

**NYC Rent
Guidelines
Board**

***Changes to the Rent Stabilized
Housing Stock in NYC in 2019***

May 27, 2020

Changes Report

- ▶ Rent regulation laws allow for shift in regulatory status of units
 - ▶ Housing Stability & Tenant Protection Act of 2019 eliminated certain methods of deregulation
 - ▶ 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 2019

- 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 2019

- 421-a Tax Exemption Program added **5,723** units Citywide
 - Brooklyn: **64%**
 - Manhattan: **22%**
 - Queens: **10%**
 - Bronx: **5%**
 - Staten Island: Fewer than **1%**
 - Median legal rent of all 421-a stabilized units: **\$3,411**
- J-51 Program added **196** units in 2019

Additions to the Stock in 2019

- ▶ Other Additions:
 - ▶ Mitchell-Lama buyout additions: **353** units
 - ▶ Lofts converted to stabilized: **22** units
 - ▶ Rent controlled apartments converting to rent stabilization: **361** units
 - ▶ Articles 11, 14 and 15 of PHFL additions: **2,164** units
 - ▶ Manhattan: **50%**
 - ▶ The Bronx: **47%**
 - ▶ Brooklyn: **4%**
 - ▶ Queens: None
 - ▶ Staten Island: None

Additions to the Stock in 2019

- Overall, **8,819** units added to the rent stabilized housing stock in 2019
 - **26%** decline from the prior year
- Median legal rent of these initially registered rent stabilized apartments in 2019: **\$4,798**
 - **60%** increase from prior year

Additions to the Stock in 2019

- ▶ Additions by Borough
 - ▶ Brooklyn: **45%**
 - ▶ Manhattan: **29%**
 - ▶ Bronx: **19%**
 - ▶ Queens: **7%**
 - ▶ Staten Island: Fewer than **1%**

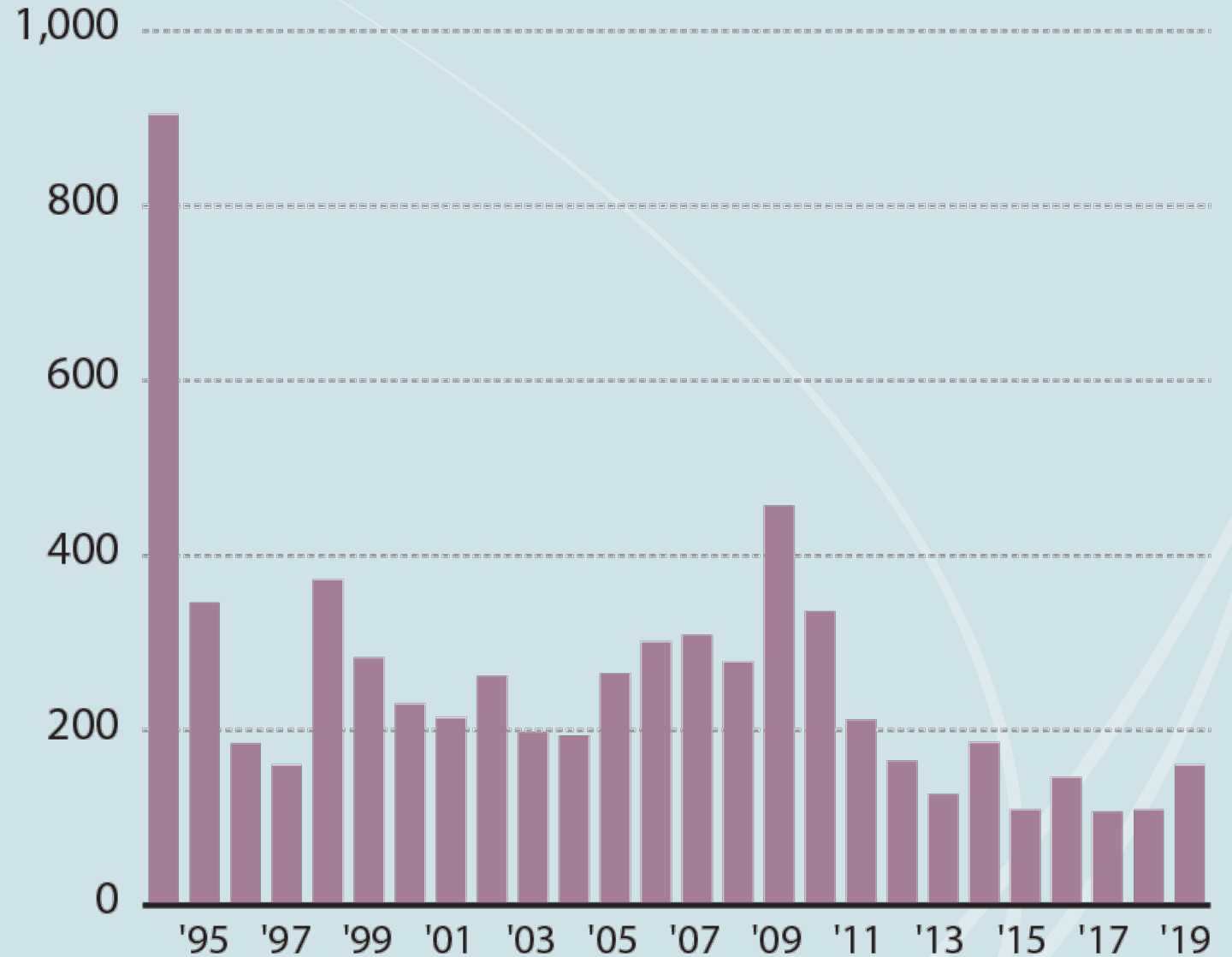
Subtractions from the Stock in 2019

- ▶ Events that have led 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 2019

- ▶ High-Rent High-Income Deregulation
 - ▶ **160** units removed
 - ▶ Up **47%** from prior year
- ▶ By Borough
 - ▶ **49%** in Manhattan
 - ▶ **39%** in Brooklyn
 - ▶ **10%** in Queens
 - ▶ **2%** in the Bronx
 - ▶ None on Staten Island

High-Rent High-
Income
Deregulation:
6,615 Units
Removed from
1994 to 2019

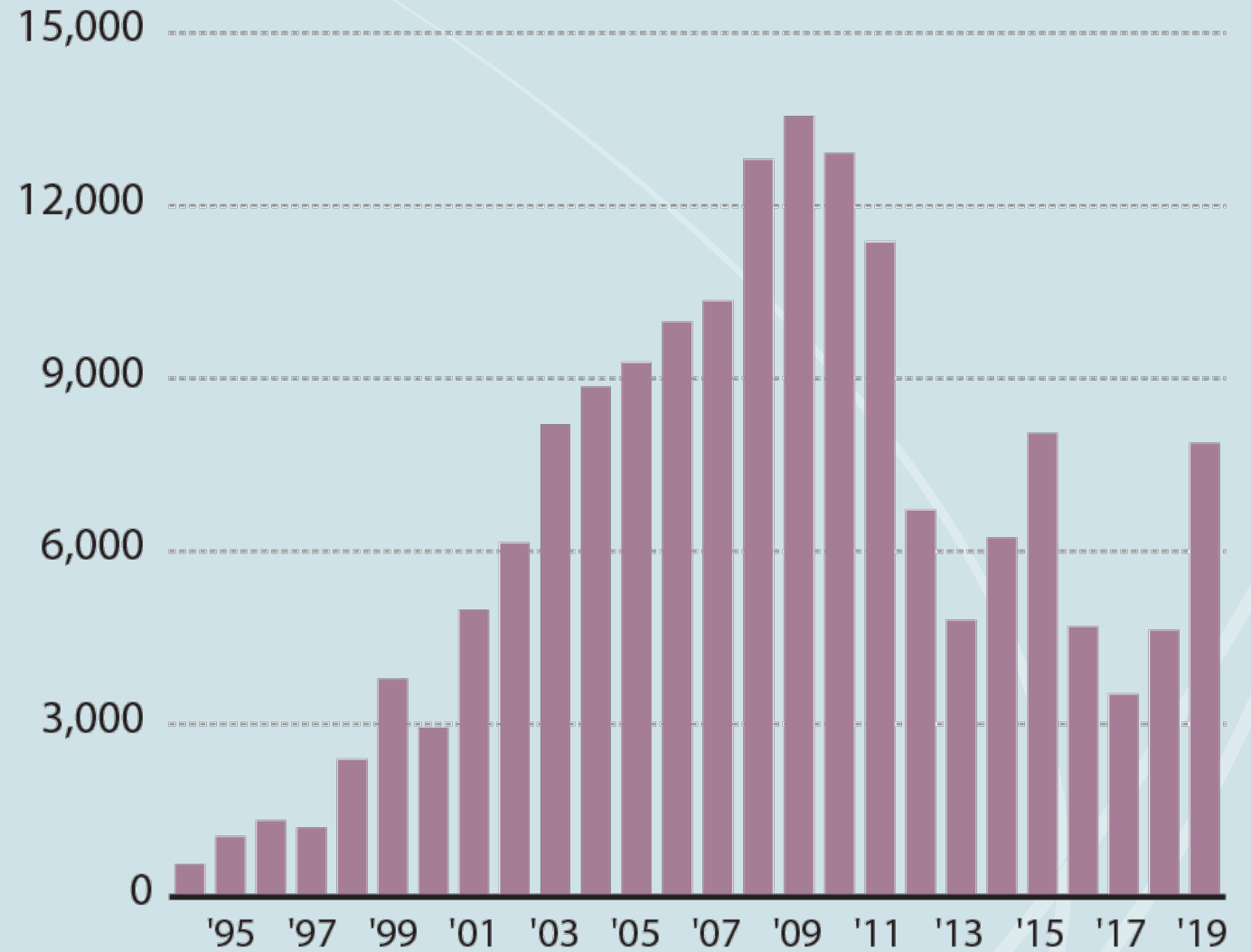


Source: HCR annual registration data

Subtractions from the Stock in 2019

- ▶ High-Rent Vacancy Deregulation Subtractions
 - ▶ **7,878** units removed, more than any other reason
 - ▶ **70%** increase from prior year
 - ▶ By Borough
 - ▶ **61%** in Manhattan
 - ▶ **21%** in Brooklyn
 - ▶ **14%** in Queens
 - ▶ **4%** in the Bronx
 - ▶ **1%** on Staten Island

High-Rent
Vacancy
Deregulation:
168,170 Units
Removed from
1994 to 2019



Source: HCR annual registration data

Subtractions from the Stock in 2019

- ▶ Other Subtractions:
 - ▶ Co-op/Condo conversions: **600** units
 - ▶ 421-a expirations: **892** units
 - ▶ J-51 expirations: **423** units
 - ▶ Substantial Rehab: **260** units
 - ▶ Conversions: **12** units
 - ▶ Other: **1,083** units

Subtractions from the Stock in 2019

- ▶ At least **11,263** units left stabilization in 2019
 - ▶ **51%** more than prior year
- ▶ Subtractions by Borough
 - ▶ Manhattan: **62%**
 - ▶ Brooklyn: **21%**
 - ▶ Queens: **12%**
 - ▶ Bronx: **4%**
 - ▶ Staten Island: Fewer than **1%**

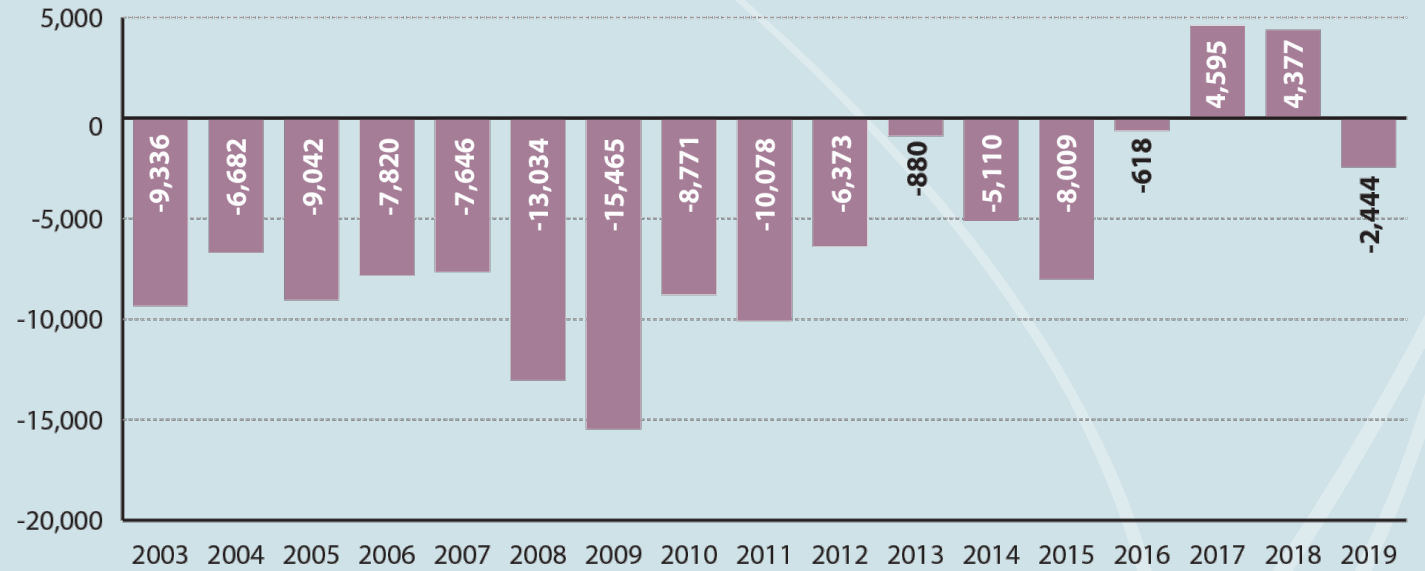
Summary Table of Additions & Subtractions to the Rent Stabilized Housing Stock in 2019

Program	Number of Units
ADDITIONS	
421-a	+ 5,723
J-51	+ 196
Mitchell-Lama buyouts	+ 353
Loft conversions	+ 22
Article 11, 14 or 15	+ 2,164
CHANGES	
Rent control to rent stabilization	+ 361
Subtotal Additions & Changes	+ 8,819
SUBTRACTIONS	
Co-op and Condo subtractions	- 600
High-Rent Vacancy Deregulation	- 7,878
High-Rent High-Income Deregulation	- 160
421-a Expiration	- 892
J-51 Expiration	- 423
Substantial Rehabilitation	- 260
Commercial/Professional Conversion	- 12
Other Subtractions	- 1,038
Subtotal Subtractions	- 11,263
NET TOTAL	
Net Estimated Loss	- 2,444

Summary of Changes in 2019

- ▶ The study finds an estimated net loss of **2,444** rent stabilized units in 2019
- ▶ Majority of additions to rent stabilized stock were from 421-a tax incentive program: **65%**
- ▶ High-Rent Vacancy deregulation make up the **70%** of subtractions from the stabilized stock

Annual Net Change of Rent Stabilized Units 2003-2019



Summary of Changes Since 1994

- ▶ Change in Rent Stabilized Stock over last 26 years:
 - ▶ **164,377** units added
 - ▶ **309,689** units removed
 - ▶ Estimated cumulative net loss of at least **145,312** units

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