This study focuses on data from 2018 and prior years. Due to the as-yet-unknown full impact of the COVID-19 virus, it does not reflect the current economic condition of the New York City rental market and should not be interpreted as such. Future editions of this study will illustrate some of the hardships that our fellow New Yorkers may be experiencing now and in the future.
Methodology

RPIE Filings from owners of buildings with 11 or more units

Data matched, merged, and screened

HCR registered buildings with at least one stabilized unit

RPIE Analysis
15,012 buildings, 675,924 units
Average revenues & costs for 2018

Longitudinal Analysis
13,658 buildings, 625,787 units
Change in revenue & costs from 2017-2018
RPIE Analysis

Rents in 2018

• Citywide average rent: $1,397
  • Median monthly rent: $1,260

• By building age:
  ✦ $1,323 in pre-war buildings
  ✦ $1,563 in post-war buildings

• By borough:
  ✦ $1,913 in Manhattan
    ✦ $2,308 in Core Manhattan
    ✦ $1,408 in Upper Manhattan
  ✦ $1,329 in Queens
  ✦ $1,261 in Brooklyn
  ✦ $1,115 in Staten Island
  ✦ $1,044 in the Bronx
  ✦ $1,242 NYC excluding Core Manhattan
RPIE Analysis

Income in 2018

- Citywide average: $1,568 per unit per month
  - Median monthly income: $1,359

- By building age:
  ✦ $1,489 in pre-war buildings
  ✦ $1,748 in post-war buildings

- By borough:
  ✦ $2,274 in Manhattan
    ✦ $2,773 in Core Manhattan
    ✦ $1,636 in Upper Manhattan
  ✦ $1,415 in Queens
  ✦ $1,348 in Brooklyn
  ✦ $1,196 in Staten Island
  ✦ $1,159 in the Bronx
  ✦ $1,340 NYC excluding Core Manhattan
Average Monthly Collected Income/Rent per Dwelling Unit by Borough

Income and Rent Highest in Manhattan in 2018

Source: NYC Department of Finance, 2018 RPIE Data
RPIE Analysis

Income in 2018

• Sale of services and commercial income: **11.0%** of total income
  ✦ **15.9%** in Manhattan
  ✦ **16.8%** in Core Manhattan
  ✦ **13.9%** in Upper Manhattan
  ✦ **9.9%** in the Bronx
  ✦ **6.8%** in Staten Island
  ✦ **6.4%** in Brooklyn
  ✦ **6.1%** in Queens
  ✦ **7.3%** in City excluding Core Manhattan
RPIE Analysis

Expenses in 2018

• Citywide average monthly costs per unit: $1,034
  • Median costs: $923

• By age:
  ✦ $998 in pre-war buildings
  ✦ $1,116 in post-war buildings

• By borough:
  ✦ $1,473 in Manhattan
    ✦ $1,745 in Core Manhattan
    ✦ $1,125 in Upper Manhattan
  ✦ $934 in Queens
  ✦ $881 in Brooklyn
  ✦ $797 in the Bronx
  ✦ $796 in Staten Island
  ✦ $900 in NYC excluding Core Manhattan
Average Monthly Expense per Dwelling Unit per Month

Taxes Remain Largest Expense in 2018

Breakdown of operating cost components by building age

Source: NYC Dept. of Finance, 2018 RPIE Data
RPIE Analysis

Distressed Properties in 2018

• **5.4%** of buildings in survey are distressed
  ✦ 0.4 percentage point increase from last year

• Distressed = O&M costs exceed gross income, high costs and low rents and income

• Vast majority of distressed buildings are pre-war (**92%**)

• By Borough:
  ✦ Manhattan: **56%**
  ✦ Bronx: **19%**
  ✦ Brooklyn: **16%**
  ✦ Queens: **9%**
  ✦ Staten Island: Less than **1%**
Percent of Distressed Properties in RPIE Analysis, 1990-2018

Share of Distressed Properties Increases in 2018

Source: NYC Dept. of Finance, 1990-2018 RPIE Data
RPIE Analysis

Net Operating Income in 2018

• Net Operating Income (NOI) equals the amount or income *remaining after* O&M expenses

• Rent stabilized apartments averaged **$535** of net income per month
  ✦ **$632** in post-war units
  ✦ **$492** in pre-war units

• NOI in “residential-only” buildings was **$476**
  ✦ **10.9%** less than for all buildings
RPIE Analysis

Net Operating Income in 2018

NOI by Borough:

• Highest in Manhattan: $\text{801}$
  ✦ $1,028$ in Core Manhattan
  ✦ $511$ in Upper Manhattan

• $\text{481}$ in Queens

• $\text{467}$ in Brooklyn

• $\text{400}$ in Staten Island

• $\text{362}$ in the Bronx

• $\text{440}$ in City excluding Core Manhattan
Ratios of Citywide Average Monthly Audit-Adjusted O&M Costs to Average Monthly Gross Income and Rent, 1990-2018

Cost-to-Income and Cost-to-Rent Ratios Increase in 2018

- Operating costs 60.5% of gross income in 2018, a 1.2 percentage point increase from the prior year
- Operating costs 68.0% of rent revenues in 2018, 1.2 percentage points higher than prior year

Source: NYC Dept. of Finance, 1990-2018 RPIE Data
Average Monthly Rent, Income, Operating Costs and Net Operating Income per Dwelling Unit and Cost-to-Income Ratios, Core Manhattan and the Rest of the City, 2018

Cost-to-Income Ratio Remains Lower in Core Manhattan

Source: NYC Dept. of Finance, 2018 RPIE Data

*Note: Ratios use audit-adjusted costs
Citywide Income, Rents, Costs and NOI After Inflation, 1990-2018

Inflation-Adjusted Net Operating Income Up 48.7% Since 1990
(Average Monthly Income, Rent, Operating Costs and NOI per Dwelling Unit, in Constant 2018 Dollars)

Source: NYC Dept. of Finance, 1990-2018 RPIE Data
Since 1990, Inflation-Adjusted NOI Rises Citywide and in Each Borough
(Average Monthly Income, Rent, Operating Costs and Net Operating Income per Dwelling Unit in Constant 2018 Dollars)

Source: NYC Dept. of Finance, 1990-2018 RPIE Data
Longitudinal Study

Change in Rents from 2017 to 2018

• Longitudinal analysis tracks same set of buildings over two years
• Average monthly rent collections in stabilized units grew by 3.7% Citywide
  ✦ Pre-war rents grew by 4.0%
  ✦ Post-war rents grew by 3.2%
• Rent collection growth by building size
  ✦ Small (11-19 unit) bldgs.: 3.6%
  ✦ Medium (20-99 unit) bldgs.: 3.8%
  ✦ Large (100+ unit) bldgs.: 3.6%
Longitudinal Study

Change in Rents from 2017 to 2018

- Rent growth by borough:
  - Staten Island: 6.0%
  - Bronx: 4.4%
  - Brooklyn: 3.8%
  - Manhattan: 3.5%
    - Upper Manhattan: 3.9%
    - Core Manhattan: 3.3%
  - Queens: 3.1%
  - City excluding Core Manhattan: 3.9%

- Median rent grew by 4.1% Citywide
Change in Rent by Community District, 2017-2018

Average Rents Increase in Every Community District

Source: NYC Dept. of Finance, 2017-18 RPIE Data
Longitudinal Study

Change in Income from 2017 to 2018

• Average gross income in rent stabilized units rose by 3.6% Citywide
  ✦ 3.8% in pre-war buildings
  ✦ 3.1% in post-war buildings

• Income growth by borough:
  ✦ Staten Island: 5.8%
  ✦ Bronx: 4.1%
  ✦ Brooklyn: 4.0%
  ✦ Queens: 3.3%
  ✦ Manhattan: 3.1%
    ✦ Upper Manhattan: 3.7%
    ✦ Core Manhattan: 2.9%
    ✦ City excluding Core Manhattan: 3.8%

• Median income grew by 3.9% Citywide
Longitudinal Study

Change in Expenses from 2017 to 2018

• Monthly expenses in rent stabilized buildings rose by 5.8% Citywide
  ✦ 6.2% in pre-war buildings
  ✦ 5.1% in post-war buildings

• By borough:
  ✦ Manhattan: 6.1%
    ✦ Upper Manhattan: 7.2%
    ✦ Core Manhattan: 5.6%
  ✦ Bronx & Staten Island: 5.8%
  ✦ Brooklyn: 5.6%
  ✦ Queens: 5.5%
  ✦ City excluding Core Manhattan: 5.9%

• Median costs rose 6.4% Citywide
Change in Operating & Maintenance Costs, RPIE and the PIOC, 1990 to 2018

In 2018, PIOC Costs Grew Less Than Owner-Reported RPIE Expenses

*Note: Longitudinal I&E Data for 2003-04 unavailable.

Source: NYC Dept. of Finance, 1990-2018 RPIE Data; NYC Rent Guidelines Board PIOC 1990-2018
Average NOI in rent stabilized buildings fell by **0.6% Citywide**

- First decline in NOI since 2002-2003
- Follows 13 consecutive years of NOI increases
- Down **0.7%** in pre-war buildings
- Down **0.3%** in post-war buildings
Longitudinal Study

Change in NOI from 2017 to 2018

- Change in Net Operating Income (NOI) around NYC:
  - Staten Island: up 5.8%
  - Brooklyn: up 1.0%
  - Bronx: up 0.6%
  - Queens: down 0.5%
  - Manhattan: down 1.9%
    - Upper Manhattan: down 3.3%
    - Core Manhattan: down 1.4%
  - City excluding Core Manhattan: down 0.2%
Change in NOI by Community District, 2017-18

Net Operating Income Grows in Half the Community Districts and Declines in Remaining Half

Source: NYC Dept. of Finance, 2017-18 RPIE Data
Changes in Average Monthly Rents, Income, Operating Costs and Net Operating Income per Dwelling Unit, 1990-2018

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</tbody>
</table>

Net Operating Income (NOI) Declines in 2017-18, After Increasing for 13 Years.

Source: NYC Dept. of Finance, 1990-2018 RPIE Data

Note: 2003-04 data was unavailable.
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