NYC Rent Guidelines Board

Changes to the Rent Stabilized Housing Stock in NYC in 2018

May 16, 2019
Rent regulation laws allow for shift in regulatory status of units
- Units enter, exit or change status
- Report examines changes to rent stabilized housing stock
- Totals represent a ‘floor’ or minimum count of actual number of newly regulated & deregulated units
Additions to the Stock in 2018

- Events that lead to addition of stabilized units:
  - Section 421-a program
  - J-51 program
  - Articles 11, 14 & 15 of PHFL programs
  - Mitchell-Lama Buyouts
  - Lofts converted to stabilized units
  - Rent controlled apartments converting to rent stabilization
  - Other Additions
Additions to the Stock in 2018

- 421-a Tax Exemption Program added **9,452** units Citywide
  - Brooklyn: **3,910** units
  - Manhattan: **2,455** units
  - Queens: **2,349** units
  - Bronx: **738** units
  - Staten Island: None
- Median legal rent of all 421-a stabilized units: **$3,350**
- J-51 Program added **309** units in 2018
Additions to the Stock in 2018

- Other Additions:
  - Mitchell-Lama buyout additions: None
  - Lofts converted to stabilized units: 43 units
  - Rent controlled apartments converting to rent stabilization: 141 units
  - Articles 11, 14 and 15 of PHFL additions: 1,900 units
    - Queens: 587 units
    - Manhattan: 535 units
    - Brooklyn: 524 units
    - The Bronx: 254 units
    - Staten Island: None
Additions to the Stock in 2018

- Overall, 11,845 units added to the rent stabilized housing stock in 2018
  - 5% increase from the prior year
- Median legal rent of these initially registered rent stabilized apartments in 2018: $3,000
  - 12% increase from prior year
Additions to the Stock in 2018

- Additions by Borough
  - Brooklyn: 40%
  - Manhattan: 26%
  - Queens: 25%
  - Bronx: 9%
  - Staten Island: None
Subtractions from the Stock in 2018

- Events that lead to the subtraction of stabilized units:
  - High-Rent High-Income Deregulation
  - High-Rent Vacancy Deregulation
  - Co-op/Condo Conversions
  - Expiration of 421-a benefits
  - Expiration of J-51 benefits
  - Substantial rehabilitation
  - Conversion to commercial or professional status
  - Other Losses to the Housing Stock
Subtractions from the Stock in 2018

- High-Rent High-Income Deregulation
  - 109 units removed
  - Up 2% from prior year

- By Borough
  - 50% in Manhattan
  - 27% in Brooklyn
  - 17% in Queens
  - 6% in the Bronx
  - None on Staten Island
High-Rent High-Income Deregulation: 6,455 Units Removed from 1994 to 2018

Source: HCR annual registration data
High-Rent Vacancy Deregulation Subtractions

- **4,628** units removed, more than any other reason
- **32%** increase from prior year

By Borough
- **49%** in Manhattan
- **26%** in Brooklyn
- **20%** in Queens
- **4%** in the Bronx
- **1%** on Staten Island

Subtractions from the Stock in 2018
High-Rent Vacancy Deregulation: 160,292 Units Removed from 1994 to 2018

Number of Units Deregulated due to High-Rent Vacancy Deregulation Increases in 2018

Source: HCR annual registration data
Other Subtractions:
- Co-op/Condo conversions: 791 units
- 421-a expirations: 1,016 units
- J-51 expirations: 375 units
- Substantial Rehab: 209 units
- Conversions: 7 units
- Other: 333 units
At least 7,468 units left stabilization in 2018

- 12% more than prior year

Subtractions by Borough

- Manhattan: 52% of units
- Brooklyn: 25% of units
- Queens: 18% of units
- Bronx: 4% of units
- Staten Island: 1% of units
## Summary Table of Additions & Subtractions to the Rent Stabilized Housing Stock in 2018

<table>
<thead>
<tr>
<th>Program</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADDITIONS</strong></td>
<td></td>
</tr>
<tr>
<td>421-a</td>
<td>+ 9,452</td>
</tr>
<tr>
<td>J-51</td>
<td>+ 309</td>
</tr>
<tr>
<td>Mitchell-Lama buyouts</td>
<td>+ 0</td>
</tr>
<tr>
<td>Loft conversions</td>
<td>+ 43</td>
</tr>
<tr>
<td>Article 11, 14 or 15</td>
<td>+ 1,900</td>
</tr>
<tr>
<td><strong>CHANGES</strong></td>
<td></td>
</tr>
<tr>
<td>Rent control to rent stabilization</td>
<td>+ 141</td>
</tr>
<tr>
<td><strong>Subtotal Additions &amp; Changes</strong></td>
<td>+ 11,845</td>
</tr>
<tr>
<td><strong>SUBTRACTIONS</strong></td>
<td></td>
</tr>
<tr>
<td>Co-op and Condo subtractions</td>
<td>- 791</td>
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<tr>
<td><strong>NET TOTAL</strong></td>
<td></td>
</tr>
<tr>
<td>Net Estimated Gain</td>
<td>+ 4,377</td>
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</tbody>
</table>
The study finds an estimated net gain of 4,377 rent stabilized units in 2018.

Vast majority of additions to the rent stabilized stock were from 421-a tax incentive program: 80%.

High-Rent Vacancy deregulation make up the 62% of subtractions from the stabilized stock.
Annual Net Change of Rent Stabilized Units 2003-2018

Cumulative Net Loss of Rent Stabilized Units: 99,892 Units from 2003 to 2018
Summary of Changes Since 1994

Change in Rent Stabilized Stock over last 25 years:

- **155,558** units added
- **298,426** units removed
- Estimated cumulative net loss of at least **142,868** units