EXPLANATORY STATEMENT - HOTEL ORDER #50

Explanatory Statement and Findings of the Rent Guidelines Board In Relation to 2020-21 Lease Increase Allowances for Hotels Under the Jurisdiction of the Rent Stabilization Law

Explanatory Statement and Findings of the Rent Guidelines Board Concerning Increase Allowances for Hotel Units Under the Jurisdiction of the Rent Stabilization Law, Pursuant to Hotel Order Number 50, Effective October 1, 2020 through and including September 30, 2021.[1]

Pursuant to the authority vested in it by the Rent Stabilization Law of 1969 and the Emergency Tenant Protection Act of 1974, implemented by Resolution Number 276 of 1974 of the New York City Council, and extended by the Housing Stability and Tenant Protection Act of 2019, it is the responsibility of the Rent Guidelines Board to establish guidelines for hotel increases. Hotel Order Number 50, adopted on June 17, 2020, applies to stabilized hotel units occupied by non-transient tenants.

Hotel Order Number 50 provides for an allowable increase of **0%** over the lawful rent actually charged and paid on September 30, 2020 for rooming houses, lodging houses, Class B hotels, single room occupancy buildings, and Class A residential hotels. The Order does not limit rental levels for commercial space, non-rent stabilized residential units, or transient units in hotel stabilized buildings during the guideline period. The Order also provides that for any dwelling unit in a hotel stabilized building which is voluntarily vacated by the tenant thereof, the rent charged for a new tenancy may not exceed the rent charged on September 30, 2020.

SPECIAL NOTE

In the past the Board has adopted rent increases to the rent stabilized hotel universe. In recent years, when increases were granted, the Board adopted a proviso that was designed to deny owners from taking these increases under certain conditions. Since the Board voted a 0% increase for all classifications of rent stabilized hotels, this proviso is not included in Hotel Order 50. In the event that increases are considered for subsequent Hotel Orders, at such time the current members of the Rent Guidelines Board urge future Boards to consider reinstating this proviso or some form thereof. Below is the proviso and explanatory language previously adopted in Hotel Order 41:

> Rooming house, lodging house, Class B hotel, single room occupancy building, and Class A residential hotel owners shall not be entitled to any of the above rent adjustments, and shall receive a **0% percent adjustment** if permanent rent stabilized or rent controlled tenants paying no more than the legal regulated rent, at the time that any rent increase in this Order would otherwise be authorized, constitute fewer than **85%** of all units in a building that are used or occupied, or intended, arranged or designed to be used or occupied in whole or in part as the home, residence or sleeping place of one or more human beings.
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> The following outlines the Rent Guidelines Board's intent of the above proviso:

[1] This Explanatory Statement explains the actions taken by the Board on individual points and reflects the general views of those voting in the majority. It is not meant to summarize all viewpoints expressed.

The Board's intention for the meaning of this proviso is that ALL dwelling units in the hotel, whether occupied, vacant, rented to tourists, transients, contract clients, students or other non-permanent tenants, or to permanent rent stabilized tenants, be counted in the denominator of the calculation. The only type of units in the hotel that may be excluded from the denominator are units that are used as stores or for similar business purposes such as a doctor's office. The numerator of the calculation is the number of units occupied by permanent rent stabilized or rent controlled tenants.

Here are two examples. One: a hotel has 100 units and 2 stores. 32 units are rented to permanent rent stabilized tenants, 10 are vacant and 58 are rented to transients and tourists. The calculation is as follows, the denominator is 100 and the numerator is 32. This calculation results in an occupancy percentage of LESS than 85% under the formula (32%) and an increase CANNOT be taken for the permanent stabilized tenants.

Two: a hotel has 150 units, 2 of which are used by a dentist and a doctor for their businesses, 8 are rented to tourists, 5 are vacant and 135 are occupied by permanent rent stabilized tenants. The denominator would be 148 and the numerator would be 135. This calculation results in an occupancy percentage of GREATER than 85% under the formula (91%) and an increase CAN be taken for the permanent stabilized tenants.

DEFINITIONS

For the purpose of determining the appropriate classification of a hotel stabilized unit, the Board has set its definitions as follows:

- Residential hotels are "apartment hotels" which are designated as Class A multiple dwellings on the Certificate of Occupancy.

- Rooming houses are Class B multiple dwellings having fewer than thirty sleeping rooms as defined in Section 4(13) of the multiple dwelling law.

- A single room occupancy building is a Class A multiple dwelling which is either used in whole or in part for single room occupancy or as a furnished room house, pursuant to Section 248 of the multiple dwelling law.

- A Class B hotel is a hotel, which carries a Class B Certificate of Occupancy and contains units subject to rent stabilization.

- Lodging houses are those buildings designated as lodging houses on the Certificate of Occupancy.

BACKGROUND

Due to the COVID-19 health crisis, the Board held virtual public meetings and hearings.[2] Order No. 50 was issued following six virtual public meetings, two virtual public hearings, its review of

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[2] On March 12, 2020, Governor Cuomo issued Executive Order Number 202.1 in part suspending "Article 7 of the Public Officers Law, to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in public in-person access to meetings and authorizing such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding an that such meetings are recorded and later transcribed."

written, oral and video submissions provided by the public, and a review of research and memoranda prepared by the Board's staff. Public meetings of the Board were held on April 23 and 30; and May 5 and 27, 2020 following public notices. On May 7, the Board adopted proposed rent guidelines for hotels, apartments, and lofts.

Two virtual public hearings were held on June 10 and June 11, 2020 to hear comments on the proposed rent adjustments for rent stabilized hotels and apartments. The hearings were held from 4:00 p.m. to 7:57 p.m. on June 10, and from 6:00 p.m. to 9:48 p.m. on June 11. The Board heard testimony from approximately one hotel tenants and tenant representatives, no hotel owners, and one public official. In addition, the Board received approximately two written, oral and video submissions from tenants and tenant representatives, no hotel owners, and one public official. On June 17, 2020, the guidelines set forth in Hotel Order Number 50 were adopted.

Selected Oral and Written Testimony from Tenants and Tenant Groups:

– "I think the data supports a rollback, at the very least a rent freeze. And I think if you listen to your heart and what tenants are going through in this City, you cannot increase the rents this time around."

– "The rents are pretty high and what's interesting to note is despite the rent freezes, the average rents have continued to go up year after year….On a square foot basis, SROs are a lot cheaper to operate because you have a single room, you have one common bathroom for four different units, five different units, depending on the building, and on a square foot basis they're far more profitable as well. So, SRO owners by and large are doing very well and SRO owners haven't even show up to testify in a large number of years now and…so many of them are doing quite well that they can't justify asking for an increase and they've stopped coming."

– "The key handful of points that we want drive home in similarly making a request for a zero percent for SROs this year is that SROs remain housing of last resort for lowest-income, most-vulnerable New Yorkers. They are, even though per square foot expensive, the total cost is lower than any other form of housing you can get in the unsubsidized private market and it where many of New York's people with disabilities live, it's where many seniors live, working poor people, people who without SROs would be in the homeless population and these are tenants who are not in a position to absorb any rent increase."

– "The rent from rent stabilized SRO units is not a meaningful, or at least not a huge source of income, for SRO owners…As the Board has done for the past several years, we ask that once again you do a zero."

– "I want to thank you for the preliminary vote you took on behalf of tenants living in the remaining SRO housing. You voted again for a 0% guideline and I want to thank you for that…SRO owners are doing quite well, they make extraordinary income from non-stabilized rentals. Owners are legally allowed to rent them [SRO units] out for transient purposes, so between the college rentals, the tourists, the special needs populations placed by the City, the vast majority of SRO operators are doing quite well and there's no reason to increase the rent on those remaining rent stabilized tenants."

Selected Oral and Written Testimony from Owners and Owner Groups:

– None Submitted

Selected Oral and Written Testimony from Public Officials:

– "I thank the Board for your thoughtful engagement with this process during these difficult times. I appreciate that you clearly did consider the adverse impact of COVID-19 on New Yorkers' health, housing stability, and economic outlook. I believe that your consideration is reflected in your preliminary proposal of a rent freeze for SROs."

– "I thank the Board for recommending 0% increase for SRO tenants, who are some of the city's most vulnerable residents."

MATERIAL CONSIDERED BY THE BOARD

In addition to oral and written testimony presented at its public hearing, the Board's decision is based upon material gathered from the *2020 Price Index of Operating Costs*, prepared by the staff of the Rent Guidelines Board, reports and testimony submitted by owner and tenant groups relating to the hotel sector, and reports submitted by public agencies. The Board heard and received written testimony from invited guest speakers on May 5, 2020. Guest speakers representing hotel tenants included Brian Sullivan from Mobilization for Justice, Inc. and Larry Wood from the Goddard Riverside Law Project.

FINDINGS OF THE RENT GUIDELINES BOARD

Rent Guidelines Board Research

The Rent Guidelines Board based its determination on its consideration of the oral and written testimony noted above, as well as upon its consideration of statistical information prepared by the RGB staff set forth in these findings and the following reports:

1. *2020 Mortgage Survey Report*, April 2020 (An evaluation of recent underwriting practices, financial availability and terms, and lending criteria);

2. *2020 Income and Affordability Study,* April 2020 (Includes employment trends, housing court actions, changes in eligibility requirements and public benefit levels in New York City);

3. *2020 Price Index of Operating Costs,* April 2020 (Measures the price change for a market basket of goods and services which are used in the operation and maintenance of stabilized hotels);

4. *2020 Housing Supply Report*, May 2020 (Includes information on the conversion of Hotels to luxury apartments and transient use, new housing construction measured by certificates of occupancy in new buildings and units authorized by new building permits, tax abatement and exemption programs, and cooperative and condominium conversion and construction activities in New York City); and,

5. *Changes to the Rent Stabilized Housing Stock in NYC in 2019,* May 2020 (A report quantifying all the events that lead to additions to and subtractions from the rent stabilized housing stock).

The five reports listed above may be found in their entirety on the RGB's website, www.nyc.gov/rgb, and are also available at the RGB offices, 1 Centre St., Suite 2210, New York, NY upon request.

Price Index of Operating Costs for Rent Stabilized Hotel Units

The Hotel Price Index includes separate indices for each of three categories of rent stabilized hotels (due to their dissimilar operating cost profiles) and a general index for all rent stabilized Hotels. The three categories of hotels are: 1) "traditional" hotels — a multiple dwelling that has amenities such as a front desk, maid or linen services; 2) Rooming Houses — a multiple dwelling other than a hotel with thirty or fewer sleeping rooms; and 3) single room occupancy hotels (SROs) — a multiple dwelling in which one or two persons reside separately and independently of other occupants in a single room.

The Hotel Price Index for all hotels that contain rent stabilized units increased 2.9% this year, a 2.6 percentage point decline from the 5.5% rise in 2019.

This year there were increases in all of the PIOC Hotel components except Fuel. The Fuel component was the only to decrease, falling 11.2%. The Fuel component accounts for just over 16% of the entire Hotel Index. The remaining six components all rose, with Insurance Costs rising 16.5%, Taxes 6.9%, Maintenance 3.6%, Labor Costs 3.5%, Administrative Costs 2.1% and Utilities 0.7%. See the table on this page for changes in costs and prices for all rent stabilized hotels from 2019-2020.

Among the different categories of Hotels, the index for "Traditional" Hotels increased 5.0%, Rooming Houses by 2.5% and SROs by 1.3%

Percent Change in the Components of the Price Index of Operating Costs
March 2019 to March 2020, By Hotel Type and All Hotels

Item Description	All Hotels	Hotel	Rooming House	SRO
TAXES	6.9%	8.6%	5.3%	5.3%
LABOR COSTS	3.5%	3.9%	2.9%	3.3%
FUEL	-11.2%	-11.2%	-10.9%	-11.1%
UTILITIES	0.7%	2.0%	-1.6%	1.6%
MAINTENANCE	3.6%	3.4%	4.0%	4.1%
ADMINISTRATIVE COSTS	2.1%	1.8%	2.9%	2.7%
INSURANCE COSTS	16.5%	16.5%	16.5%	16.5%
ALL ITEMS	**2.9%**	**5.0%**	**2.5%**	**1.3%**

Source: *2020 Price Index of Operating Costs*

Changes in Housing Affordability

Preliminary results from the *2017 Housing and Vacancy Survey* were released in February of 2018, and showed that the vacancy rate for New York City is 3.63%. Approximately 44% of renter households in NYC are rent stabilized, with a vacancy rate of 2.06%. The survey also shows that the median household income in 2016 was $44,560 for rent stabilized tenants, versus $47,200 for all renters. The median gross rent for rent stabilized tenants was also lower than that of all renters, at $1,375 versus $1,450 for all renters. And rent stabilized tenants saw a median gross rent-to-income ratio of 36.0% in 2017, compared to 33.7% for all renters.[3]

NYC's economy in 2019 showed many strengths as compared with the preceding year. Positive indicators include growing employment levels, which rose for the tenth consecutive year, increasing 2.1% in 2019.[4] The unemployment rate also fell, declining by 0.3 percentage points, to 3.9%, the lowest level recorded in at least the last 44 years.[5] Gross City Product (GCP) also increased for the tenth1 consecutive year, rising in inflation-adjusted terms by 2.4% in 2019.[6] In addition, the number of non-payment filings in Housing Court fell by 24.3%, calendared cases by 22.3%,[7] and tenant evictions by 15.1%.[8] Homeless levels also fell for the first time in 11 years, by 0.9%.[9] There was also a decrease in cash assistance caseloads of 6.0%, while SNAP caseloads fell 5.0% and Medicaid enrollees fell 7.8%.[10] Inflation also rose at a slightly slower pace than the prior year, with the Consumer Price Index rising 1.7% in 2019, 0.2 percentage points slower than in 2018.[11] In addition, inflation-adjusted wages rose slightly during the most recent 12-month period for which data is available (the fourth quarter of 2018 through the third quarter of 2019), rising 0.4% over the corresponding time period of the prior year.[12]

The only negative indicator studied in this report was personal bankruptcy filings, which rose 3.8% in NYC in 2019.[13]

The most recent numbers, from the fourth quarter of 2019 (as compared to the fourth quarter of 2018), show many positive indicators, including cash assistance levels down 6.9%; SNAP recipients down 5.6%; GCP rising, by 2.2% in real terms; employment levels up 1.5%; the unemployment rate down 0.6 percentage points; homeless levels, down 1.4%; and in Housing

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3 "Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey." NYC Department of Housing Preservation and Development. February 9, 2018.

4 NYS Dept. of Labor; http://www.labor.state.ny.us; Data accessed March 2020. Data is revised annually and may not match data reported in prior years.

5 NYS Dept. of Labor; http://www.labor.state.ny.us; Data accessed March 2020. Data is revised annually and may not match data reported in prior years.

6 Data from the NYC Comptroller's Office as of March 16, 2020 GCP figures are adjusted annually by the New York City Comptroller's Office. The figures in this report are the latest available estimate from that office, based on inflation adjusted 2012 chained dollars.

7 Civil Court of the City of New York data.

8 NYC Department of Investigation, Bureau of Auditors data.

9 Data from the Policy & Planning Office of the NYC Department of Homeless Services (DHS), DHS daily reports, DHS Data Dashboard Tables, and monthly Citywide Performance Reporting reports. Note that in addition, the NYC Department of Housing Preservation and Development, the NYC Department of Youth and Community Development, and the NYC Human Resources Administration also operate emergency shelters, which house approximately 10,000 persons per night, which is not included in the totals presented in this report.

10 New York City Human Resources Administration. HRA Charts: http://www.nyc.gov/html/hra/html/facts/charts.shtml

11 Bureau of Labor Statistics; http://www.bls.gov; Data accessed March, 2020.

12 NYS Dept. of Labor; http://www.labor.state.ny.us; Data accessed March 2020. Data is revised annually and may not match data reported in prior years.

13 Administrative Office of the U.S. Courts; https://www.uscourts.gov/ statistics-reports/caseload-statistics-data-tables; Accessed March, 2020.

Court, the number of cases heard (calendared) down 28.0%[14] and the number of non-payment filings down 31.7%.[15]

On June 8, 2020 the staff of the Rent Guidelines Board released a memo to Board members with additional information concerning an update of Rent Guidelines Board study data. The memo follows:

Introduction

Due to a lag time of data, annual New York City Rent Guidelines Board (RGB) reports generally focus on data from the previous year or earlier. The full effect of the COVID-19 pandemic on the housing market and the economic condition of New Yorkers could not be quantified in these reports because very little recent data was available. This memo will detail as much recent data as we have available for analysis. Future editions of the reports will better reflect some of the hardships that our fellow New Yorkers are experiencing due to the COVID-19 pandemic.

Federal Reserve "Current Economic Conditions"

The Federal Reserve recently published their most recent "Summary of Commentary on Current Economic Conditions by Federal Reserve District," commonly known as the Beige Book, which is published eight times per year. Each Federal Reserve Bank gathers anecdotal information on current economic conditions in its District through reports from bank and branch directors and interviews with key business contacts, economists, market experts, and other sources. The most recent Beige Book was published on May 27, 2020 and is based on information collected on or before May 18, 2020.[16] The following five paragraphs are select excerpts from the Federal Reserve Bank of New York, as reported in the Beige Book on May 27. A summary of the Beige Book from April 15, 2020 (with comments related to the early stages of the COVID-19 pandemic), can be found in the supplement to the *2020 Income and Affordability Study*.[17]

> *The Second District economy contracted substantially again in the latest reporting period, as widespread closures and stay-at-home orders severely constrained business activity. Employment continued to decline, and wages were mixed but down modestly, on balance. Businesses reported that input prices rose slightly but selling prices decreased slightly. Activity fell in every sector, with particularly widespread declines in leisure & hospitality. However, business contacts tended to be less pessimistic than in the prior report about the near-term outlook, and those in the manufacturing, construction, real estate, and health services sectors expected modest improvement. Consumer spending has fallen further, though there have been scattered reports of a nascent pickup in early May, as more parts of the economy have started to reopen. Tourism and travel have remained moribund, with hotels and airlines continuing to see*

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[14] This data is obtained from the Civil Court of the City of New York, which cannot provide exact "quarterly" data. The Court has 13 terms in a year, each a little less than a month long. This data is for terms 10-13, which is from approximately the middle of September through the end of the year. It is compared to the same period of the prior year.
[15] See Endnote 13.
[16] Https://www.federalreserve.gov/monetarypolicy/beigebook202005.htm.
[17] Https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2020/04/2020-IA.pdf.

very little business. Home sales and residential leasing activity have remained down sharply, as have commercial leasing and construction activity. Finally, banks reported further moderate weakening in loan demand, tighter credit standards, and higher delinquency rates but also greater leniency on existing loans.

The labor market has remained weak, as widespread layoffs have continued and hiring has been spotty. Two major employment agencies—one in New York City and another in upstate New York—noted that hiring was sluggish in April, though the latter noted a modest pickup in early May. A wide array of business contacts, as well as employment service firms, reported widespread layoffs and furloughs, especially at small to medium-sized businesses. However, the vast majority of these were viewed as temporary, with workers expected to be re-hired when business activity rebounds. Some businesses have already made efforts to recall laid off workers, as well as hire new workers. A number of these firms noted that this has been challenging, with many unemployed workers reluctant to return to work—some attributed this to generous unemployment benefits, as well as safety concerns. Reports from across business sectors remained negative. Contacts in leisure & hospitality, transportation, retail, and construction reported the most widespread staff reductions, while businesses in manufacturing, information, finance, and professional & business services noted modestly declining staffing levels. Looking ahead, contacts in both manufacturing and real estate said they expect a modest pickup in employment, while those in leisure & hospitality, retail, finance, and professional & business services projected steady staffing levels. Businesses across other sectors expected moderate staff cuts, on net, in the months ahead. Wages have mostly been flat to lower since the last report. Businesses in the hard-hit leisure & hospitality sector continued to report widespread reductions in wages, whereas contacts in health services and finance indicated steady to modestly rising wages. Contacts in other service industries reported modest declines in wages.

Service industry contacts reported continued widespread deterioration in business activity. Leisure & hospitality contacts reported particularly widespread declines in activity, as restaurants remained shut down for dine-in service and hotels suffered from an almost complete drop-off in travel and tourism. Contacts in professional & business services also indicated steep declines in activity, while businesses in the information, health, and education sectors all reported more moderate, but still fairly widespread, declines. Looking ahead, business contacts continued to express great uncertainty about whether and when business would get back to reasonably normal levels, but there continued to be fairly widespread pessimism. A contact in air transportation expects any rebound in air travel to be slow and led by the leisure segment, noting a modest recent pickup in advance bookings for late 2020. A contact in New York City's tourism sector expects any rebound in visitations to be slow—particularly for international visitors, the most profitable segment—noting that Broadway theaters are closed until at least Labor Day.

Home sales markets across the District have largely ground to a halt, with almost no new transactions and home viewing limited to virtual showings. The residential rental market has slowed but not quite as dramatically. A local real estate authority noted that new rental leasing in New York City was down about 70 percent, while renewals were up, and that there has been a pickup in demand for single-family home rentals outside the city. A major appraiser noted that it's almost impossible to gauge changes in prices and rents during this pandemic due to a dearth of transaction activity. Commercial real *estate markets across the District also remain moribund, with April marking a record low in new leasing activity and some companies pulling out of leases. A contact at a major commercial real estate firm estimated that only about 10 percent of tenants in both office and industrial space have fallen behind on rent, thus far, but that the corresponding rate for retail tenants is well over 50 percent. Even beyond that, for some mall retailers, rent is assessed a share of sales revenue. More generally, real estate contacts were more optimistic than contacts in other sectors about the near term outlook. New construction starts have essentially remained at zero, and ongoing construction projects remained paused, except where considered essential. However, this is likely to pick up as states ease restrictions on construction activity in the days ahead.*

There was widespread interest, among businesses in all sectors, in the SBA Paycheck Protection Program loans, though some contacts expressed concerns about the program's implementation and accessibility. Separately, small to medium sized banks across the District reported lower loan demand across all categories, but most dramatically from the commercial segment. Banks reported tightening credit standards across all categories except consumer loans. Loan spreads narrowed on all categories except C&I loans. Respondents reported widespread declines in average deposit rates. Bankers reported higher delinquency rates but more lenient policies for delinquent accounts across all categories.

April 2020 Unemployment Statistics

The most recently available unemployment rates for NYS and NYC are from April of 2020.[18] The unemployment rate considers the number of persons employed and unemployed, the combination of which is the labor force. To be considered unemployed, you must be actively looking for work. The unemployment rate in April of 2020 for New York City (NYC) was 14.6%, an increase from 3.7% in April of 2019. The unemployment rate considers, in part, the number of employed persons, which fell 18.5% (or 722,500 persons), as compared to April of 2019. The number of unemployed persons in this same time period rose 260.8% (or 393,000 persons). The overall labor force contracted by 8.1% (or 329,500 persons). The decline in the labor force indicates that a large number of persons either left NYC or are not actively looking for work. For reference, between 2008 and 2009 (when the NYC unemployment rate rose from 5.6% to 9.3%), the labor force contracted by 0.9%. Had more of those who lost employment been officially counted as "unemployed," the unemployment rate would have been higher than 14.6%.

The following table illustrates the April 2020 unemployment rate for NYC, the boroughs of NYC, New York State (NYS), and the United States (U.S.), as compared to April of 2019. These rates are not seasonally adjusted. Recently released U.S. data shows that the May unemployment rate is a seasonally adjusted 13.3%[19] for the nation as a whole, compared to 14.7%[20] in April of 2020; 4.4% in March of 2020;[21] and 3.5% in February of 2020.

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[18] NYC and NYS: https://labor.ny.gov/stats/index.shtm; U.S.: http://www.bls.gov/webapps/legacy/cpsatab1.htm.

[19] The U.S. Bureau of Labor Statistics reported that an error in classifying workers who were "unemployed on temporary layoff" as being "employed but not at work" in March, April, and May of 2020 led to lower official unemployment rates. They estimate that the actual unemployment rate in May of 2020 was 16.4%, however they will not amend the 13.3% that was reported. See https://www.bls.gov/cps/employment-situation-covid19-faq-may-2020.pdf for more information.

[20] The actual estimated unemployment rate for April of 2020, in light of the reporting errors as described in footnote 19, is 19.5%. See https://www.bls.gov/bls/employment-situation-covid19-faq-april-2020.htm#ques14 for more information.

[21] The actual estimated unemployment rate for March of 2020, in light of the reporting errors as described in footnote 19, is 5.3%. See https://www.bls.gov/cps/employment-situation-covid19-faq-march-2020.pdf for more information.

April 2020 versus April 2019 Unemployment Rates

Geography	April 2020	April 2019	Change (in percentage points)
New York City	14.6%	3.7%	10.9 pp
Bronx	16.5%	5.0%	11.5 pp
Brooklyn	14.6%	3.8%	10.8 pp
Manhattan	10.9%	3.3%	7.6 pp
Queens	16.4%	3.2%	13.2 pp
Staten Island	14.0%	3.6%	10.4 pp
New York State	15.0%	3.6%	11.4 pp
U.S.	14.4%[22]	3.3%	11.1 pp

It is important to note that even during a robust economy, not all City residents are a part of the labor force, and therefore cannot be considered "unemployed." According to the *2018 American Community Survey*, there are 6,839,186 persons aged 16 and over in NYC.[23] Of these, 63.5% (4.3 million persons) are in the labor force, and 36.5% (2.5 million persons) are not. Only those in the labor force (those either working or actively looking for work) are counted in the unemployment rate. In addition, there are methods of receiving income beyond employment and unemployment insurance compensation, both for those in and out of the labor force. There are 3,184,496 households in NYC, with 2,479,959 (77.9%) reporting earnings (either wages, salaries, or self-employment income) and 704,537 (22.1%) receiving income in other ways, such as fixed-income programs.[24] As a proportion of total households, 848,474 households (26.6%) receive Social Security income; 427,193 (13.4%) receive other retirement income; 251,672 (7.9%) receive Supplemental Social Security income; and 144,372 (4.5%) receive cash public assistance. In addition, 615,225 (19.3%) receive food stamps.

April 2020 NYC Employment by Industry

The most recently available employment figures by industry for NYC are from April 2020.[25] These are jobs located within New York City, regardless of the residency of the employees. The following table illustrates employment levels by industry in April of 2020 and the change from April of 2019. The largest proportional losses are in the Leisure and Hospitality and Construction sectors, with the largest net loss of jobs in the Leisure and Hospitality and Trade, Trade, and Utilities Sector (which includes retail trade). Overall, NYC employment levels fell 19.2% (or 891,800 jobs) between April of 2019 and April of 2020. These figures are not seasonally adjusted.

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22 See footnote 20.
23 Https://data.census.gov.
24 Households can receive more than one type of fixed income, and fixed income can be received in addition to earnings by employment.
25 Https://labor.ny.gov/stats/index.shtm.

April 2020 versus April 2019 Employment Levels by Industry, in Thousands

Industry	April 2020	April 2019	Net Change	% Change
Natural Resources, Mining and Construction	78.10	161.30	-83.2	-51.6%
Manufacturing	45.60	67.60	-22.0	-32.5%
Trade, Transportation, and Utilities	467.10	627.50	-160.4	-25.6%
Information	204.80	210.20	-5.4	-2.6%
Financial Activities	454.70	477.50	-22.8	-4.8%
Professional and Business Services	688.60	789.20	-100.6	-12.7%
Education and Health Services	968.00	1,068.30	-100.3	-9.4%
Leisure and Hospitality	131.30	466.80	-335.5	-71.9%
Other Services	140.00	194.80	-54.8	-28.1%
Government	578.70	585.50	-6.8	-1.2%
Total, New York City	*3,756.90*	*4,648.70*	*-891.8*	*-19.2%*

Initial Unemployment Claims

Initial unemployment claims for the 12-week period from March 8 through May 30, 2020, were reported by the NYS Department of Labor and the U.S. Department of Labor on a weekly basis.[26] Per the U.S. Department of Labor, "An initial claim is a claim filed by an unemployed individual after a separation from an employer. The claimant requests a determination of basic eligibility for the UI [Unemployment Insurance] program. When an initial claim is filed with a state, certain programmatic activities take place and these result in activity counts including the count of initial claims. The count of U.S. initial claims for unemployment insurance is a leading economic indicator because it is an indication of emerging labor market conditions in the country. However, these are weekly administrative data which are difficult to seasonally adjust, making the series subject to some volatility." [27]

Initial claims in the first week of this crisis (March 8-14) rose by approximately 26% as compared to the week prior (to reach 6,580 claims).[28] For the next four weeks, claims rose each week as compared to the one before, with the largest proportional increases in the second and third weeks of the crisis (March 15-March 28), with increases of 485.4% and 273.4%, respectively. Rates fell for the first time between April 12-18, by 44%, and have both risen and fallen on a weekly basis since then. The greatest proportional increase since the week ending April 18 was in the week ending May 16, when initial claims rose 17.5% over the prior week. The largest proportional decrease was in the last week of this study, the week ending May 30, when initial claims fell 55.3% over the prior week. For reference, claims in NYS as a whole during this same week fell by 56.5% and claims in the U.S. as a whole fell 16.4%.

Over this 12-week period, 1,189,038 initial claims were filed by NYC residents, compared to 72,597 in the same period of 2019 (see table on the next page). This is an increase of

26 NYC and NYS: https://labor.ny.gov/stats/weekly-ui-claims-report.shtm and U.S.: https://oui.doleta.gov/unemploy/claims_arch.asp.
27 Https://www.dol.gov/ui/data.pdf.
28 This number was not directly reported by the NYS Department of Labor, but was imputed based on other data reported by this agency.

1,116,441 claims, or 1,538%. This compares to increases in initial claims in NYS of 1,353% (2.38 million claims) and in the U.S. of 1,562% (36.70 million claims).

At the borough level, claims rose by the smallest proportion in Manhattan, rising approximately 1,203% (or 168,951 claims); followed by the Bronx, at 1,238% (or 189,890 claims); Staten Island, at 1,422% (or 54,090 claims); Brooklyn, at 1,476% (or 331,448 claims); and by the most in Queens, at 2,194% (or 372,063 claims).[29] See the table below for a breakdown of initial unemployment claims for NYC, the boroughs of NYC, NYS, and the U.S. Note that the number of initial unemployment claims should not be equated to the number of people receiving unemployment benefits. For instance, the federal Department of Labor reports that approximately 1.8 million persons were receiving UI benefits in NYS during the week ending May 23, compared to the 2.5 million initial unemployment claims between March 8 and May 23.

Note that for at least the first five weeks of the 12-week period outlined above, the initial unemployment claims include those persons who would not typically be eligible for NYS Unemployment Insurance (NYSUI), but were instead eligible for Pandemic Unemployment Assistance (PUA). This program is explained in more detail in the following section of the memo. During this period, PUA applicants were required to apply for (and be denied) NYSUI benefits before they could be approved for PUA. Beginning in mid-April, the State's application process was modified so that PUA claimants were no longer required to be denied UI benefits before being determined eligible for PUA. PUA is financed through the federal government and those receiving PUA are not considered to be receiving unemployment benefits by either NYS or the federal government. Therefore, early data on initial unemployment claims includes potentially tens of thousands of claims from those who ultimately received PUA (and not NYSUI), and later data on initial claims may not reflect the full extent of the unemployment crisis. In NYS, there were more than 658,000 initial claims for PUA benefits between April 26 and May 30 and federal Department of Labor reports show that there were more than 1.1 million continuing claims for PUA in NYS during the week ending May 16. It is not known how many of these initial/continuing claims were in NYC.

[29] The first week of data for 2020 (March 8-14) was not available at the borough level and was estimated based on other known data, as were the comparison data from 2019 for initial unemployment claims for the period of March 8-21).

Over-the-Year (OTY) Change in Initial Unemployment Claims (Cumulative)

Geography	2020 (March 8-June 6)	2019 (March 10-June 8)	OTY Net Change	OTY % Change
New York City	1,189,038	72,597	1,116,441	1,538%
Bronx*	205,227	15,337	189,890	1,238%
Brooklyn*	353,901	22,453	331,448	1,476%
Manhattan*	182,995	14,043	168,951	1,203%
Queens*	389,023	16,960	372,063	2,194%
Staten Island*	57,893	3,803	54,090	1,422%
New York State	2,552,683	175,714	2,376,969	1,353%
U.S.	39,055,113	2,350,305	36,704,808	1,562%

*Borough rates are very close estimates. See footnote 29 for more details.

The NYS Department of Labor also reports on the industries most affected, as based on initial unemployment claims.[30] This data is not available at the Citywide level. For reference, the NYS labor force was 9.6 million in February of 2020, of which NYC makes up 43%. Per NYS Department of Labor information, for the 12 weeks studied in this supplement, the industry with the largest net change in employment was Accommodation and Food Services, which saw an increase in initial unemployment claims of 382,621, or 1,936% for NYS as a whole. The average salary in this industry in NYC in 2019 is $38,729. Retail Trade also saw a large increase in initial unemployment claims, with an increase of 285,198 claims in 12 weeks, or 2,289%. The average salary in this industry in NYC is $46,583. The Health Care and Social Assistance sector rose by 265,303 claims, or 1,941%. The average salary in this industry in NYC is $51,960. The Administrative and Support Services sector saw an increase in initial claims of 183,343, or 877%. The average salary in this industry in NYC is $70,462. The Construction and Utilities sector saw an increase in initial claims of 163,017 during this period, or an increase of 648%. The average salary in this industry in NYC is $88,034. Other sectors that had an increase of initial claims of more than 100,000 include Other Services and Manufacturing. In addition, for jobs that cannot be classified (the "Unclassified" sector), initial claims rose by 330,235 in this 12-week period, an increase of 14,173%. It is not possible at this time to ascertain if the change in NYC in these industries would be at the same proportions as NYS as a whole.

Changes to Unemployment Insurance Compensation

In the wake of the COVID-19 crisis, NYS and the federal government have both expanded eligibility and increased compensation for unemployed persons for the period of at least April 4, 2020 to July 31, 2020 (these dates are accurate as of the publication of this memo). The new guidelines expand eligibility for some of those who do not typically qualify for unemployment insurance (the self-employed, parents caring for children who are currently home-schooled, and those who are taking care of a family member with COVID-19 or who experienced the death of the head of household due to COVID-19, among other categories). Individuals who would not normally qualify for NYS Unemployment Insurance (NYSUI) will be

30 The net change in employment is from https://labor.ny.gov/stats/PDFs/Research-Notes-Initial-Claims-WE-5302020.pdf, while the average wage data for NYC is derived from the Quarterly Census of Employment and Wages for 2019 (https://labor.ny.gov/stats/lsqcew.shtm).

covered at the same rates as those who do, through the federal Pandemic Unemployment Assistance program. In addition, all recipients of either PUA or NYSUI will receive an additional $600 per week through the federal Pandemic Unemployment Compensation program.[31]

Prior to COVID-19 crisis, the maximum NYSUI compensation was $504 per week (or $2,184 per month), for those making $52,416 per year or more. The typical compensation for those making below $52,416 is half of the salary the claimant was earning before becoming unemployed.[32] NYSUI is normally capped at 26 weeks of compensation, but will be extended an additional 13 weeks, for a total of up to 39 weeks of benefits.

For more information on unemployment insurance compensation, see the supplement to the *2020 Income and Affordability Study*.[33]

NYC Economic Data

The Office of the NYC Comptroller and the NYC Office of Management and Budget both analyze the City's finances and make forecasts about the economic health of NYC.

Per the Comptroller's Office (as of May 21, 2020):[34]

> *Prior to the lockdown, the City's economy was strong and, by many measures, outperforming the U.S. Now, the Office of the Comptroller is estimating that the City's economy has already fallen 4.2 percent in the first quarter of 2020 and will fall 31 percent in the second quarter before recovering 15.7 and 6.0 percent, respectively, in the third and fourth quarters.*
>
> *The outlook for the City's economy is somewhat more uncertain than the nation's. The same considerations that will determine the trajectory for the U.S. economy, whether a viable vaccine can be developed in the near term, whether residents will be comfortable in resuming their activities in the absence of one, whether businesses will require employees to resume their activities on-site or whether they will continue to work remotely, whether tourists will feel comfortable traveling once again, are equally important for the City's outlook and equally unanswerable at this time. What makes New York City more at risk is its vulnerability to future waves of infection and our dependence on both vacation visitors and business travelers.*
>
> *While our baseline assumption is that U.S. economic activity will begin to slowly recover in 2020 Q3, the City's recovery will be slower given the devastating impact the pandemic has had on the City. The City's unique characteristics, in terms of its density and reliance on mass transit, will also make for a more challenging recovery in the City and a more staggered re-opening. While most sectors of the City's economy are expected to be almost fully recovered by the end of 2022, industries that interact more closely with the public, such as restaurants and bars will resume either more slowly, or in a different manner compared to pre-COVID-19 world that could result in long-term reduced economic activity. The tourism and entertainment industries will likely see the slowest recovery due to their reliance on travelers.*

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31 Https://dol.ny.gov/pandemic-unemployment-assistance.
32 Https://labor.ny.gov/benefit-rate-calculator/.
33 Https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2020/04/2020-IA.pdf.
34 "Comments on New York City's Fiscal Year 2021 Executive Budget." Office of the NYC Comptroller. May 21, 2020.

If the broader economy outside of the tourism and entertainment sectors were to open more slowly than reflected in our baseline assumption, the impact on the City's economy and revenue outlook would darken considerably as domino effects begin to spread throughout the economy.

The forecasts for employment and wages are driven by the extent to which different industries will be directly impacted by the shutdown, and the extent to which firms will respond to the shutdown by cutting payroll either through employment, wages, or both. This is expected to vary considerably among industries. Some office professionals have been able to work at least in some capacity remotely during the shutdown while other sectors that rely on interaction with the public have closed. High paying sectors such as finance have greater flexibility in maintaining employment at current levels through cuts in flexible pay than sectors that rely on wage workers, such as retail. Already some leaders on Wall Street have announced that they will attempt to mitigate job losses, although cutbacks in bonus pay may result as a tradeoff.

The degree to which business have been impacted by the pandemic largely depends on the extent to which they rely on interacting with the public directly. Industries that can work remotely, mainly office-using professions, have been less impacted, at least for now, and spillover effects have been contained, based on data available from State unemployment claims. This distinction informs the forecast for sectoral employment.

The retail, accommodation and food services, and arts and entertainment sectors of the economy are expected to be most severely impacted (losses exceeding 70 percent) by the shutdown given their greater reliance on dealing with the public. Other industries such as manufacturing, construction and real estate are also expected to experience significant if somewhat less severe job losses. Industries that can rely on telecommuting such as finance, professional and business services, management companies, and information are expected to suffer proportionately fewer losses and rebound fairly quickly.

Peak employment losses are expected to total more than 900,000 in 2020 Q2, with losses heavily concentrated in accommodation and retail. Year over-year job losses are expected to decline by over 10 percent in 2020. Even though job growth is expected to return at a fairly rapid clip we do not anticipate returning to 2019 peak employment levels until 2023 as some of the tourism and entertainment sectors continue to lag behind.

The near-term impact of the shutdown on wages for City workers is also expected to be extremely severe. Already Wall Street firms have signaled that in order to curtail job losses, bonuses or flexible pay will be cut. Bonuses across all industries are expected to be reduced considerably, by as much as 30 to 40 percent. The majority of City workers who do not earn bonuses will also see reduced wages as a result of layoffs, reduced work hours, pay freezes, or even pay cuts to lower-paid salaried employees. Overall, City wages are expected to decline by 5.1 percent year over year. To put this into perspective the overall wage loss in the 2001 recession was 2.6 percent, and 8.0 percent during the Great Recession when the finance industry was most severely impacted. As with the rest of the economy, the forecast assumes that growth in wages will gradually resume in 2021 and by 2024 be back to pre-COVID-19 levels.

Given the depth of the devastation to the budget, the City will need Federal support to weather the fiscal challenges in the coming fiscal years. Without Federal support, the fiscal challenge facing the City will be further compounded by the shifting of costs from the State to the City. In the absence of any Federal provision of budget relief to states and locality, the State has already announced its intention to make $8.2 billion in recurring cuts to local aid. In order to avoid drastic cuts in services in a time when these services are needed more than ever, the City will need to seek creative and innovative ways to reduce spending, and the Federal government will have to do its part to provide budget relief to state and localities.

The report also forecasts job losses in the second quarter of 2020. Per the Comptroller's forecasts, in the second quarter of 2020 the hardest hit industry (as measured by net job loss) will be Accommodation and Food Services, which is projected to lose 184,300 jobs in NYC. Retail Trade is projected to lose 178,000 jobs; Health Care and Social Assistance, 159,700 jobs; Construction, 63,200 jobs; Professional, Scientific, and Technical Services, 54,400 jobs; Arts, Entertainment, and Recreation, 48,900 jobs; Other Services, 39,300 jobs; Administrative Services, 34,700 jobs; Wholesale Trade, 27,900 jobs; Manufacturing, 27,400 jobs; Real Estate, 26,400 jobs; Transportation and Warehousing, 25,700 jobs; Financial Activities, 13,600 jobs; Educational Services, 10,200 jobs; Information, 8,400 jobs; Management of Companies, 2,900 jobs; and Utilities, 600 jobs. This is a total loss of 905,700 jobs.

This report also details projections from both the Comptroller's Office and the NYC Office of Management and Budget (OMB) with respect to Gross Domestic Product (GDP), Gross City Product (GCP), job growth, and wage growth. The following table outlines these projections.

Selected Economic Indicators Forecasts (Annual Averages)

Selected Economic Indicators	Agency	2020	2021	2022	2023	2024
Real GDP (2012 $, % Change)	Comptroller	-4.6%	3.2%	3.0%	2.6%	2.2%
	OMB	-5.4%	6.3%	4.0%	1.6%	1.3%
Real GCP (2012 $, % Change)	Comptroller	-6.0%	2.3%	1.0%	0.9%	0.9%
	OMB	-12.9%	12%	0.8%	0.2%	1.1%
Payroll Jobs (Change in Thousands)	Comptroller	-507.0	343.0	90.0	64.0	46.0
	OMB	-350.4	213.3	130.3	72.9	55.4
Wage-Rate Growth (% Change)	Comptroller	-5.1%	0.8%	2.3%	2.1%	1.9%
	OMB	-3.4%	2.5%	3.3%	2.4%	2.2%

The Comptroller's Office also analyzed real estate transaction data from the NYC Department of Finance (DOF). In the last half of March 2020 (March 16-31), the number of transactions of 1- to 3-family homes declined by 47 percent; coops by 54 percent; condos by 44 percent; and rental buildings by 66 percent, compared to the second half of March 2019. The Comptroller's Office projects that real estate transactions will slow to a virtual halt in the second quarter of 2020, with continuing stay-at-home orders making transactions challenging.

A separate report from the Comptroller's Office, released on June 1, 2020, provides similar data on real estate transactions for March and April combined.[35] Per the report, residential real estate transactions fell from 7,607 in March and April of 2019 to 4,517 in March and April of 2020, a drop of 40.6%. An analysis of the same DOF building sales data by staff found that in March and April of 2019, 93 buildings containing rent stabilized units were sold. During the same time period of 2020, 42 were sold, a decline of 54.8%. Note that the 2019 data precedes both the passage of the Housing Stability and Tenant Protection Act of 2019 as well as the COVID-19 pandemic.

The Comptroller report also analyzed building permit data, both for alterations and new construction. Note that the permit data includes both initial permits and renewals of permits that were previously issued. For the week ending March 14, there were 2,198 permits issued (including 318 new buildings and 1,800 alterations). The following week the total number of permits issued fell to 1,885, a 14.2% decline. Permits then fell in all but one of the next seven weeks, reaching a low of 665 permits in the week that ended May 2 (including 93 new buildings and 572 alterations. This is a decrease as compared to the week ending March 14 of 69.7% (including a decrease of 70.8% in new buildings and 69.6% in alterations). For the week ending May 9 (the most recent report available), permits rose to a total of 1,079 (including 255 new buildings and 824 alterations), an increase of 62.2% as compared to the week prior.

Select Current and Proposed COVID-19 Legislation

In the wake of the COVID-19 crisis, lawmakers are working on plans to ease the financial burden for Americans. One such plan has already been enacted into law. Eligible households are receiving a one-time "Economic Impact Payment" of up to $1,200 for individuals with adjusted gross income below $75,000. Married couples filing taxes jointly, who earn under $150,000, will receive $2,400 and head of household filers can earn up to $112,500 to receive the full payment. The government will also pay $500 per qualifying child. For filers with income above those amounts, the payment amount is reduced by $5 for each $100 above the thresholds. Filers with no children and adjusted gross income exceeding $99,000 for singles; $136,500 for heads of household; and $198,000 for joint filers are not eligible and will not receive payments.[36] On June 3, the U.S. Department of the Treasury and IRS announced that 159 million Economic Impact Payments, worth more than $267 billion, had been distributed and that payments had been sent to all eligible Americans for whom the IRS has the necessary information to make a payment.[37]

On March 20, 2020, an Executive Order issued by NYS Governor Cuomo enacted an eviction moratorium for a period of 90 days.[38] On May 7, 2020, the moratorium was extended for an additional 60 days, until August 20, but with language that specified that the moratorium extends only to those renters eligible for unemployment insurance or benefits under state or federal law or otherwise facing financial hardship due to the COVID-19. In addition, the Executive Order bans late payments or fees for missed rent payments until August 20, and allows renters facing financial hardship due to COVID-19 to use their security deposit as payment and repay their security deposit over time.[39]

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35 New York City by the Numbers Weekly Economic and Fiscal Outlook." Office of the NYC Comptroller. June 1, 2020.

36 Https://www.irs.gov/coronavirus/economic-impact-payment-information-center.

37 Https://home.treasury.gov/news/press-releases/sm1025

38 Https://www.governor.ny.gov/news/no-2028-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency

39 Https://www.governor.ny.gov/news/no-20228-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency

On May 28, 2020, a bill, the "Emergency Rent Relief Act of 2020" was passed by both the NYS Senate and Assembly. As of June 8, it has been delivered to, but not yet been signed into law by, the Governor. The program would authorize NYS Homes and Community Renewal to provide rental assistance vouchers to landlords on behalf of tenants with an increase in rent burden (due of a loss of income) as a result of the COVID-19 pandemic. The program's spending cap is $100,000,000. The coverage period would extend from April 1 through July 31. A tenant is defined as having a rent burden if their rent is more than 30% of household income. Households would be eligible if they made up to 80% Area Median Income prior to March 7, as well as at the time of application; have a rent burden both prior to March 7 and at the time of application; and have lost income during the covered period. The subsidy would be a voucher paid to the landlords for the gap between their pre-COVID rent burden and their new rent burden, up to 125% Fair Market Rent.[40]

On May 27, 2020, a bill, the "Tenant Safe Harbor Act" was passed by both the NYS Senate and Assembly. As of June 8, it has not yet been delivered to, or been signed into law by, the Governor. The bill provides that for the duration of the "State Disaster Emergency," as declared by Governor Cuomo, that the courts are prohibited from issuing a warrant of eviction or judgment of possession against a residential tenant or other lawful occupant that suffered financial hardship during the COVID-19 covered period for the nonpayment of rent that accrues or becomes due during the COVID-19 covered period. It also allows tenants to raise financial hardship as an affirmative defense and provides factors a court may examine in determining hardship. It also allows courts to award a judgment for the rent due and owing to a landlord in a summary proceeding under Article 7 of the Real Property Actions and Proceedings Law.[41]

This is not a complete summary of bills introduced in relation to the COVID-19 crisis and there is currently no way to ascertain if additional bills will be introduced and passed at either the local, state, or federal level.

Summary

This memo provides updates to data from RGB annual reports, including employment data; legislative actions; and data from the Federal Reserve Bank of New York and the Comptroller's Office regarding the economic health of NYC. While this memo details as much recent data as we have available for analysis, future editions of the reports will better reflect some of the hardships that our fellow New Yorkers are experiencing due to the COVID-19 pandemic.

[END OF MEMO]

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40 Https://www.nysenate.gov/legislation/bills/2019/s8419.

41 https://www.nysenate.gov/legislation/bills/2019/s8192/amendment/b.

Consumer Price Index

The Board reviewed the Consumer Price Index. The table that follows shows the percentage change for the NY-Northeastern NJ Metropolitan area since 2011.

Percentage Changes in the Consumer Price Index for the New York City - Northeastern New Jersey Metropolitan Area, 2011-2019 (For "All Urban Consumers")									
	2012	2013	2014	2015	2016	2017	2018	2019	2020
1st Quarter Avg.[42]	2.7%	2.1%	1.4%	-0.2%	0.7%	2.5%	1.6%	1.5%	2.3%
Yearly Avg.	2.0%	1.7%	1.3%	0.1%	1.1%	2.0%	1.9%	1.7%	NA

Source: U.S. Bureau of Labor Statistics.

Effective Rates of Interest

The Board took into account current mortgage interest rates and the availability of financing and refinancing. It reviewed the staff's *2020 Mortgage Survey Report* of lending institutions. The table below gives the reported rate and points for the past ten years as reported by the *Mortgage Survey*.

2020 Mortgage Survey[43] Average Interest Rates and Points for New and Refinanced Permanent Mortgage Loans 2011-2020										
New Financing of Permanent Mortgage Loans, Interest Rate and Points										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Avg. Rates	5.8%	4.6%	4.4%	4.9%	4.3%	4.0%	4.3%	4.8%	4.7%	4.0%
Avg. Points	0.61	0.63	0.59	0.54	0.70	0.42	0.44	0.44	0.38	0.22

Source: 2011–2020 *Annual Mortgage Surveys*, RGB.

SRO Housing and Airbnb Rentals

Conversion of single room occupancy (SRO) buildings also continued over the past year. SRO owners may convert SRO housing to other uses after obtaining a “Certificate of No Harassment” from HPD. For the first time in four years, the number of approved certificates rose, from 83 in 2018 to 90 in 2019, an increase of 8.4%.[44]

Efforts are also underway to ensure that SROs are used for permanent housing rather than as transient hotels. As of May 1, 2011, laws were newly passed strengthening the City’s ability to crack down on housing being used illegally for transient occupancy. Transient occupancy is now clearly defined as stays of fewer than 30 days.[45] Governor Cuomo signed a bill in October

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42 1st Quarter Average refers to the change of the CPI average of the first three months of one year to the average of the first three months of the following year.

43 Institutions were asked to provide information on their "typical" loan to rent stabilized buildings. Data for each variable in any particular year and from year to year may be based upon responses from a different number of institutions.

44 NYC Department of Housing Preservation and Development.

45 “Mayor Bloomberg Announces Results of City’s Efforts to Curb Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities.” Mayor’s Office Press Release 157-12. April 27, 2012.

of 2016 that further increased the fine for illegally advertising short- term rentals to as much as $7,500.[46]

Between May of 2011 and March of 2020, approximately 19,538 violations have been issued by the Mayor's Office of Special Enforcement (OSE) to illegal hotel operators (including private apartments, hostels, and SROs). This includes 3,335 violations issued between April 2019 and March 2020), a 3.1% increase from the 3,235 violations over the same time period of the prior year.[47]

A law passed in July of 2018 would require online home-sharing sites to disclose to the OSE, on a monthly basis, all listings within NYC. The data would include the identities and addresses of the hosts, and companies would potentially be subject to fines of $1500 or more for each listing not disclosed.[48] The law was intended to go into effect in February of 2019, but as of May, 2020 was still being litigated in court. In the meantime, home-sharing sites are responding to individual subpoenas issued by OSE, and have provided in-depth transactional information about specified users and locations, as well as thousands of partially anonymized listings produced in response to a subpoena targeting all listings for entire homes or listings offering occupancy to three or more guests.[49]

Data from these subpoenas was used in several lawsuits filed by OSE in 2019, including a suit in January against ring of operators and buildings that the subpoena data revealed had generated over $20 million in revenue by operating at least 130 apartments in 35 different buildings as short-term rentals.[50] Another lawsuit, in December, charged the owners of four Manhattan buildings (three of which contained rent stabilized units) with harassing tenants; reporting units being used as short-term rentals as vacant to New York State Homes and Community Renewal; as well as converting units into illegal sub-units, for the purpose of increasing the inventory of short-term rentals.[51]

OTHER RELEVANT INFORMATION

The NYS Division of Housing and Community Renewal released a memo to the Board dated May 7, 2020 in which they outline information from their registration database relating to Hotels/SROs/Rooming Houses. The following is an excerpt from that memo (Pages 2-3):

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[46] "Cuomo Signs Bill that Deals Huge Blow to Airbnb," New York Post, October 21, 2016.
[47] Office of the Criminal Justice Coordinator, Mayor's Office of Special Enforcement.
[48] Judge Blocks New York City Law Aimed at Curbing Airbnb Rental." New York Times. January 3, 2019.
[49] New York State Unified Court System: https://iapps.courts.state.ny.us/nyscef/DocumentList?docketId=Jfu_PLUS_apxJkXzTtYUhKAGyEA==&display=all&courtType=New%20York%20County%20Supreme%20Court&resultsPageNum=1.
[50] "De Blasio Administration Sues Firm For Running $20 Million Illegal Short-term Rental Operation." Press Release, Mayor's Office. January 14, 2019.
[51] "Office of Special Enforcement Sues to Stop Displacement of Rent-Stabilized Units in Four East Village Buildings." Press Release, Mayor's Office of Special Enforcement. December 19, 2019.

6. What is the total number of SRO/Hotel units registered with the DHCR in 2019? How many of these units are rent stabilized? How many are temporarily and permanently exempt? How many are registered as transient? How many as vacant?

Rent Stabilized Units	**9,725**
Vacant Units	**1,345**
Temporary Exempts Units	**4,161**
Permanent Exempt Units	**187**
Total Number of Units	**15,418**

7. What is the total number of SRO/Hotel units registered with the DHCR on an annual basis from 2009-2019?

- **In 2012 the total number of units registered was 19,757**
- **In 2013 the total number of units registered was 17,792**
- **In 2014 the total number of units registered was 18,787**
- **In 2015 the total number of units registered was 18,322**
- **In 2016 the total number of units registered was 16,996**
- **In 2017 the total number of units registered was 16,469**
- **In 2018 the total number of units registered was 16,480 and**
- **In 2019 the total number of units registered was 15,418**

8. What is the average and median rent for rent stabilized SRO/Hotel units in 2019?

- **The average rent stabilized rent for SRO/Hotel units in 2019 is $1,203.36; the median rent is $1,202.78.**

On April May 1, 2020, staff released a memo to the Board analyzing hotel data contained in the NYS Division of Housing and Community Renewal's 2018 and 2019 apartment and building registration databases. Below is the memo in its entirety.

Since 2007, Rent Guidelines Board staff has periodically[52] analyzed registration data[53] filed with New York State Homes and Community Renewal (HCR) by owners of hotels and rooming houses.[54] Owners register their properties annually with HCR, including the type of property (in this case, hotel or rooming house) as well as the legal rent as of April 1 of each year. If applicable, the registration information also includes actual and preferential rents. Prior to 2017, staff relied on the registration information provided by the owner or managing agent to identify hotels and rooming houses. However, a close analysis of the data showed that there

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[52] Previous memos are from June 4, 2007; June 4, 2009; June 12, 2012; June 4, 2013; May 22, 2015; June 12, 2017, May 31, 2018 and April 22, 2019, which analyzed hotel registration data filed with the NYS Homes and Community Renewal (HCR) in 2005, 2008, 2011, 2012, 2014, 2015/2016, 2016/2017 and 2017/2018, respectively.

[53] Each year owners are required to provide HCR with listings of every rent stabilized unit in their buildings, including the rent level and whether the unit is currently rent stabilized, vacant, or permanently or temporarily exempt.

[54] Single Room Occupancy (SRO) residence is not a category available for registration. SRO residences would most commonly be registered as a hotel.

were registration errors and many apartment buildings were being registered as hotels or rooming houses.

A memo issued on June 12, 2017 outlined a new methodology, which attempted to correct for registration errors in HCR data (the full methodology can be found in that memo).[55] As it's very unlikely that rooming houses or hotels will newly register with HCR, the basis for the 2020 analysis (and those that will follow) are the same set of buildings identified in 2017.[56] At that time, staff identified and reported data on 174 rooming houses and 83 hotels. For the 2020 analysis, staff searched the two most recent HCR registration files for the same group of buildings identified in the 2017 memorandum.[57]

This memorandum sets forth staff's most recent analysis, which includes data on rent levels for rent stabilized units in rooming houses and hotels identified from HCR registration filings for 2018 and 2019.[58] This analysis identified 144 rooming houses and 74 hotels for which detailed information, including available rent data, is provided in the tables that follow. In summary:

- The analysis identified 3,872 units in Rooming Houses and 5,940 in Hotels (for a total of 9,812 units).
- The median legal rent for Rooming Houses is $1,171 and the median legal rent for Hotels is $745 (with a combined median of $843).
- The median "rent received" (the legal rent, except in cases where there is a preferential rent provided) is $906 for Rooming Houses and $700 for Hotels (with a combined median of $746).
- A longitudinal analysis of Rooming Houses shows that the median legal rent rose 2.8% between 2018 and 2019 and the median "rent received" rose 9.2%. For Hotels, the median legal rent rose 0.0% between 2018 and 2019 and the median "rent received" fell 0.8%.

<u>Rooming Houses</u>

Staff identified 144 rooming house buildings in the 2018 and 2019 HCR registration files, an increase from the 140 identified in the 2019 memo, but a decrease from the 174 identified in the 2017 memo that formed the basis for this study.[59] The number of these buildings that

55 Prior to 2017, staff had relied on owners to provide correct information regarding the type of building being registered. In some cases, staff individually examined selected records with especially high rent levels to determine if the building was in fact a hotel or rooming house, and then omitted these records from the analysis if it was found to be incorrectly registered. However, as a general rule, staff used the building type information reported by owners without any secondary checks. The 2017 analysis attempted to compile a more accurate list of rooming houses and hotels by individually researching those buildings which self-identified as such and eliminating those buildings that were more likely to be Class A apartment buildings. The full methodology for that process is outlined in the June 12, 2017 memo.

56 There is no guarantee that every record identified in 2017 was a Rooming House or Hotel, or that every Rooming House or Hotel was identified and included as part of the analysis.

57 Rent data was used from 2019 registration files where available, and from 2018 only if the building was not registered in the early 2019 registration database.

58 Because the 2019 registration data is not final, two years of registration data were examined to capture buildings that may not appear in the 2019 data due to late registration. Note also that HCR registration filings may not reflect a complete count of hotels and rooming houses, as not all owners register their buildings, may register late, or may fail to correctly identify a building as a hotel or rooming house.

59 Using the list of buildings identified in 2017 as a starting point, staff searched the most recent HCR registration records, from 2019 (as released to the RGB in March of 2020), for the 174 buildings identified in the 2017 memo. A total of 113 buildings that were previously identified as rooming houses were contained in the most recent registration filings available to

contain rent information is 116, equal to the number in the 2019 memo. These 144 buildings contained a total of 3,872 housing units.[60] By category, 2,486 (64.2%) of these units were registered as “rent stabilized” (indicating that they were occupied by a rent stabilized tenant at the time of registration).[61] HCR files contain rent information for 2,484 of these units. Of the remaining units, 858 units (22.2%) are reported as “temporarily exempt” or “permanently exempt” (with the vast majority “temporarily exempt”); and 528 units (13.6%) as “vacant.” Among the temporarily exempt units, the most common reason given for the exemption is “Hotel/SRO (Transient)” (66.6% of temporarily exempt units). The second most common reason is “Not Prime Residence” (21.3% of temporarily exempt units), followed by “Owner/Employee Occupied” (10.7% of temporarily exempt units). The remaining 1.4% of units are classified as either “Commercial/Professional” or “Other.” Of the 144 buildings identified for this analysis, 28 (19.4%) consist entirely of exempt and/or vacant units (652 units or 16.8% of total units). In addition, 82 of these 144 buildings (56.9%) contain less than 85%[62] permanently stabilized units. These 82 buildings contain 1,627 units (42.0% of total units).

Table 1 shows the number of rent stabilized rooming house units and buildings that registered legal rents with HCR in 2018/2019. Legal rents are the maximum amount that an owner can charge to tenants (or potentially to government agencies subsidizing tenants), but do not necessarily reflect what a tenant is actually paying. Table 1 also provides the median and average legal rents for these units, Citywide.

Table 1: 2018/2019[63] Median and Average “Legal” Rents for Rooming House Units Identified as Rent Stabilized (excludes exempt and vacant units)

	# of Stabilized Units	*# of Stabilized Buildings*	***Median** Legal Rent*	***Average** Legal Rent*
Citywide	2,484	116	$1,171	$1,096

Source: 2018 and 2019 HCR Building and Apartment Registration filings

Table 2 presents information with respect to median and average “preferential” rents reported for 44% of rent stabilized rooming house units. Preferential rents are rents that owners voluntarily choose to charge to tenants, which are lower than legal rents.

staff. Another 31 buildings were matched with 2018 registration data. A total of 30 buildings could not be located in either registration file. Staff did not research whether any new rooming house buildings may have been registered in 2019.

60 Registration records were not checked against other sources in regard to the number of housing units. Note that while some owners may register all their units, regardless of regulation status, others may register only those that are rent stabilized.

61 Although more units were identified in the 2020 memo as compared to the 2019 memo, there were 103 less rent stabilized units identified, and the proportion of rent stabilized units declined from 71.1% to 64.2%.

62 The proviso in RGB Hotel Order 41, the last time the Board granted a renewal lease increase, limited permitted increases to rooming houses with at least 85% permanently rent stabilized occupancy. Note that if the owner has not registered every unit in the building with HCR (as they may not with unregulated units), the percentage of buildings that are 85% or more rent stabilized could be inflated.

63 2019 data used whenever available.

Table 2: 2018/2019[64] Median and Average "Preferential" Rents for Rooming House Units Identified as Rent Stabilized (excludes exempt and vacant units)

	# of Stabilized Units	***Median***		***Average***	
		*Preferential Rent**	*% Difference from Legal Rent***	*Preferential Rent**	*% Difference from Legal Rent***
Citywide	1,098	$1,000	-28%	$953	-25%

*Only for those units reporting a preferential rent.
**Refers to the legal rents of just those units that reported preferential rents.
Source: 2018 and 2019 HCR Building and Apartment Registration filings

Table 3 presents the median and average "actual" rents reported for 41% of rent stabilized rooming house units. These are the rents that are paid by tenants out of pocket, with the balance being paid by government programs such as Section 8, Shelter Plus or SCRIE. Also shown is the percentage difference from the median and average legal rents of just those units with reported actual rents. Theoretically, the owners of the 1,021 units reporting actual rents can receive the difference between the actual and legal rents from government programs, and in fact, 43% of these units do not report any "preferential" rents, suggesting that close to half of owners do receive the full legal rent for these units. The median Citywide legal rent for these units is $1,269 and the average legal rent is $1,210. Not reported here are detailed statistics for the 585 units that report both actual and preferential rents (which would indicate that the owners of these units do not receive the full legal rent). The Citywide median preferential rent for these 585 units is $1,168 and the average preferential rent is $1,059.

Table 3: 2018/2019[65] Median and Average "Actual" Rents for Rooming House Units Identified as Rent Stabilized (excludes exempt and vacant units)

	# of Stabilized Units	***Median***		***Average***	
		*Actual Rent**	*% Difference from Legal Rent***	*Actual Rent**	*% Difference from Legal Rent***
Citywide	1,021	$247	-81%	$450	-63%

*Only for those units reporting an actual rent.
**Refers to the legal rents of just those units that reported actual rents.
Source: 2018 and 2019 HCR Building and Apartment Registration filings

Table 4 shows median and average "rent received," which uses a combination of preferential and legal rents to identify the rent actually being collected by owners of rent stabilized rooming houses. For the purposes of this table, "rent received" is defined as the legal rent, unless a preferential rent is registered, in which case the preferential rent is used.

[64] 2019 data used whenever available.
[65] 2019 data used whenever available.

Table 4: 2018/2019[66] Median and Average "Rent Received" Rents for Rooming House Units Identified as Rent Stabilized (excludes exempt and vacant units)

	# of Stabilized Units	***Median** "Rent Received"**	***Average** "Rent Received"**
Citywide	2,484	$906	$954

*"Rent Received" refers to the preferential rent (if one is provided), or the legal rent (if a preferential rent is not provided)
Source: 2018 and 2019 HCR Building and Apartment Registration filings

Table 5 provides a longitudinal analysis[67] of 94 buildings (with rent information, 111 total) that registered in both 2019 and 2018. The median and average rents of this group of buildings in both years are presented below.

Table 5: 2019 Longitudinal Citywide Rent Data for Rooming House Units Identified as Rent Stabilized (excludes exempt and vacant units)

	Legal Rent	*Preferential Rent*	*Actual Rent*	*"Rent Received"**
# of Units	2,239	623	870	2,239
Median 2018	$1,156.51	$906.00	$241.00	$901.10
Median 2019	$1,188.53	$978.00	$247.00	$984.00
% Change (Median)	2.8%	7.9%	2.5%	9.2%
Average 2018	$1,087.38	$897.65	$453.40	$938.83
Average 2019	$1,124.90	$937.13	$466.85	$973.96
% Change (Average)	3.5%	4.4%	3.0%	3.7%

*"Rent Received" refers to the preferential rent (if one is provided), or the legal rent (if a preferential rent is not provided)
Source: 2018 and 2019 HCR Building and Apartment Registration filings

Hotels

The 2018 and 2019 HCR registration files contained 74[68] buildings that could be identified as hotels, an increase from the 72 identified in the 2019 memo and a decrease from the 83 identified in the 2017 memo that formed the basis for this study.[69] The number of these buildings that contain rent information is 74, six more than the number in the 2019 memo.

[66] 2019 data used whenever available.
[67] Note that unlike Tables 1-4, which rely on a combination of two years' worth of data to report a single median or average rent figure, the longitudinal analysis relies solely on comparing 2019 data to 2018 data. All but nine of the rooming houses registered in 2019 were also registered in 2018.
[68] Five of these "buildings" filed more than one registration with HCR, for adjacent addresses (a total of 11 records, treated here as five records). They are generally considered to be a single building, and are treated as such in this analysis.
[69] Using the list of buildings identified in 2017 as a starting point, staff searched the most recent HCR registration records available to staff, from 2019 (as released to the RGB in March of 2020), for the 83 buildings identified in the 2017 memo. A total of 63 buildings that were previously identified as hotels were contained in the most recent registration filings available to staff. Another 11 buildings were matched with 2018 registration data. A total of nine buildings could not be located in either registration file. Staff did not research whether any new hotel buildings may have been registered in 2019.

According to HCR records, these buildings contained a total of 5,940 units of housing.[70] Of the units registered with HCR, 2,073 (34.9%) were registered as "rent stabilized." Rent information was provided for 2,069 of these units. Of the remaining units, 3,437 (57.9%) were registered as "temporarily exempt" or "permanently exempt" (with the vast majority "temporarily exempt"); and 430 (7.2%) as "vacant." With respect to temporarily exempt units, the most common reason given for this status is "Hotel/SRO (Transient)" (76.7%). The second most common reason provided for temporarily exempt status is "Not Prime Residence" (17.6%). Of the remaining temporarily exempt units, the reasons for exemption are almost entirely "other" or "owner- or employee-occupied." Of these 74 buildings, eight (10.8%) consist entirely of exempt and/or vacant units (440 units or 7.4% of total units). In addition, 38 buildings (51.4%) contain less than 85% permanently stabilized units.[71] These 38 buildings contain 4,453 units, or 75.0% of the total units registered with HCR.

HCR registration files provided to the RGB provide information only for hotel units that owners register, which may or may not accurately reflect the total number of units in the building. Staff therefore researched two additional sources of information to determine the number of units in registered hotels.[72] For each hotel building, staff researched both registration records from the Department of Housing and Preservation Development (HPD), as well as internet sites, such as Expedia and Hotels.com, and the individual websites of the hotels, where available. In many cases, the unit count data from these different sources was inconsistent. For purposes of this analysis, staff has generally used the highest of the figures (whether HCR, HPD, or the travel or hotel websites) to estimate an actual unit count in these buildings. Taking this approach, staff found that these 74 buildings contained an estimated total of 16,667 units of housing. As a proportion of this higher number of units, units registered as "rent stabilized" are 12.4% of the total (versus 34.9% of the registered HCR units). As a proportion of the higher number of units, 70 buildings (94.6% of the total buildings) contain less than 85% permanently stabilized units.[73] These 70 buildings contain 15,961 units, or 95.8% of the total units.

Table 6 shows the number of rent stabilized units and buildings that registered legal rents with HCR in 2018/2019. Legal rents are the maximum amount that an owner can charge to tenants (or to government agencies subsidizing tenants), but do not necessarily reflect what a tenant is actually paying. The table also provides the median and average legal rents for these units, Citywide.

Table 6: 2018/2019[74] Median and Average "Legal" Rents for Hotel Units Identified as Rent Stabilized (excludes exempt and vacant units)

	# of Stabilized Units	*# of Stabilized Buildings*	***Median** Legal Rent*	***Average** Legal Rent*
Citywide	2,069	74	$745	$985

Source: 2018 and 2019 HCR Building and Apartment Registration filings

70 Note that while some owners may register all their units, regardless of regulation status, others may register only those that are rent stabilized.

71 The proviso in RGB Hotel Order 41, the last time the Board granted a renewal lease increase, limited permitted increases to hotels with at least 85% permanently rent stabilized occupancy. If the owner has not registered every unit in the building with HCR (as they may not with unregulated units), the percentage of buildings that are 85% or more rent stabilized could be inflated.

72 Note that this analysis was not undertaken for rooming houses.

73 See footnote 70.

74 2019 data used whenever available.

Table 7 presents the median and average "preferential" rents reported for 12% of rent stabilized units. Preferential rents are rents that owners voluntarily choose to charge to tenants, which are lower than legal rents.

Table 7: 2018/2019[75] Median and Average "Preferential" Rents for Hotel Units Identified as Rent Stabilized (excludes exempt and vacant units)

	# of Stabilized Units	***Median***		***Average***	
		*Preferential Rent**	*% Difference from Legal Rent***	*Preferential Rent**	*% Difference from Legal Rent***
Citywide	254	$529	-61%	$649	-74%

*Only for those units reporting a preferential rent.
**Refers to the legal rents of just those units that reported preferential rents.
Source: 2018 and 2019 HCR Building and Apartment Registration filings

Table 8 shows the median and average "actual" rents reported for 23% of rent stabilized hotel units. These are the rents that are paid by tenants out of pocket, with the balance being paid by government programs such as Section 8, Shelter Plus or SCRIE. Also shown is the percentage difference from the median and average legal rents of just those units with reported actual rents. Theoretically, the owners of the 471 units reporting actual rents can receive the difference between the actual and legal rents from government programs, and in fact, 86% of these units do not report any "preferential" rents, suggesting that in most cases owners do receive the full legal rent for these units. The median Citywide legal rent for these units is $745 and the average legal rent is $820. Not reported here are detailed statistics for the 67 units that report both actual and preferential rents (which would indicate that the owners of these units do not receive the full legal rent). The median Citywide preferential rent for these units is $1,031 and the average preferential rent is $1,010.

Table 8: 2018/2019[76] Median and Average "Actual" Rents for Hotel Units Identified as Rent Stabilized (excludes exempt and vacant units)

	# of Stabilized Units	***Median***		***Average***	
		Actual Rent	*% Difference from Legal Rent***	*Actual Rent*	*% Difference from Legal Rent***
Citywide	471	$331*	-56%	$482*	-41%

*Only for those units reporting an actual rent.
**Refers to the legal rents of just those units that reported actual rents.
Source: 2018 and 2019 HCR Building and Apartment Registration filings

Table 9 shows median and average "rent received," which uses a combination of preferential and legal rents to identify the rent actually being collected by owners of rent stabilized hotels. For the purposes of this table, "rent received" is defined as the legal rent, unless a preferential rent is registered, in which case the preferential rent is used.

[75] 2019 data used whenever available.
[76] 2019 data used whenever available.

Table 9: 2018/2019[77] Median and Average "Rent Received" Rents for Hotel Units Identified as Rent Stabilized (excludes exempt and vacant units)

	# of Stabilized Units	***Median** "Rent Received"**	***Average** "Rent Received"**
Citywide	2,069	$700	$764

*"Rent Received" refers to the preferential rent (if one is provided), or the legal rent (if a preferential rent is not provided)
Source: 2018 and 2019 HCR Building and Apartment Registration filings

Table 10 provides a longitudinal analysis[78] of 55 hotel buildings (with rent information, 56 total) that registered in both 2018 and 2019. The median and average rents for this group of buildings are presented below.

Table 10: 2019 Longitudinal Citywide Rent Data for Hotel Units Identified as Rent Stabilized (excludes exempt and vacant units)

	Legal Rent	*Preferential Rent*	*Actual Rent*	*"Rent Received"**
# of Units	1,767	209	377	1,767
Median 2018	$744.83	$525.30	$328.00	$715.37
Median 2019	$744.83	$508.82	$323.00	$709.80
% Change (Median)	0.0%	-3.1%	-1.5%	-0.8%
Average 2018	$992.90	$605.03	$489.06	$743.83
Average 2019	$986.97	$640.25	$478.81	$745.86
% Change (Average)	-0.6%	5.8%	-2.1%	0.3%

*"Rent Received" refers to the preferential rent (if one is provided), or the legal rent (if a preferential rent is not provided)
Source: 2018 and 2019 HCR Building and Apartment Registration filings

Summary

In summary, while this memo cannot capture every rent stabilized hotel or rooming house in New York City, it provides information on the universe of registered units that are likely to be rent stabilized. Tables 11 and 12 summarize some of the data presented above.

Table 11 summarizes data on the regulatory status of rooming house and hotel units registered with HCR in 2018/2019.

[77] 2019 data used whenever available.
[78] Note that unlike Tables 6-9, which rely on a combination of two years' worth of data to report a single median or average rent figure, the longitudinal analysis relies solely on comparing 2019 data to 2018 data. All of the Hotels registered in 2019 were also registered in 2018, but less units were registered as rent stabilized in 2019, and therefore fewer records contained rent information.

Table 11: 2018/2019[79] Rent Regulation Status of Registered Rooming Houses and Hotels

	*# of Units**	*Occupied Rent Stabilized*	*Vacant*	*Temporarily or Permanently Exempt*
Rooming Houses	3,872	2,486	528	859
Hotels	5,940	2,073	430	3,437
Rooming Houses and Hotels (combined)	9,812	4,559	958	4,295

*Includes only those units registered with HCR
Source: 2018 and 2019 HCR Building and Apartment Registration filings

Table 12 provides a summary of the legal and received rents for rooming houses and hotels, as well as the average and median rents of rooming houses and hotels combined.

Table 12: 2018/2019[80] Median and Average Legal Rent and "Rent Received" Rents for Rooming House and Hotel Units Identified as Rent Stabilized (excludes exempt and vacant units)

	*# of Stabilized Units**	***Median** Legal Rent*	***Average** Legal Rent*	***Median** "Rent Received"**	***Average** "Rent Received"***
Rooming Houses	2,484	$1,171	$1,096	$906	$954
Hotels	2,069	$745	$985	$700	$764
Rooming Houses and Hotels (combined)	4,553	$843	$1,046	$746	$868

*Includes only those units with registered legal rents with HCR
**"Rent Received" refers to the preferential rent (if one is provided), or the legal rent (if a preferential rent is not provided)
Source: 2018 and 2019 HCR Building and Apartment Registration filings

[END OF MEMO]

VOTE

The vote of the Rent Guidelines Board on the adopted motion pertaining to the provisions of Order Number 50 was as follows:

	Yes	No	Abstentions
Guidelines for Hotels	**7**	**2**	**-**

Dated: June 17, 2020
Filed with the City Clerk: June 26, 2020

David Reiss
Chair
NYC Rent Guidelines Board

[79] 2019 data used whenever available.
[80] 2019 data used whenever available.

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