8%	Broken Plaster/Peeling Paint
67.8%	83.7%	71.3%	87.1%	72.1%	74.5%	86.2%	No Broken Plaster/ Peeling Paint
-	-	-	-	-	-	-	(Not Reported)
27.5%	10.7%	19.8%	8.9%	22.0%	31.0%	10.2%	Cracked Walls or Ceilings
72.5%	89.3%	80.2%	91.1%	78.0%	69.0%	89.8%	No Cracked Walls or Ceilings
							(Not Reported)
16.5%	2.9%	10.9%	2.9%	7.0%	18.9%	4.8%	Holes in Floors
83.5%	97.1%	89.1%	97.1%	93.0%	81.1%	95.2%	No Holes in Floors
-	-	-	-	-	-	-	(Not Reported)
43.2%	21.2%	28.0%	19.0%	34.7%		18.0%	Rodent Infestation
56.8%	68.8%	72.0%	81.0%	65.3%		82.0%	No Infestation
-	-	-	-	-	-	-	(Not Reported)
12.6%	9.5%	9.6%	8.6%	12.9%	15.9%	8.4%	Toilet Breakdown
87.4%	90.5%	90.4%	91.4%	87.1%	84.1%	91.6%	No Toilet Breakdown
-	-	-	-	-	-	-	(Not Reported)
32.4%	19.6%	26.8%	15.7%	25.6%	35.0%		Water Leakage Inside Unit
67.6%	80.4%	73.2%	84.3%	74.4%	65.0%		No Water Leakage
-	-	-	-	-	-	-	(Not Reported)
29.4%	50.5%	39.2%	50.6%	31.0%	25.0%	56.2%	Units in Buildings w. No Defects
23.1%	24.8%	22.3%	25.6%	24.2%	20.4%	21.8%	Units in Buildings w. 1 Defect
16.6%	12.1%	16.8%	13.3%	18.3%	15.1%	11.6%	Units in Buildings w. 2 Defects
12.5%	6.7%	10.8%	8.5%	13.8%	14.1%	5.5%	Units in Buildings w. 3 Defects
8.8%	3.5%	5.4%	0.5%	7.3%	11.9%	2.7%	Units in Buildings w. 4 Defects
9.7%	2.4%	5.6%	1.6%	5.6%	13.5%	2.2%	Units in Buildings w. 5+ Defects
-	-	-	-	-	-	-	(Not Reported)
							Condition of Neighboring Buildings
8.5%	14.2%	13.5%	10.7%	3.5%	4.9%	16.5%	Excellent
46.7%	60.6%	53.0%	51.7%	33.8%	35.2%	58.2%	Good
34.7%	20.6%	27.4%	34.9%	43.3%	42.8%	21.3%	Fair
10.1%	4.5%	6.1%	2.7%	19.4%	17.2%	4.0%	Poor Quality
-	-	-	-	-	-	-	(Not Reported)
20.8%	12.2%	13.6%	16.1%	30.6%	38.9%	14.8%	Units Close to " Boarded-Up " Buildings
79.2%	87.8%	86.4%	83.9%	69.4%	61.1%	85.2%	Units Not " "
-	-	-	-	-	--	-	(Not Reported)

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

Totals may not add to 100% due to rounding.

Appendix G: 1994 RGB Income and Affordability Study

G.1 Average Annual Unemployment Rates by Borough, 1988-93

	1988	1989	1990	1991	1992	1993	1994**
Bronx	5.5%	7.0%	8.2%	10.1%	12.5%	11.9%	9.8%
Brooklyn	5.5%	6.7%	7.9%	9.5%	12.0%	11.2%	9.4%
Manhattan	4.3%	5.0%	5.8%	7.3%	9.0%	8.8%	7.4%
Queens	4.0%	5.0%	6.0%	8.0%	10.5%	9.5%	7.9%
Staten Island	4.0%	4.8%	6.4%	8.3%	10.4%	9.2%	8.2%
NYC	4.7%	5.8%	6.8%	8.6%	10.8%	10.2%	8.5%
Growth in Real GCP*	**3.6%**	**-0.4%**	**-0.2%**	**-4.4%**	**4.1%**	**--**	**---**

* Gross City Product
** As of August, 1994

Source: New York State Department of Labor

G.2 Composition of the Rent Regulated Housing Stock in New York City, Housing & Vacancy Survey - 1981, 1987, 1991, and 1993.

	1981	1987	1991	1993
Total Units	1,241,565	1,116,103	1,134,995	1,114,895
Total Occupied	1,214,088	1,090,734	1,095,486	1,080,824
Controlled	285,733	155,361	124,411	101,798
Stabilized	928,355	935,373	971,075	979,026
Pre 1947	615,497	662,742	706,794	707,878
Post 1947	312,858	272,631	264,281	271,148
Total Vacant for rent	27,477	25,369	39,509	34,071
Stabilized	27,477	25,369	39,509	34,071
Pre 1947	19,693	18,202	33,420	27,534
Post 1947	7,784	7,167	6,089	6,537

Source: 1981, 1987, 1991 & 1993 Housing & Vacancy Surveys.

G.3 Consumer Price Index for All Urban Consumers, New York-Northern New Jersey, 1988-94

	1988	1989	1990	1991	1992	1993	1994
March	121.5	128.9	136.6	143.4	149.1	154.1	157.9
June	123.1	130.5	137.1	144.6	149.5	154.2	157.8
September	126.0	132.2	140.8	145.8	151.4	155.3	159.0
December	126.0	133.3	141.6	146.6	151.9	155.6	--
Quarterly Average	124.2	131.2	139.0	145.1	150.5	154.8	158.2
Yearly Average	123.7	130.6	138.5	144.8	150.0	154.5	--

12-month percentage change in the CPI

	1988	1989	1990	1991	1992	1993	1994
March	4.9%	6.1%	6.0%	5.0%	4.0%	3.4%	2.5%
June	4.5%	6.0%	5.1%	5.5%	3.4%	3.1%	2.3%
September	5.2%	4.9%	6.5%	3.6%	3.8%	2.6%	2.4%
December	4.5%	5.8%	6.2%	3.5%	3.6%	2.4%	--
Quarterly Average	4.8%	5.7%	5.9%	4.4%	3.7%	2.9%	--
Yearly Average	4.8%	5.6%	6.0%	4.5%	3.6%	3.0%	--

Source: U.S. Bureau of Labor Statistics.

G.4 Yearly Average Payroll Employment by Industry for NYC, (Thousands), 1988-94

	1988	1989	1990	1991	1992	1993	1994*
Construction	120.1	120.8	114.9	99.8	86.2	84.4	78.3
Manufacturing	370.1	359.5	337.5	307.8	293.1	290.0	277.5
Transportation	219.5	218.1	229.1	218.4	205.3	202.4	200.3
Trade	634.3	630.2	608.3	565.3	547.9	534.0	526.3
Finance	542.4	530.6	519.6	494.4	477.2	470.4	469.2
Services	1,123.1	1,147.2	1,149.0	1,096.9	1,091.1	1117.1	1121.0
Mining	0.5	0.3	0.3	0.3	0.4	0.3	0.3
Total Private	3,010.0	3,006.7	2,958.7	2,782.9	2,701.2	2698.6	2672.8
Government	595.7	601.5	607.6	592.6	584	576.4	571.1
Total Employment	**3,605.7**	**3,608.2**	**3,566.3**	**3,375.5**	**3,285.2**	**3275.0**	**3243.9**

* Data for first four months of 1994.
Note: Totals may not add due to rounding. The Bureau of Labor Statistics revises the statistics periodically. The employment figures reported here may not be the same as those reported in prior years.
Source: U.S. Bureau of Labor Statistics.

G.5 Composition of the Housing Stock in New York City, Housing and Vacancy Survey, 1981, 1987, 1991 and 1993.

	1981	1987	1991	1993
Total Housing Units	2,792,339	2,840,258	2,980,762	2,985,527
Total Owner Units	754,745	836,511	858,108	827,000
Owner Occupied	746,112	817,476	829,135	806,479
Vacant for Sale	8,633	19,035	28,973	20,522
Total Rental Units	1,976,044	1,931,696	2,028,303	2,047,017
Rental Occupied	1,933,887	1,884,210	1,951,576	1,976,671
Vacant for Rent	42,157	47,486	76,727	70,345
Total Vacant, Not for Sale or Rent	61,550	72,051	94,351	111,510
Dilapidated	15,504	1,830	8,512	5,136
Rented - Not Occupied	10,823	3,794	6,979	9,788
Sold - Not Occupied	1,427	6,070	4,527	4,401
Undergoing Renovation	NA	20,517	10,242	11,427
Awaiting Renovation	NA	NA	11,172	11,167
Converted for Non-Residential Use	NA	899	1308	1,220
Legal Dispute	NA	4,955	4,616	7,915
Awaiting Conversion	NA	6,301	3,017	626
Held for Occasional Use	6,375	9,284	19,696	39,603
Owner Unable to Rent or Sell	NA	NA	3,909	4,211
Held Pending Sale of Building	NA	NA	3,641	2,534
Held for Planned Demolition	NA	NA	155	0
Held for Other Reasons	27,421	18,401	14,970	12,246
Not Reported	NA	NA	1,607	1,235
Total Occupied Units	100.0%	100.0%	100.0%	100.0%
Renter - Occupied	72.2%	69.7%	70.2%	71.2%
Owner - Occupied	27.8%	30.3%	29.8%	28.8%

Source: 1981, 1987, 1991 and 1993 Housing and Vacancy Surveys.

Appendix H: Housing Supply

H.1 Permits Issued for New Housing in New York City, 1988-93

	1988	1989	1990	1991	1992	1993
Bronx	967	1,643	1,182	1,093	1,257	1293
Brooklyn	1,629	1,775	1,634	1,024	646	1015
Manhattan	2,460	2,986	2,398	756	373	1150
Queens	2,506	2,339	704	602	351	530
Staten Island	2,335	2,803	940	1,224	1,255	1185
Total	**9,897**	**11,546**	**6,858**	**4,699**	**3,882**	**5,173**

Source: Bureau of the Census, Construction Statistics Division, Building Permit Branch.

H.2 Units in Buildings Receiving Preliminary Certificates for 421-a Tax Abatements, 1989-93

	1989	1990	1991	1992	1993
Bronx	756	48	454	233	329
Brooklyn	1,327	36	821	767	406
Manhattan	1,224	652	1,384	1,404	28
Queens	1,813	228	557	241	151
Staten Island	222	16	107	5	0
All	**5,342**	**980**	**3,323**	**2,650**	**914**

Source: NYC Department of Housing Preservation and Development, Office of Development.

H.3 HPD Vestings of Occupied Multiple Dwellings, FY'86-FY'94

	Buildings
FY 85	704
FY 86	972
FY 87	165
FY 88	214
FY 89	407
FY 90	399
FY 91	321
FY 92	287
FY 93	486
FY 94	119
Total	**4,074**

Source: NYC Department of Housing Preservation and Development, Office of Property Management.

Note: FY '94 figures are as of January 18, 1994. FY'93 and FY'94 figures are preliminary and subject to change.

H.4 Number of New York City Residential Co-op and Condominium Plans Accepted for Filing By the Attorney General's Office, 1987-93

	1987	**1988**	**1989**	**1990**	**1991**	**1992**	**1993**	**Total**
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
New Construction	260 (8,460)	296 (9,899)	211 (6,153)	107 (4,203)	42 (1,111)	32 (793)	37(775)	985 (31,394)
Non-Eviction Plan	505 (35,574)	484 (32,283)	362 (25,459)	134 (14,640)	27 (1,757)	11 (566)	4(134)	1527 (110,413)
Eviction Plan	11 (1,064)	16 (1,006)	6 (137)	7 (364)	5 (173)	0 (0)	2(41)	47 (2,785)
HPD Sponsored Plan	51 (1,175)	51 (1,159)	52 (945)	50 (1,175)	109 (2,459)	87 (1,674)	15(455)	415 (9,042)
Total	**827 (46,273)**	**847 (44,347)**	**631 (32,694)**	**298 (20,382)**	**183 (5,500)**	**130 (3,033)**	**58(1405)**	**2974(153,634)**

Source: New York State Attorney General's Office.

Note: Eviction plans sponsored by HPD are in the "HPD Sponsored Plan" category.