

2019 HOUSING SUPPLY REPORT

NYC Rent Guidelines Board

May 16, 2019



Summary

- The Rent Stabilization Law requires the RGB to consider the "overall supply of housing accommodations and overall vacancy rates."
- Contains housing stock trends in New York City, focusing on:
 - Housing and Vacancy Survey Findings
 - New Construction and Demolitions
 - Conversions and Subdivisions
 - Cooperatives and Condominiums
 - Rehabilitation
 - Government Housing Programs, including Tax Incentives and In Rem Housing

Major Findings

- Building permit approvals for new housing units decreased 5.5%
- Number of new housing units completed in 2018 increased 4.5%
- 32,203 units of housing “started” through City programs
- Demolitions up 9.6%
- 29.0% increase in the number of units in co-op or condo plans approved in 2018

Major Findings

- The number of housing units newly receiving 421-a exemptions increased 36.0%
- The number of housing units newly receiving J-51 abatements/exemptions increased 30.3%
- 11.5% of all rental housing is overcrowded
- Citywide vacancy rate was 3.63% in 2017

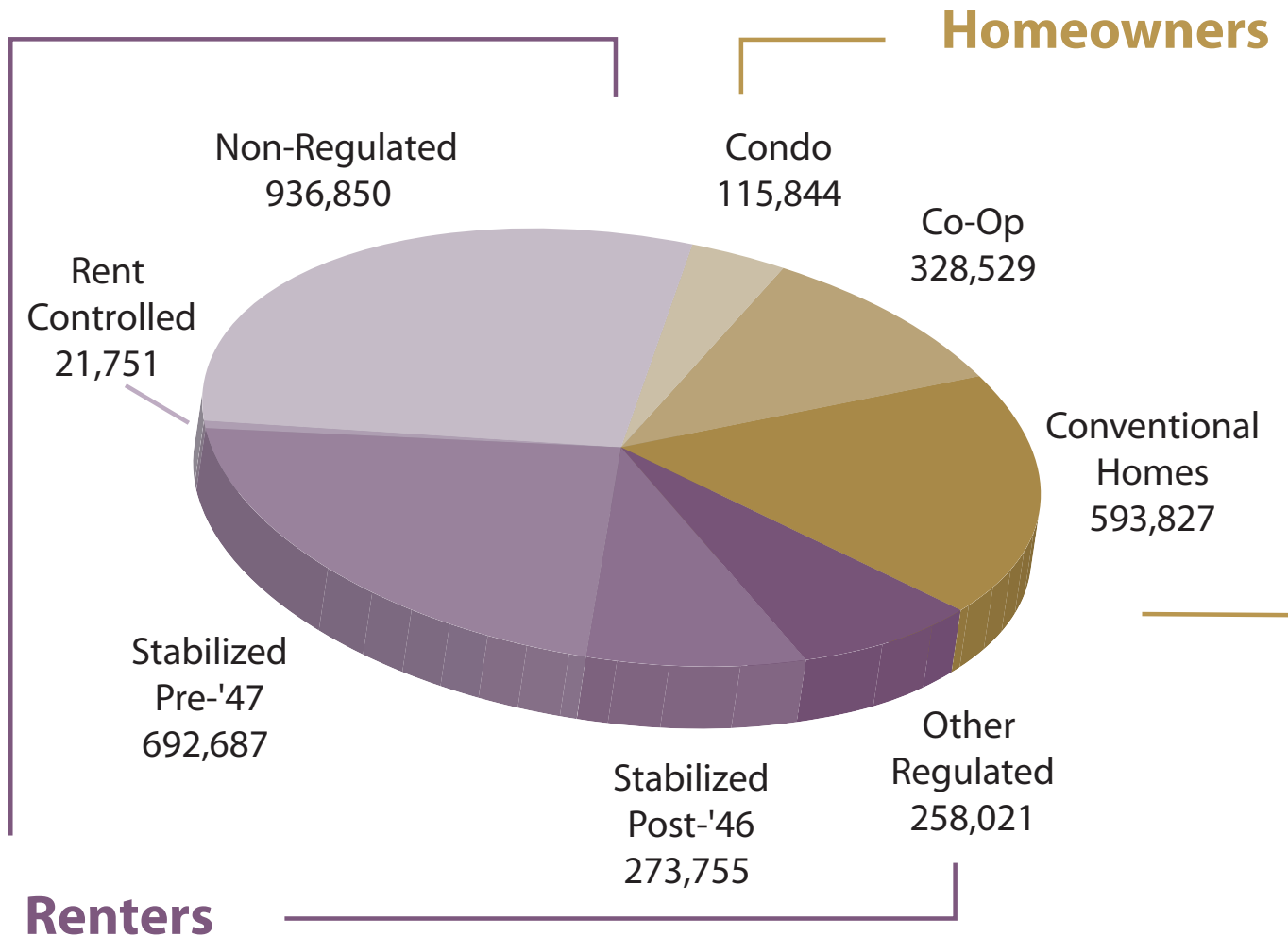
2017 HVS Findings

- New York City remains predominantly a city of renters:
 - City's housing stock is 63% renter-occupied
 - Almost 2.2 million housing units are rentals, 44% of which are rent stabilized
 - Vacancy rate of 3.63%
- Vacancy rates vary by regulation status
 - 2.40% vacancy among pre-war stabilized
 - 1.21% vacancy rate in post-war stabilized units
 - 6.07% vacancy in private, non-regulated units

2017 HVS Findings

- Overcrowding rates highest among stabilized housing stock
 - Among all rentals, 11.5% overcrowded and 4.5% severely overcrowded
 - 12.9% of pre-war stabilized units overcrowded; 5.1% severely overcrowded
 - 13.4% of post-war stabilized units overcrowded; 6.6% severely overcrowded
 - 11.3% of private, unregulated units overcrowded; 4.2% severely overcrowded

Number of Renter and Owner Units



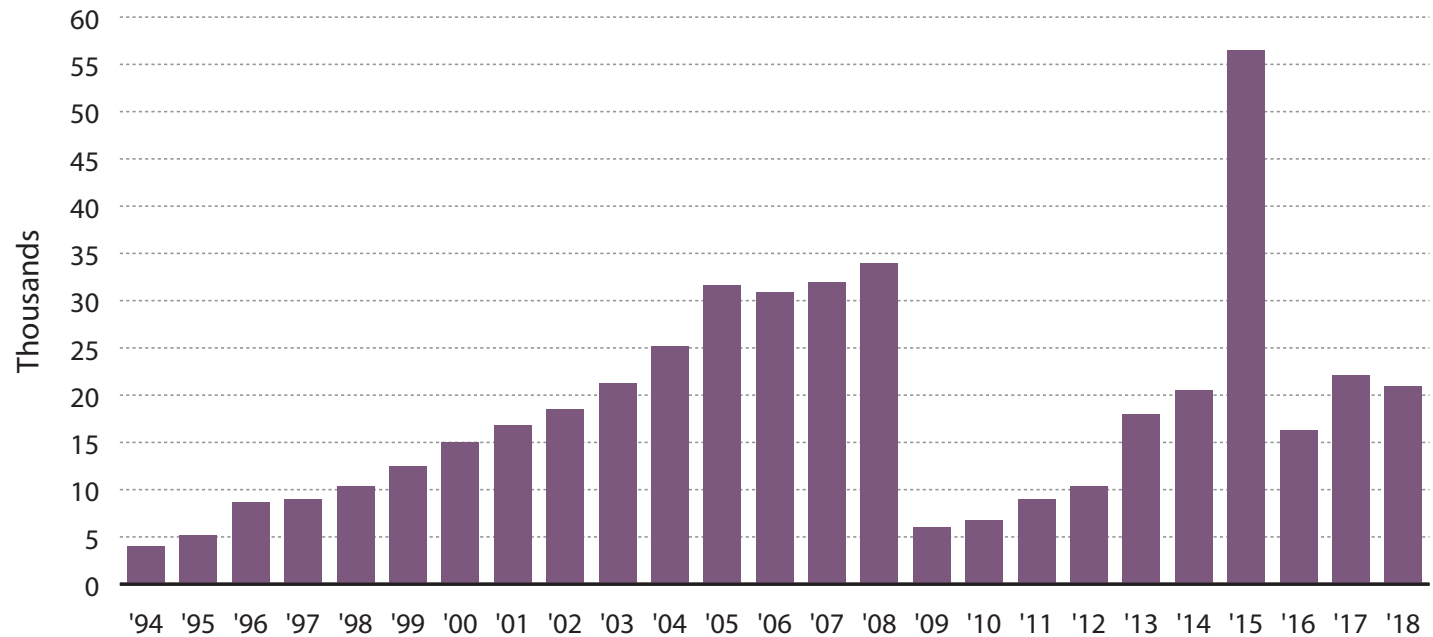
Source: 2017 HVS

New Housing Permits

- Permit approvals for new housing units decreased by 5.5%, to 20,910 in 2018
 - Brooklyn, up 37.8%, to 8,445 units
 - Bronx, down 31.5%, to 3,698 units
 - Manhattan, down 25.5%, to 3,584 permits
 - Staten Island, down 11.5%, to 606 units
 - Queens, down 10.3%, to 4,577 units
- First quarter 2019 permits increased by 22.4%
 - Increases in three boroughs
 - Staten Island, up 30.3%; Brooklyn, up 30.7%; and Queens, up 153.1%
 - Down 29.0% in the Bronx and down 21.8% in Manhattan

Units Issued New Housing Permits

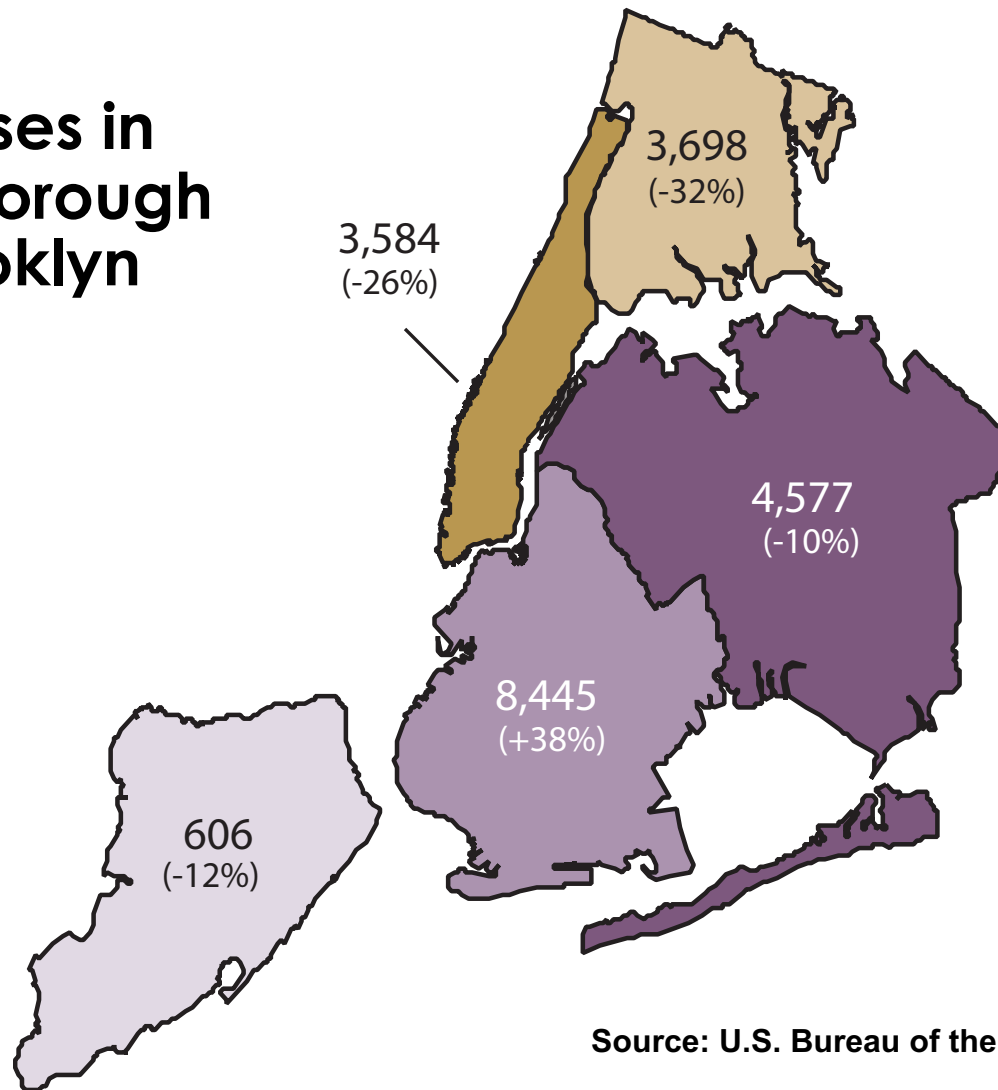
Number of Permits Issued for New Construction of Residential Units Decreases



Source: U.S. Bureau of the Census

Residential Building Permits

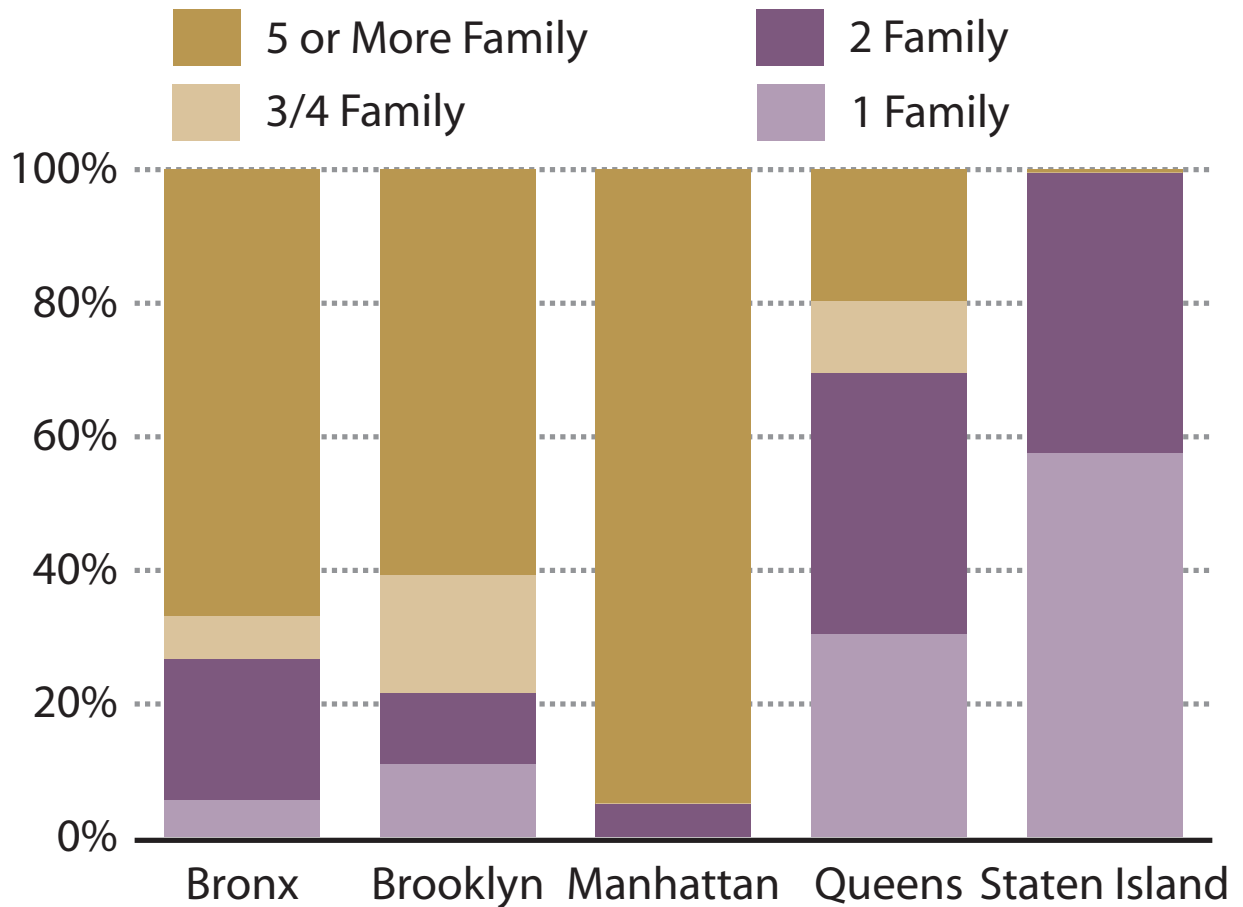
**Decreases in
every borough
but Brooklyn**



Source: U.S. Bureau of the Census

Residential Building Permits

**Most Permits
in Manhattan
are for 5 or
More Family
Buildings; In
Staten Island,
almost all 1-
or 2- Families.**



Source: U.S. Bureau of the Census

Completions & Public Construction

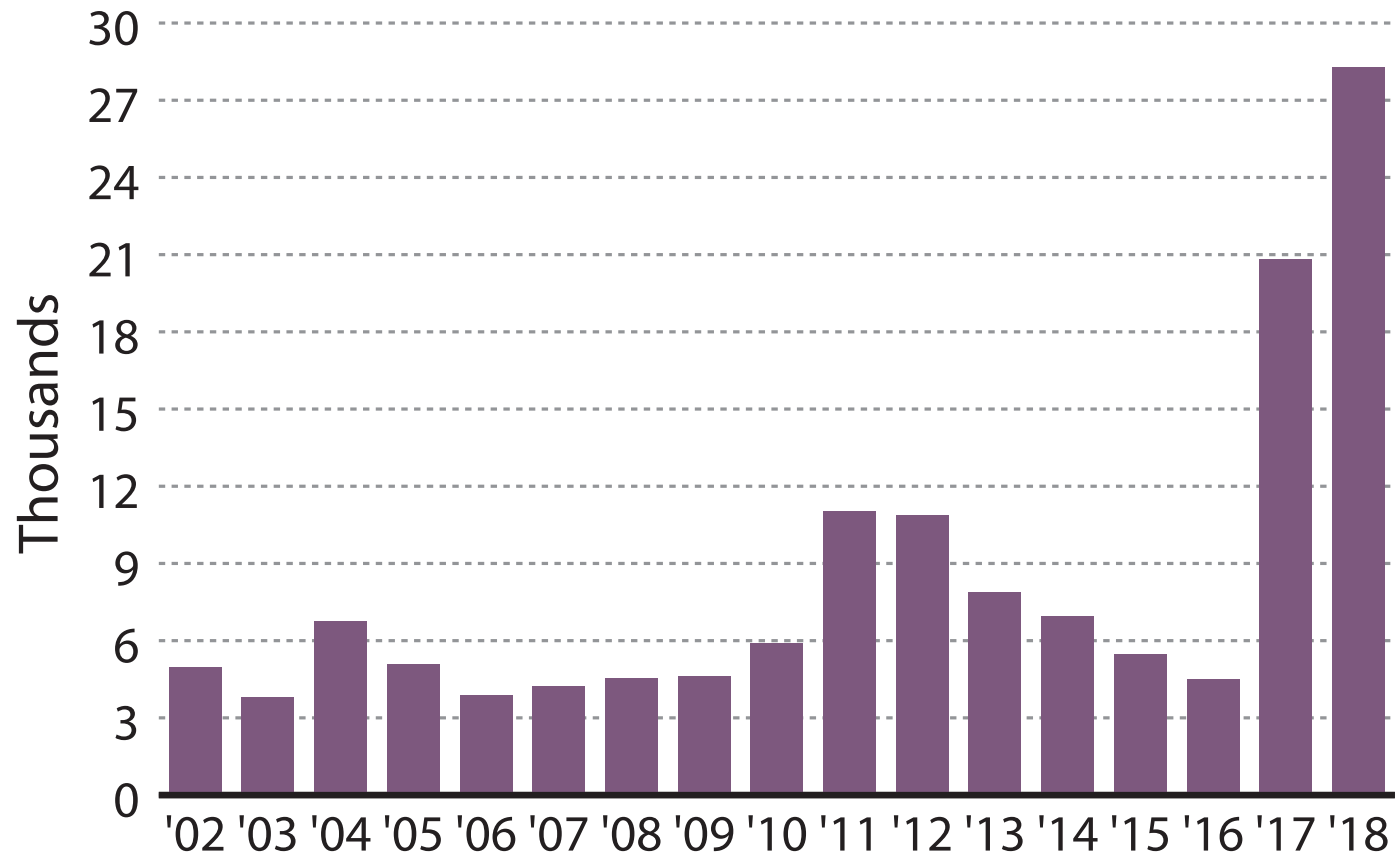
- Housing units completed in 2018 increase:
 - Up Citywide 4.5% in 2018, to 26,992
 - Up 78.2% in the Bronx
 - Up 28.6% in Staten Island
 - Up 25.3% in Queens
 - Down 15.2% in Brooklyn
 - Down 11.2% in Manhattan
 - 32,203 units of HPD- and HDC-sponsored low- and middle-income housing starts during FY 2018: 71% are preservations
 - Increase of 32.3%

421-a Tax Incentive Program

- Objective of 421-a tax exemptions is to encourage construction of multi-family housing
- 36.0% more units received newly issued final 421-a exemptions in 2018 than in prior year
 - 28,292 units Citywide, with 41.9% in Brooklyn, 31.4% in Manhattan, 2.0% in Staten Island, 6.6% in the Bronx, and 18.1% in Queens
- Increases in every borough
 - Increase of 44.5% in Brooklyn
 - Increase of 42.6% in Queens
 - Increase of 21.5% in the Bronx
 - Increase of 19.3% in Manhattan

Units Receiving Final 421-a Certificates

Number of Units in 421-a Plans Increases



Source: NYC Dept. of Housing Preservation and Development

Conversions and Subdivisions

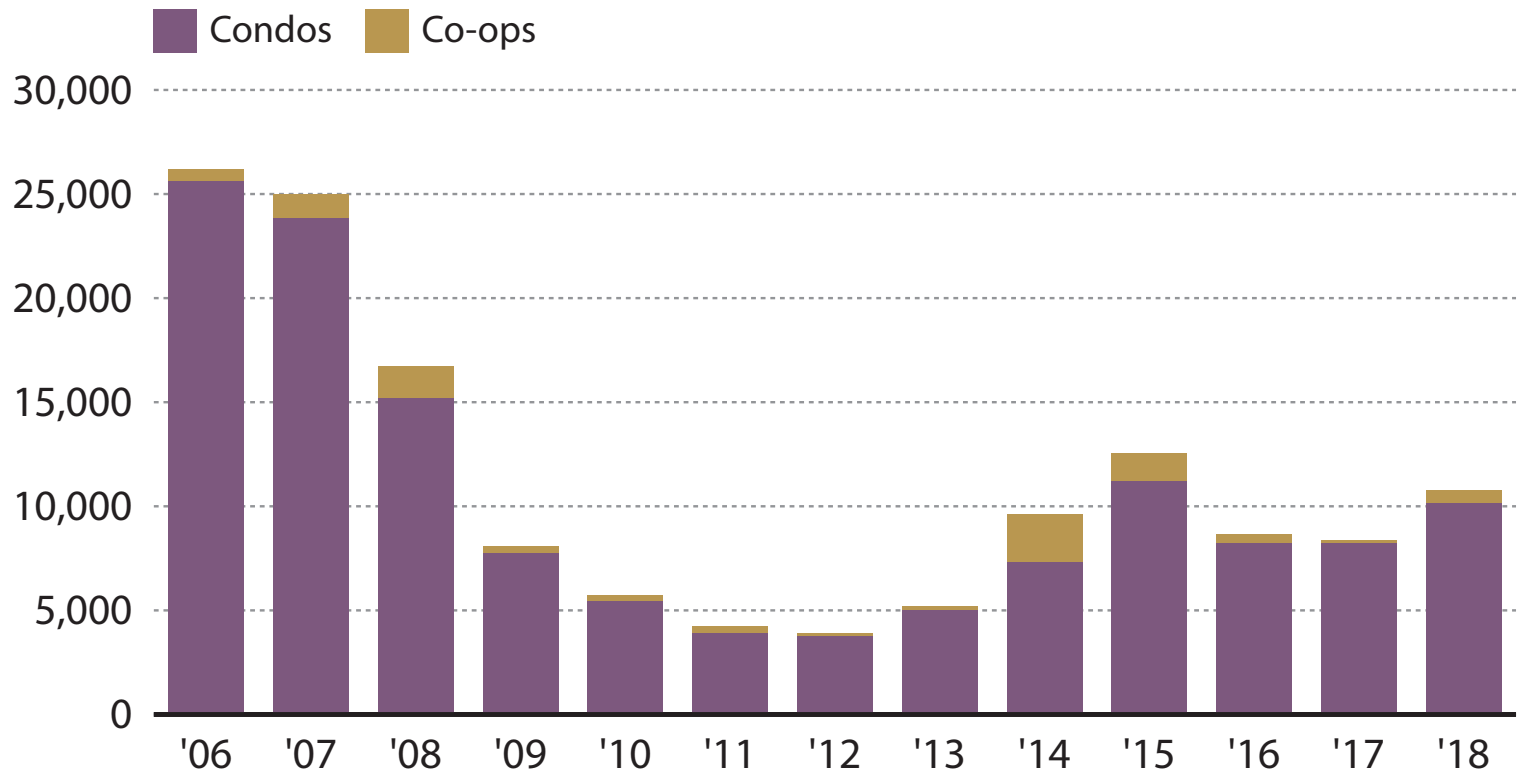
- Housing supply can increase or decrease when buildings convert to or convert from residential use
- A number of SRO (Single Room Occupancy) buildings have been converted from SRO use to tourist hotels and other uses
 - In 2018, 83 applications were accepted to convert SRO's to other uses, down nine applications from the prior year

Cooperatives & Condos

- More than 40% of the City's owner-occupied housing is either co-ops or condos
- In 2018, the NYS Attorney General's Office approved 289 plans (10,784 units), a 3.6% increase in plans and 29.0% increase in units
 - Follows a 3.6% drop in units in the previous year
 - Largest number of plans for new construction: 235 plans with 9,351 units
 - 827 units in 43 rehab plans
 - 606 units in 11 non-eviction conversion plans
- More than two-thirds of plans in Brooklyn: 70%
- Largest number of units are in Brooklyn: 43%

Accepted Co-op and Condo Units

Number of Units in Accepted Co-op and Condo Plans Increases



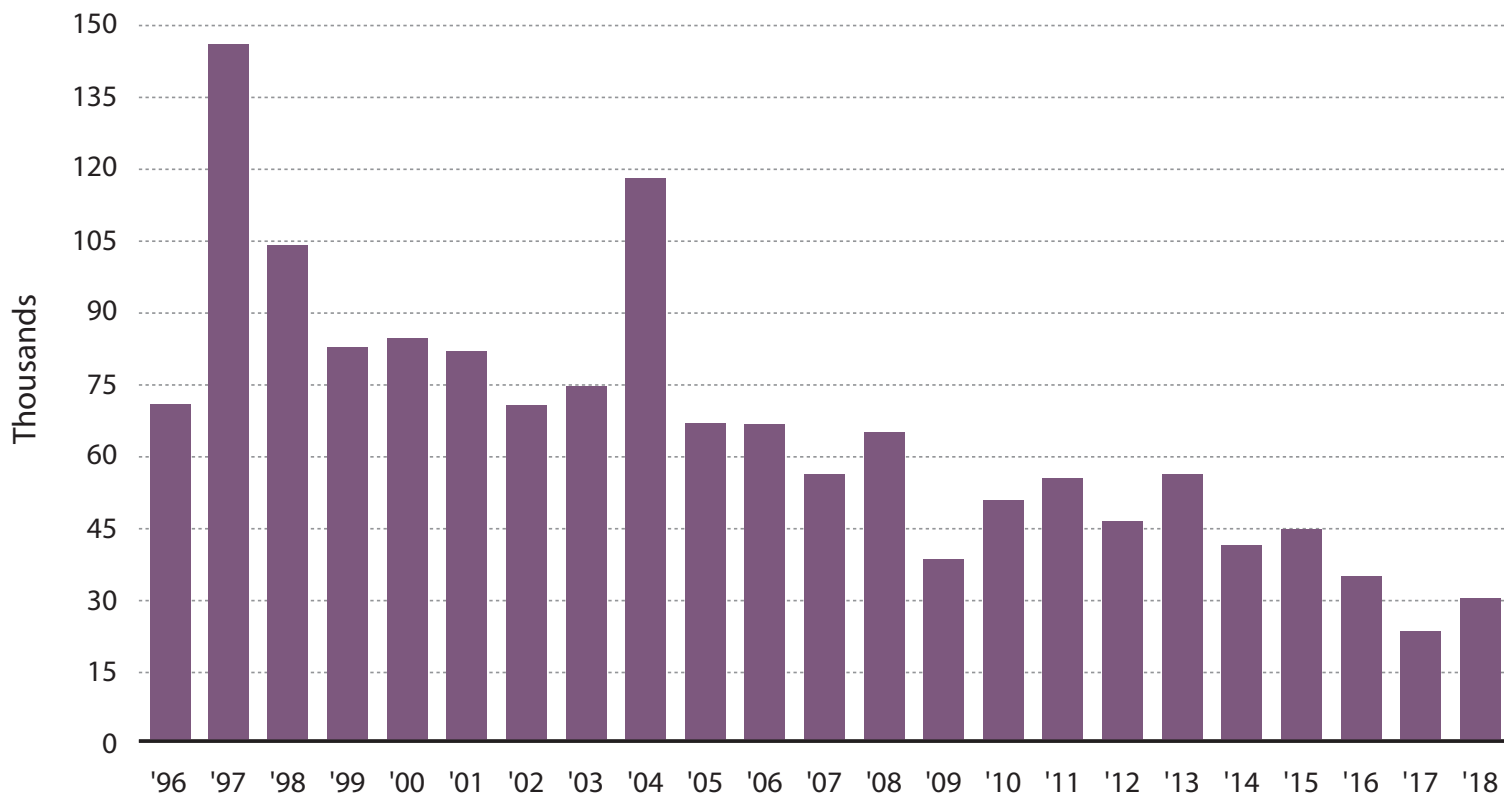
Source: NYS Attorney General's Office

J-51 Rehabilitation

- J-51 program provides benefits to rehabilitated housing units
- Eligible activities include MCI's; moderate or substantial rehab; and conversions from non-residential use if substantial government assistance is provided
- 29,815 units were newly approved for benefits in 2018, a 30.3% increase from 2017
 - Increases in every borough but Manhattan, including Queens, up 63.0%; Brooklyn, up 53.9%; Bronx, up 21.4%
 - Decrease in Manhattan, down 57.4%

Units Receiving Initial J-51 Benefits

Number of units newly receiving J-51 benefits rise more than 30%



Source: NYC Dept. of Housing Preservation and Development

In Rem Housing

- Buildings which the City has taken title to for the non-payment of taxes are called *in rem*
- Since 1994, NYC reduced number of occupied and vacant *in rem* units in central management by 99.3%
- 323 units in June 2018

Demolitions

- Demolitions increase in 2018, following two years of decline
- 9.6% rise, to 1,888 buildings
- By borough:
 - Queens: 33.1% share of demolitions, rise of 7.8%
 - Brooklyn: 35.0% share of demolitions, rise of 15.4%
 - Staten Island: 14.1% share of demolitions, fall of 16.6%
 - Bronx: 10.1% share of demolitions, rise of 39.7%
 - Manhattan: 7.7% share of demolitions, rise of 28.1%

In Conclusion

- NYC housing supply through 2018:
 - Permits decreased, for just the third time in the last 10 years
 - Increase in number of new housing units completed
 - Steady *in rem* housing stock
 - Increase in co-op and condo units approved
 - More units certified with 421-a tax incentives
 - More rehabs with J-51 tax incentives
 - Demolitions increase
 - Low housing vacancy rates

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