

NYC Rent Guidelines Board

Changes to the Rent Stabilized Housing Stock in NYC in 2018

May 16, 2019

Changes Report

- 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

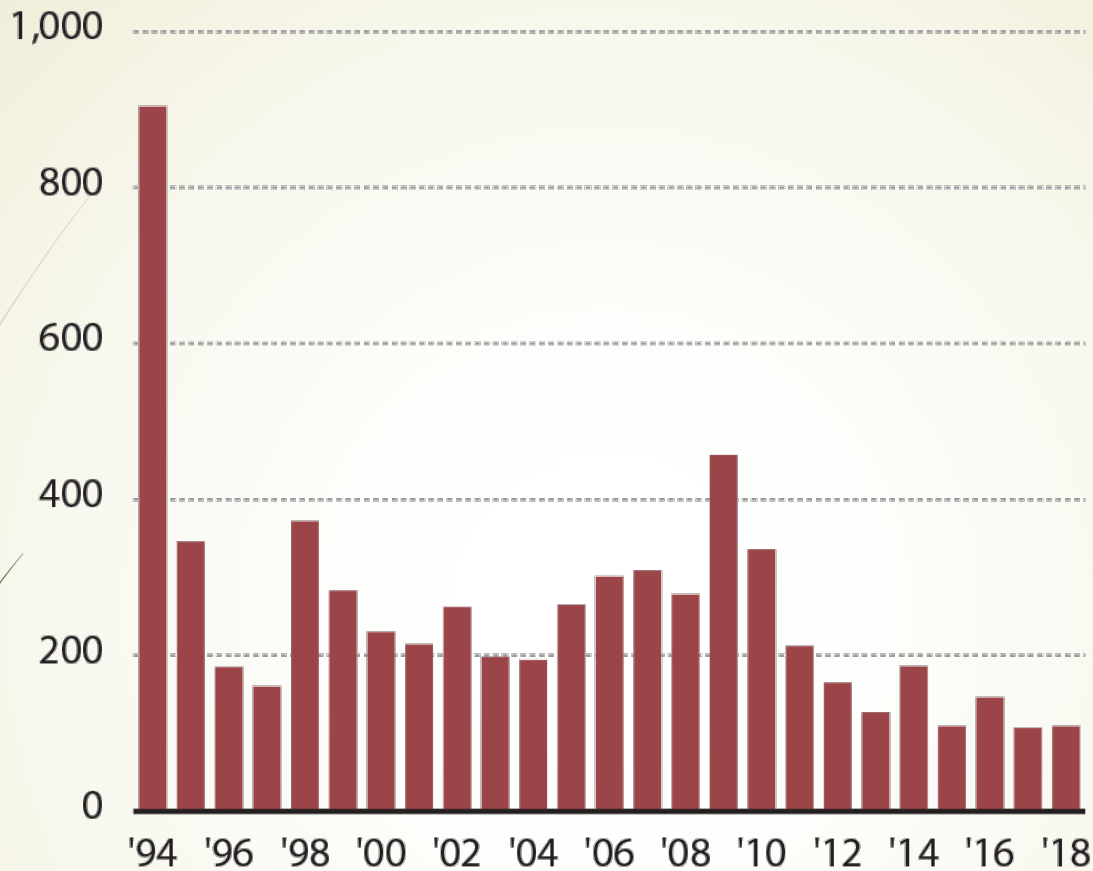
- Additions by Borough
 - Brooklyn: **40%**
 - Manhattan: **26%**
 - Queens: **25%**
 - Bronx: **9%**
 - Staten Island: None

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



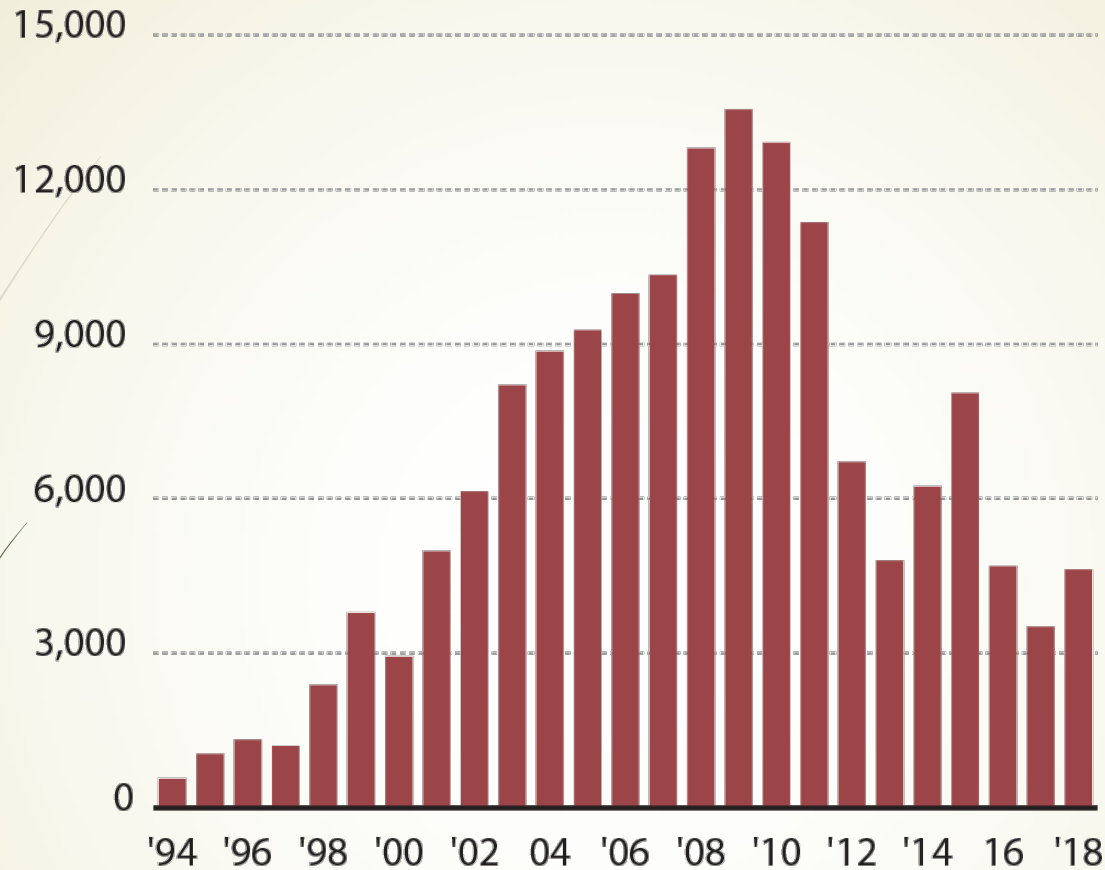
Number of Units
Deregulated
due to High-
Rent High-
Income
Increases in
2018

High-Rent High-Income Deregulation:
6,455 Units Removed from 1994 to 2018

Source: HCR annual registration data

Subtractions from the Stock in 2018

- ▶ 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



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

High-Rent Vacancy Deregulation:
160,292 Units Removed from 1994 to 2018

Source: HCR annual registration data

Subtractions from the Stock in 2018

- ▶ 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

Subtractions from the Stock in 2018

- 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

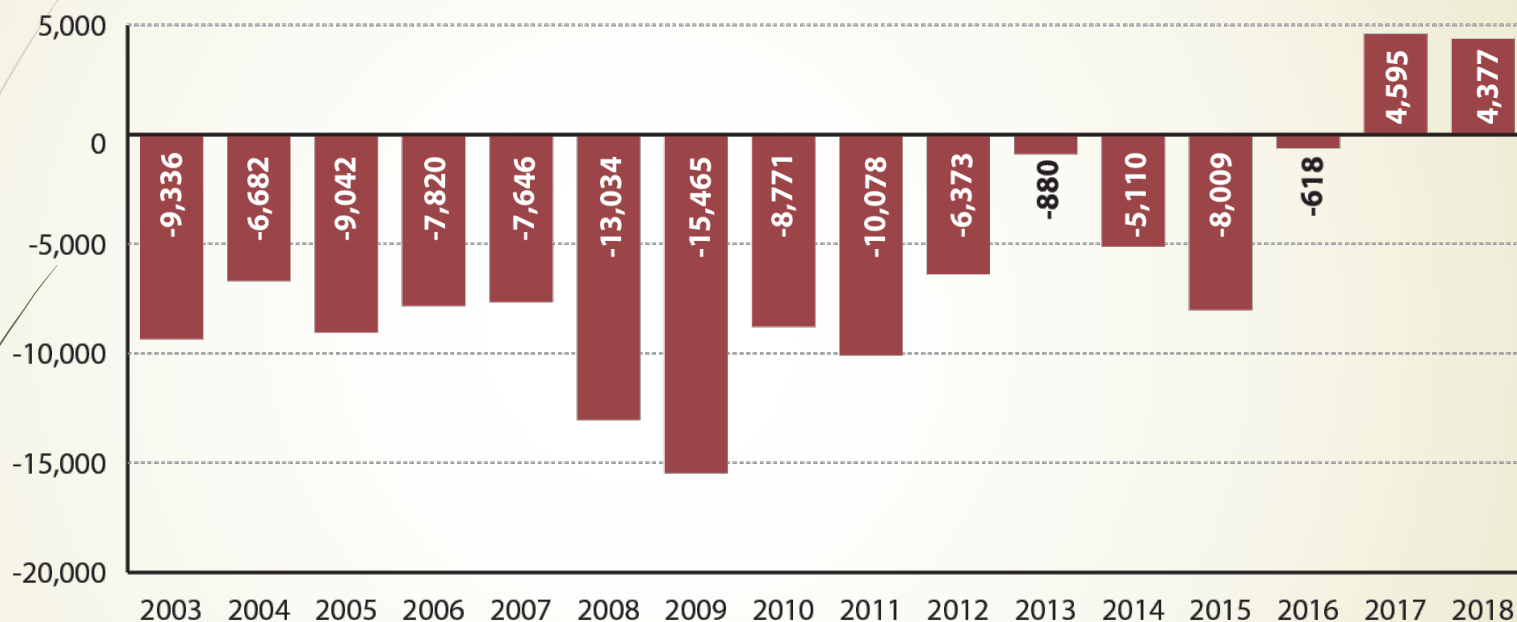
Program	Number of Units
ADDITIONS	
421-a	+ 9,452
J-51	+ 309
Mitchell-Lama buyouts	+ 0
Loft conversions	+ 43
Article 11, 14 or 15	+ 1,900
CHANGES	
Rent control to rent stabilization	+ 141
Subtotal Additions & Changes	+ 11,845
SUBTRACTIONS	
Co-op and Condo subtractions	- 791
High-Rent Vacancy Deregulation	- 4,628
High-Rent High-Income Deregulation	- 109
421-a Expiration	- 1,016
J-51 Expiration	- 375
Substantial Rehabilitation	- 209
Commercial/Professional Conversion	- 7
Other Subtractions	- 333
Subtotal Subtractions	- 7,468
NET TOTAL	
<i>Net Estimated Gain</i>	<i>+ 4,377</i>

Summary Table of Additions & Subtractions to the Rent Stabilized Housing Stock in 2018

Summary of Changes in 2018

- 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

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