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

<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>+ 5,723</td>
</tr>
<tr>
<td>J-51</td>
<td>+ 196</td>
</tr>
<tr>
<td>Mitchell-Lama buyouts</td>
<td>+ 353</td>
</tr>
<tr>
<td>Loft conversions</td>
<td>+ 22</td>
</tr>
<tr>
<td>Article 11, 14 or 15</td>
<td>+ 2,164</td>
</tr>
<tr>
<td><strong>CHANGES</strong></td>
<td></td>
</tr>
<tr>
<td>Rent control to rent stabilization</td>
<td>+ 361</td>
</tr>
<tr>
<td><strong>Subtotal Additions &amp; Changes</strong></td>
<td>+ 8,819</td>
</tr>
<tr>
<td><strong>SUBTRACTIONS</strong></td>
<td></td>
</tr>
<tr>
<td>Co-op and Condo subtractions</td>
<td>- 600</td>
</tr>
<tr>
<td>High-Rent Vacancy Deregulation</td>
<td>- 7,878</td>
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<tr>
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<td>Commercial/Professional Conversion</td>
<td>- 12</td>
</tr>
<tr>
<td>Other Subtractions</td>
<td>- 1,038</td>
</tr>
<tr>
<td><strong>Subtotal Subtractions</strong></td>
<td>- 11,263</td>
</tr>
<tr>
<td><strong>NET TOTAL</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net Estimated Loss</strong></td>
<td>- 2,444</td>
</tr>
</tbody>
</table>
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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