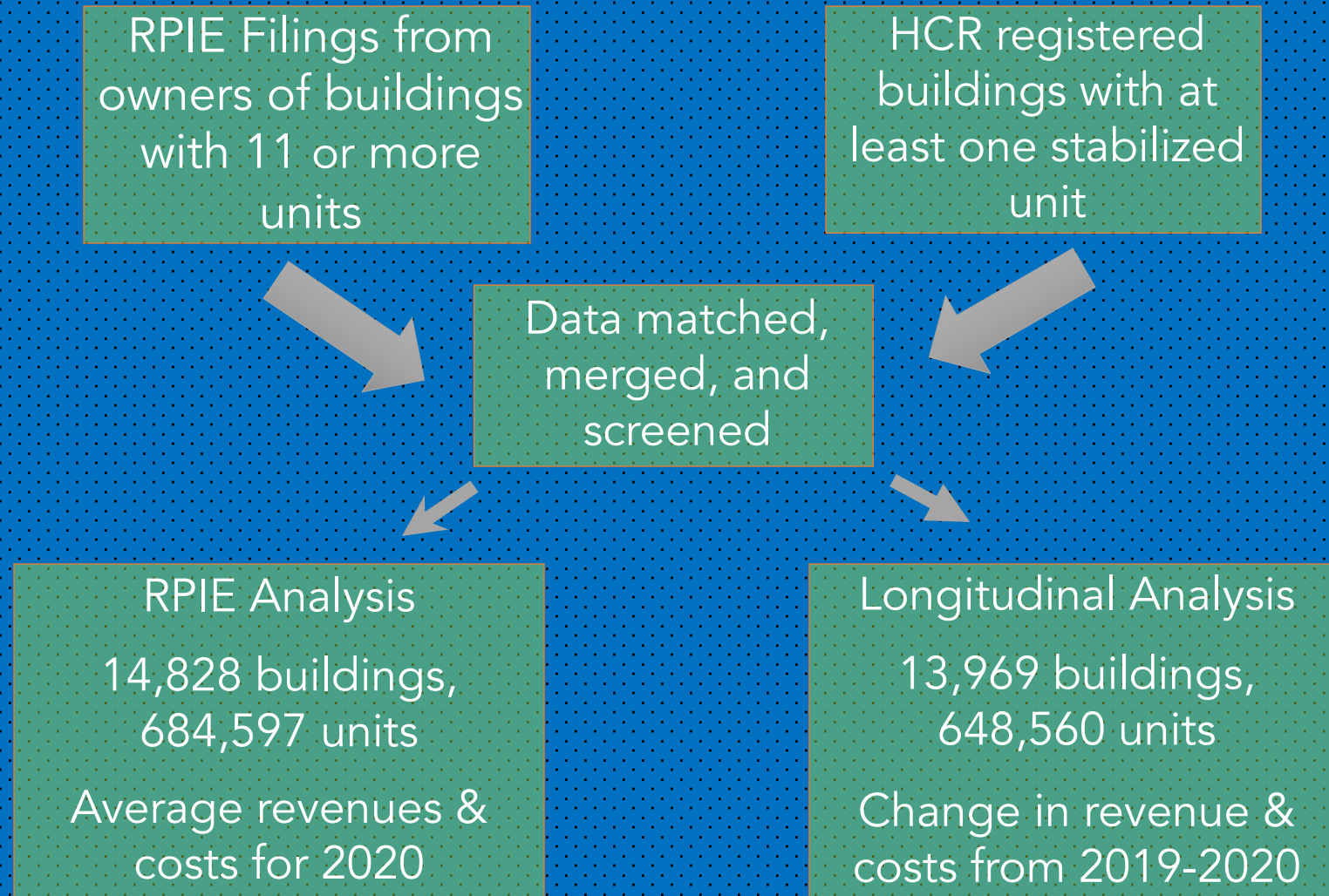


NYC Rent Guidelines Board

***2022 Income and
Expense Study***

March 31, 2022

Methodology



RPIE Analysis

Rents in 2020

- Citywide average rent: \$1,422 per unit per month
 - Median monthly rent: \$1,280
 - By building age:
 - ♦ \$1,310 in pre-war buildings
 - ♦ \$1,676 in post-war buildings
 - By borough:
 - ♦ \$1,870 in Manhattan
 - ♦ \$2,363 in Core Manhattan
 - ♦ \$1,369 in Upper Manhattan
 - ♦ \$1,372 in Queens
 - ♦ \$1,367 in Brooklyn
 - ♦ \$1,115 in Staten Island
 - ♦ \$1,053 in the Bronx
 - ♦ \$1,288 NYC excluding Core Manhattan

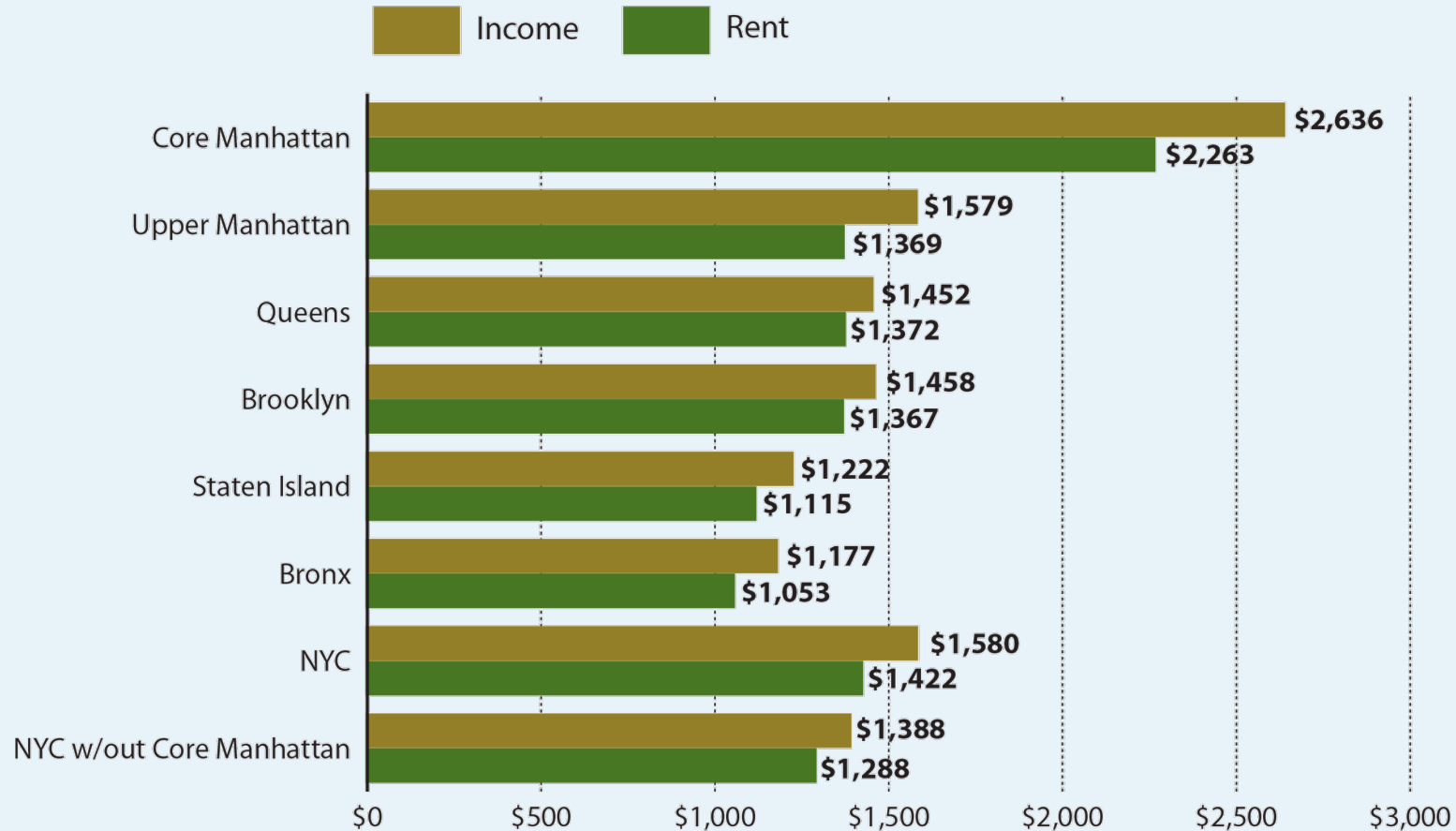
RPIE Analysis

Income in 2020

- Citywide average gross income: \$1,580 per unit per month
 - Median monthly income: \$1,389
 - By building age:
 - ♦ \$1,458 in pre-war buildings
 - ♦ \$1,857 in post-war buildings
 - By borough:
 - ♦ \$2,172 in Manhattan
 - ♦ \$2,636 in Core Manhattan
 - ♦ \$1,579 in Upper Manhattan
 - ♦ \$1,458 in Brooklyn
 - ♦ \$1,452 in Queens
 - ♦ \$1,222 in Staten Island
 - ♦ \$1,177 in the Bronx
 - ♦ \$1,388 NYC excluding Core Manhattan

Average Monthly Collected Income/Rent per Dwelling Unit by Borough

Income and Rent Highest in Manhattan in 2020



Source: NYC Department of Finance, 2020 RPIE Data

RPIE Analysis

Income in 2020

- Sale of services and commercial income: 10.0% of total income
 - ♦ Decline from 10.8% in 2019
 - ♦ 13.9% in Manhattan
 - ♦ 14.2% in Core Manhattan
 - ♦ 13.3% in Upper Manhattan
 - ♦ 10.5% in the Bronx
 - ♦ 8.8% in Staten Island
 - ♦ 6.3% in Brooklyn
 - ♦ 5.5% in Queens
 - ♦ 7.2% in City excluding Core Manhattan

RPIE Analysis

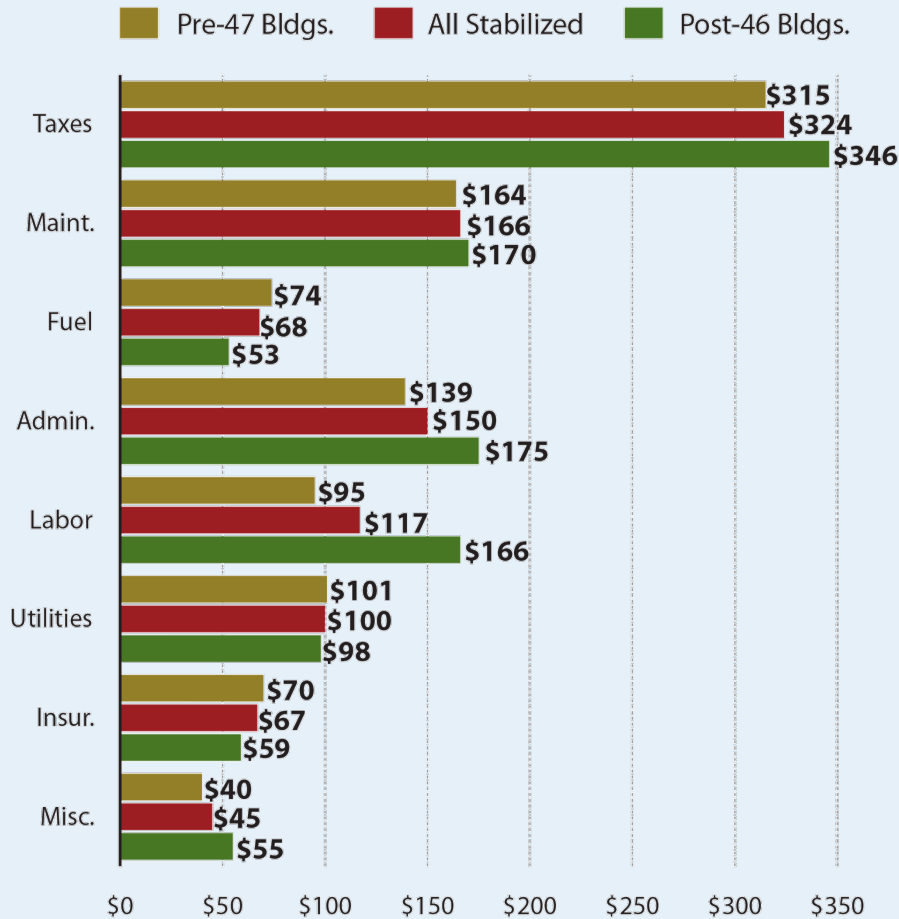
Expenses in 2020

- Citywide average costs: \$1,035 per unit per month
 - Median monthly costs : \$937
- By age:
 - ♦ \$997 in pre-war buildings
 - ♦ \$1,122 in post-war buildings
- By borough:
 - ♦ \$1,451 in Manhattan
 - ♦ \$1,752 in Core Manhattan
 - ♦ \$1,066 in Upper Manhattan
 - ♦ \$934 in Queens
 - ♦ \$895 in Brooklyn
 - ♦ \$811 in the Bronx
 - ♦ \$810 in Staten Island
 - ♦ \$900 in NYC excluding Core Manhattan

Average Monthly Expense per Dwelling Unit per Month

Taxes Remain Largest Expense in 2020

Breakdown of operating cost components by building age



Source: NYC Dept. of Finance, 2020 RPIE Data

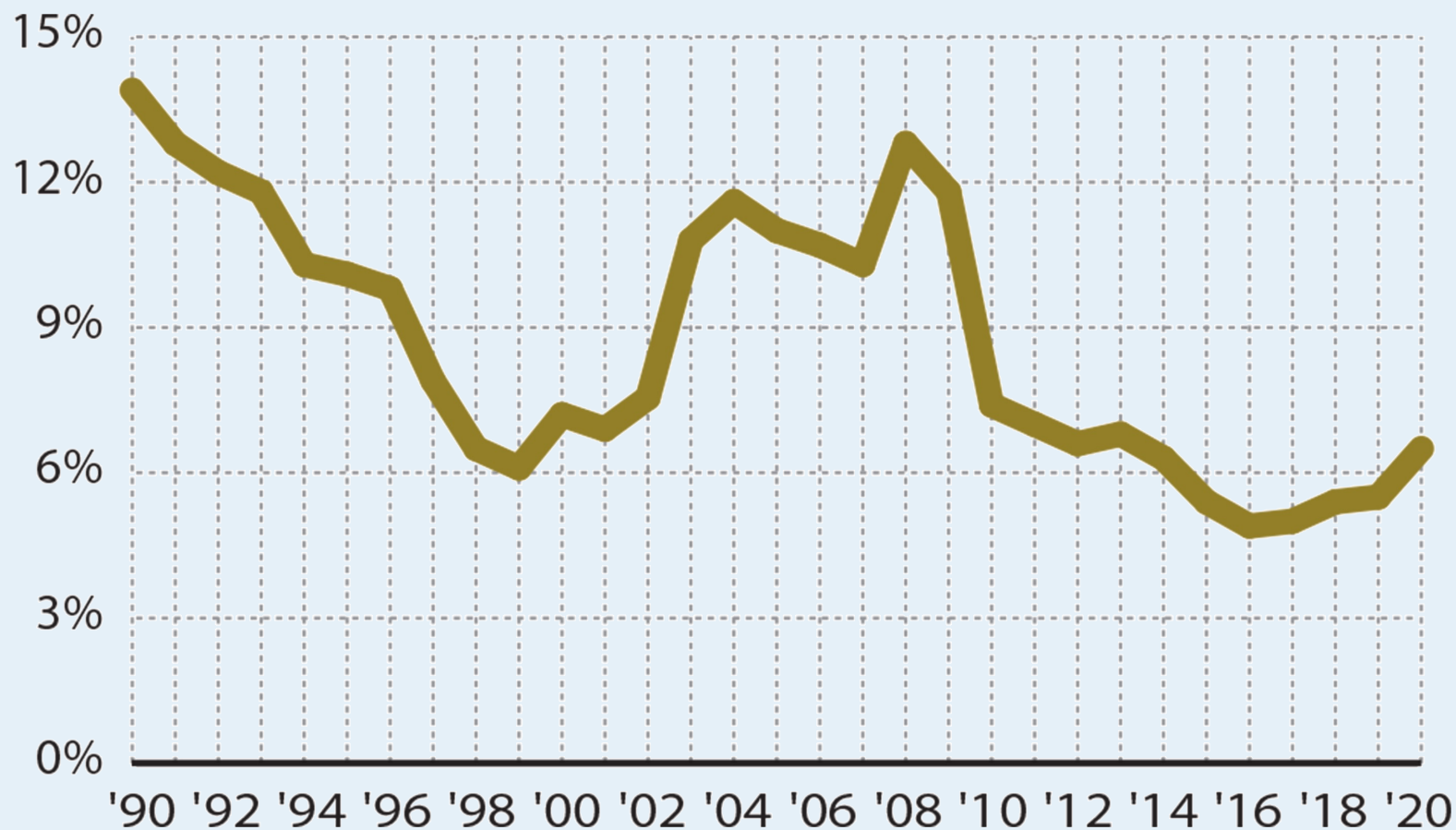
RPIE Analysis

Distressed Properties in 2020

- 6.5% of buildings in survey are distressed
 - ✦ One percentage point increase from last year's 5.5%
- By Borough, majority are in Manhattan
 - ✦ Manhattan: 56.6%
 - ✦ Brooklyn: 16.6%
 - ✦ Bronx: 15.7%
 - ✦ Queens: 10.6%
 - ✦ Staten Island: 0.5%

Percent of Distressed Properties in RPIE Analysis, 1990-2020

Share of Distressed Properties Increases in 2020



Source: NYC Dept. of Finance, 1990-2020 RPIE Data

RPIE Analysis

Net Operating Income in 2020

- Net Operating Income (NOI) equals the amount or income remaining after O&M expenses
- Apartments averaged \$545 of net NOI per month
 - ♦ \$735 in post-war units
 - ♦ \$461 in pre-war units
- NOI in *residential-only* buildings was \$490
 - ♦ 10.2% less than for all buildings

RPIE Analysis

Net Operating Income in 2020

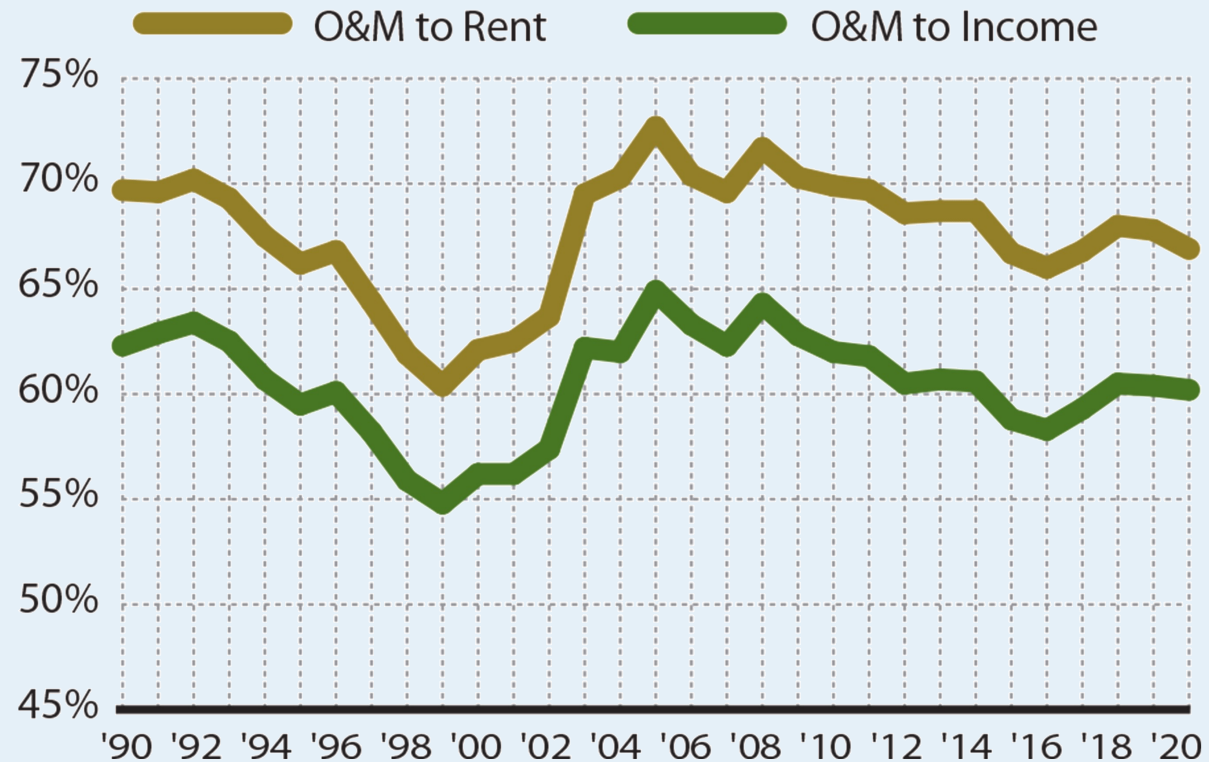
NOI by Borough:

- Highest in Manhattan: \$721
 - ♦ \$884 in Core Manhattan
 - ♦ \$513 in Upper Manhattan
- \$563 in Brooklyn
- \$518 in Queens
- \$412 in Staten Island
- \$366 in the Bronx
- \$488 in City excluding Core Manhattan

Ratios of Citywide Average Monthly Audit-Adjusted O&M Costs to Average Monthly Gross Income and Rent, 1990-2020

Cost-to-Income and Cost-to-Rent Ratios Decrease in 2020

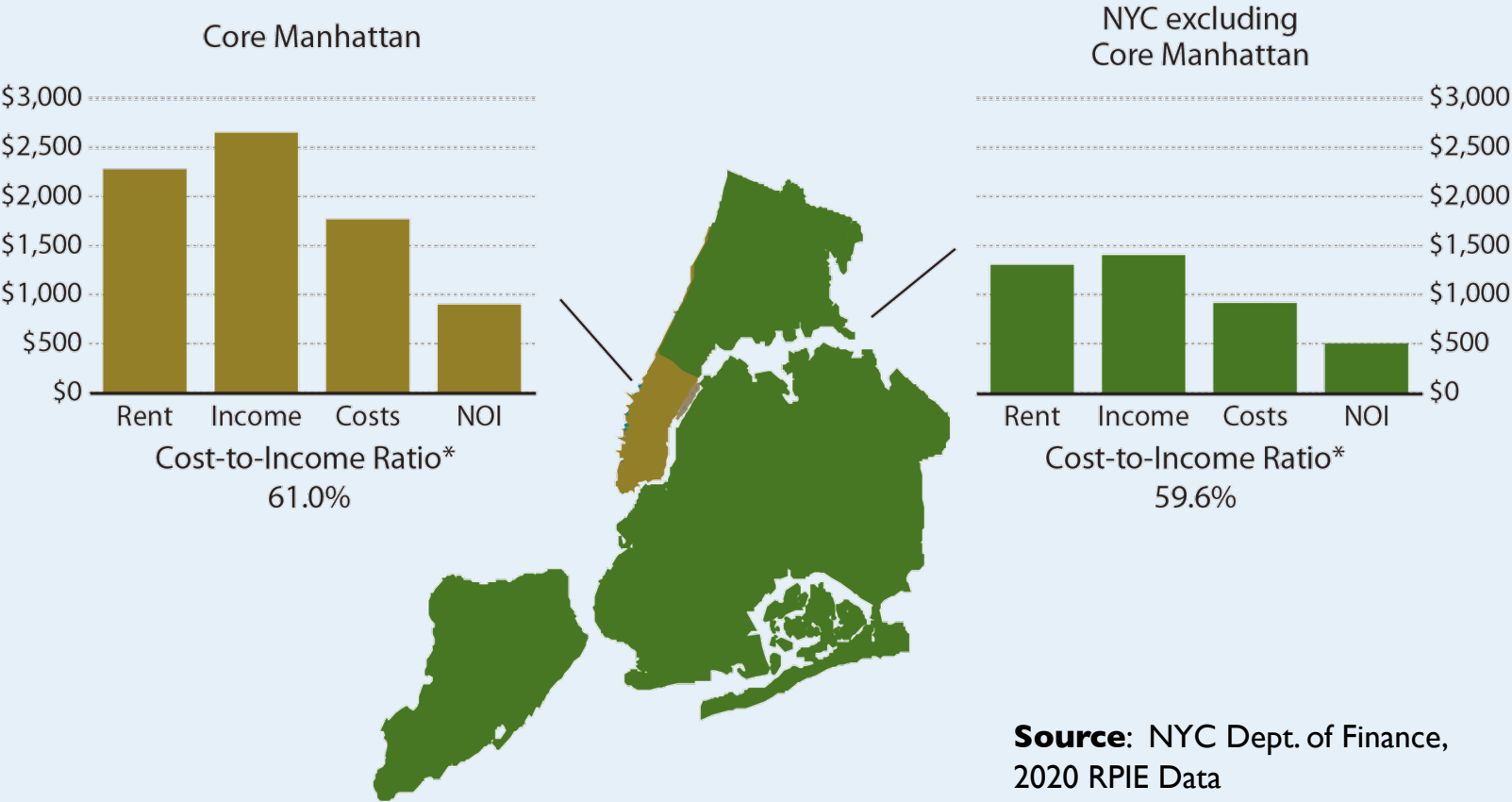
- Operating costs 60.2% of gross income in 2020, a 0.2 percentage point decrease from the prior year
- Operating costs 66.9% of rent revenues in 2020, 0.9 percentage points lower than prior year



Source: NYC Dept. of Finance, 1990-2020 RPIE Data

Average Monthly Rent, Income, Operating Costs, NOI, and Cost-to-Income Ratios, Core Manhattan vs. Rest of the City, 2020

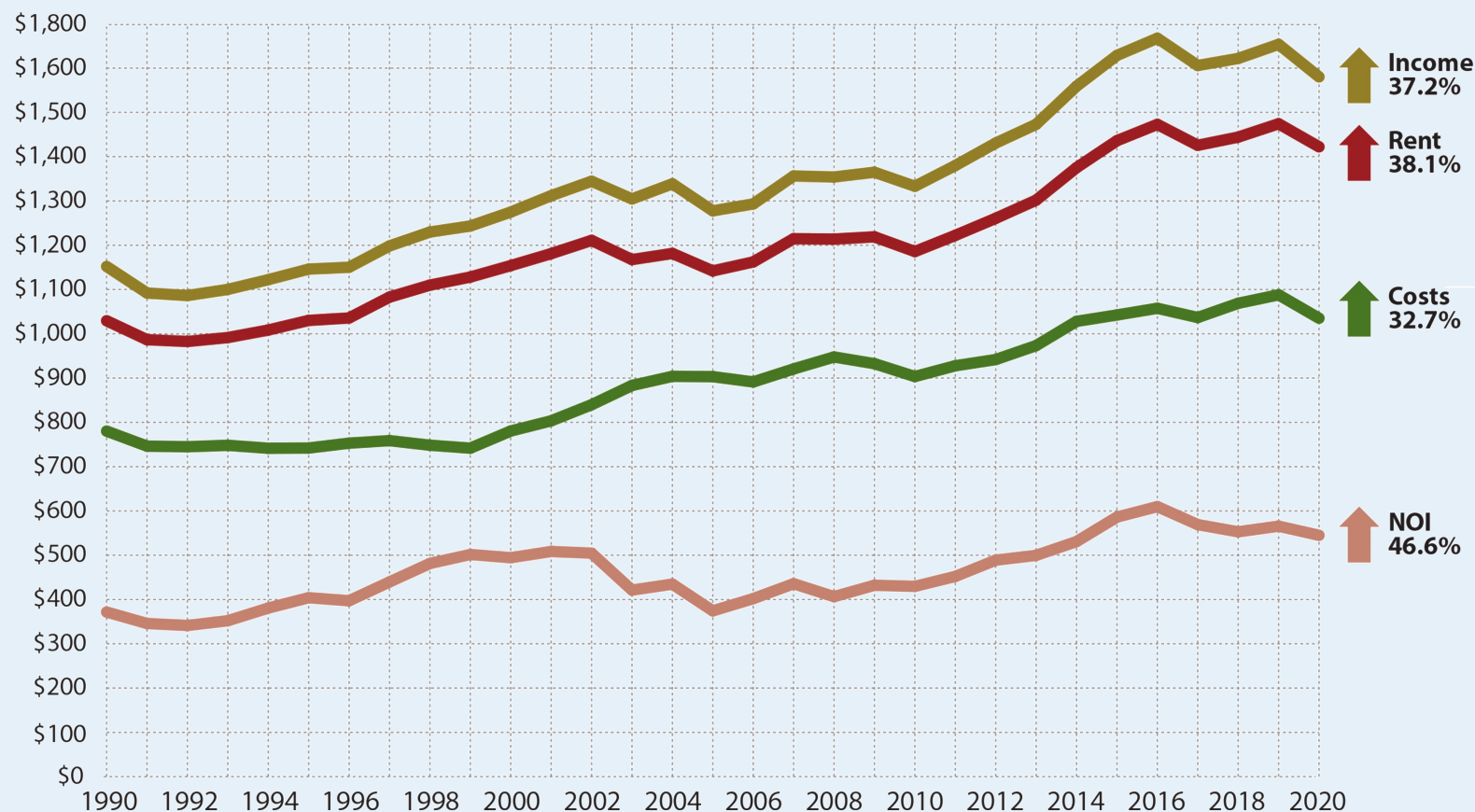
Cost-to-Income Ratio Higher in Core Manhattan



*Note: Ratios use audit-adjusted costs

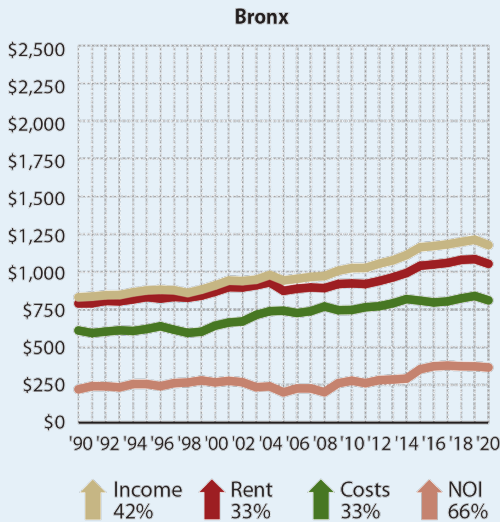
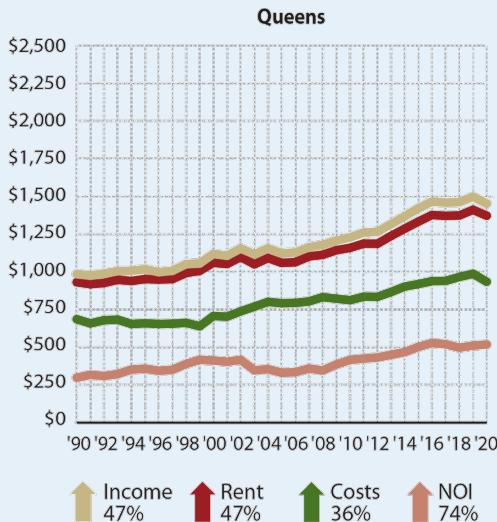
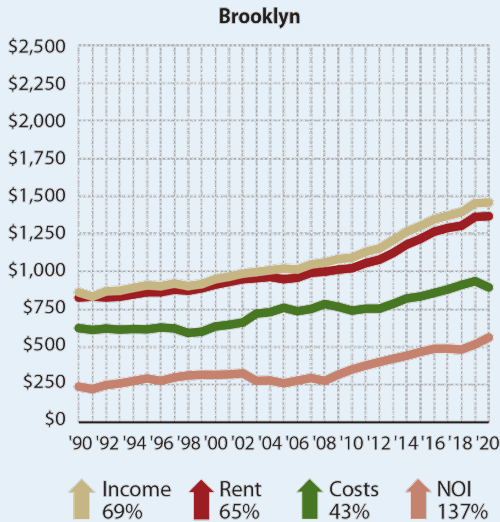
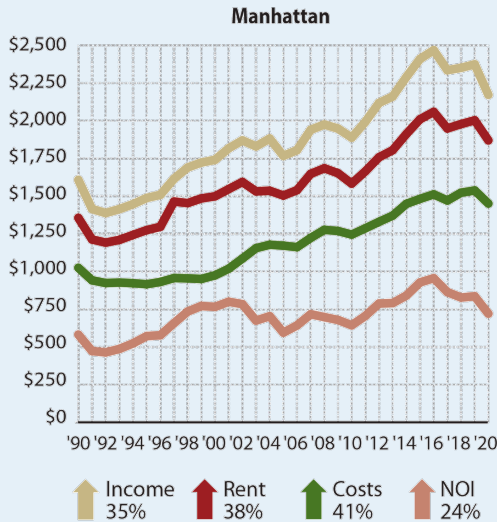
Citywide Income, Rents, Costs, and NOI After Inflation, 1990-2020

Inflation-Adjusted Net Operating Income Up 46.6% Since 1990
(Average Monthly Income, Rent, Operating Costs, and NOI per Dwelling Unit, in Constant 2020 Dollars)



Source: NYC Dept. of Finance, 1990-2020 RPIE Data

Income, Rents, Costs, and NOI After Inflation per Borough, 1990-2020



*Since 1990,
Inflation-
Adjusted NOI
Rises
Citywide and
in Each
Borough*

(Average Monthly
Income, Rent, Operating
Costs, and Net Operating
Income per Dwelling Unit
in Constant 2020 Dollars)

Source: NYC Dept.
of Finance, 1990-2020
RPIE Data

Longitudinal Study

Change in Rents from 2019 to 2020

- Longitudinal analysis tracks same set of buildings over two years
- Average monthly rent collections fell by 3.8% Citywide
 - ♦ Post-war rents fell by 2.9%
 - ♦ Pre-war rents fell by 4.4%
- Rent collection decline by building size
 - ♦ Small (11-19 unit) bldgs.: 5.6% decline
 - ♦ Medium (20-99 unit) bldgs.: 3.4% decline
 - ♦ Large (100+ unit) bldgs.: 4.0% decline

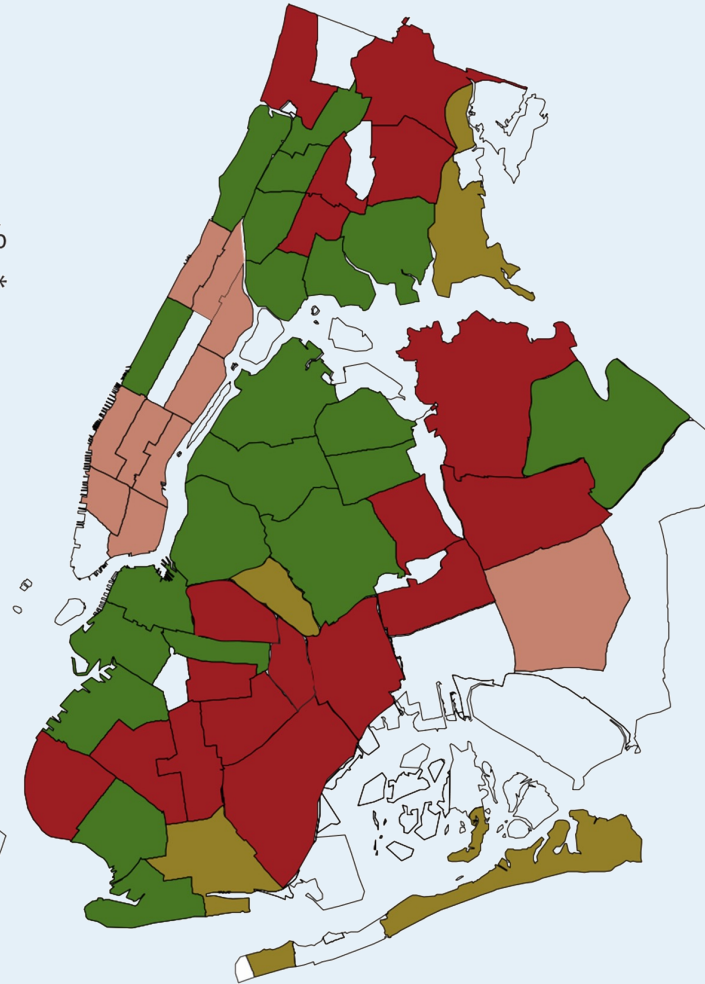
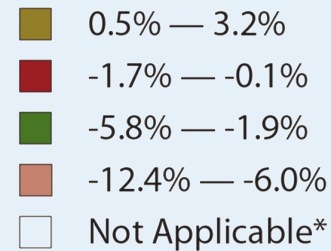
Longitudinal Study

Change in Rents from 2019 to 2020

- Rent change by borough:
 - ✦ Staten Island: 0.5% increase
 - ✦ Manhattan: 7.4% decline
 - ✦ Core Manhattan: 8.9% decline
 - ✦ Upper Manhattan: 4.2% decline
 - ✦ Queens: 2.1% decline
 - ✦ Bronx: 1.7% decline
 - ✦ Brooklyn: 1.2% decline
 - ✦ City excluding Core Manhattan: 2.0% decline
- Median rent fell by 2.8% Citywide

Change in Rent by Community District, 2019-2020

*Collected
Rents Decline
in Vast Majority
of Community
Districts*



*Community Districts with not enough buildings for reliable data.

Source: NYC Dept. of Finance,
2019-20 RPIE Data

Longitudinal Study

Change in Income from 2019 to 2020

- Average gross income declined by 4.6% Citywide
 - ♦ 5.5% decline in pre-war buildings
 - ♦ 3.0% decline in post-war buildings
- Income change by borough:
 - ♦ Staten Island: 0.4% increase
 - ♦ Manhattan: 8.9% decline
 - ♦ Core Manhattan: 10.7% decline
 - ♦ Upper Manhattan: 4.7% decline
 - ♦ Queens: 2.2% decline
 - ♦ Bronx: 1.9% decline
 - ♦ Brooklyn: 1.2% decline
 - ♦ City excluding Core Manhattan: 2.2% decline
- Median income fell by 3.0% Citywide

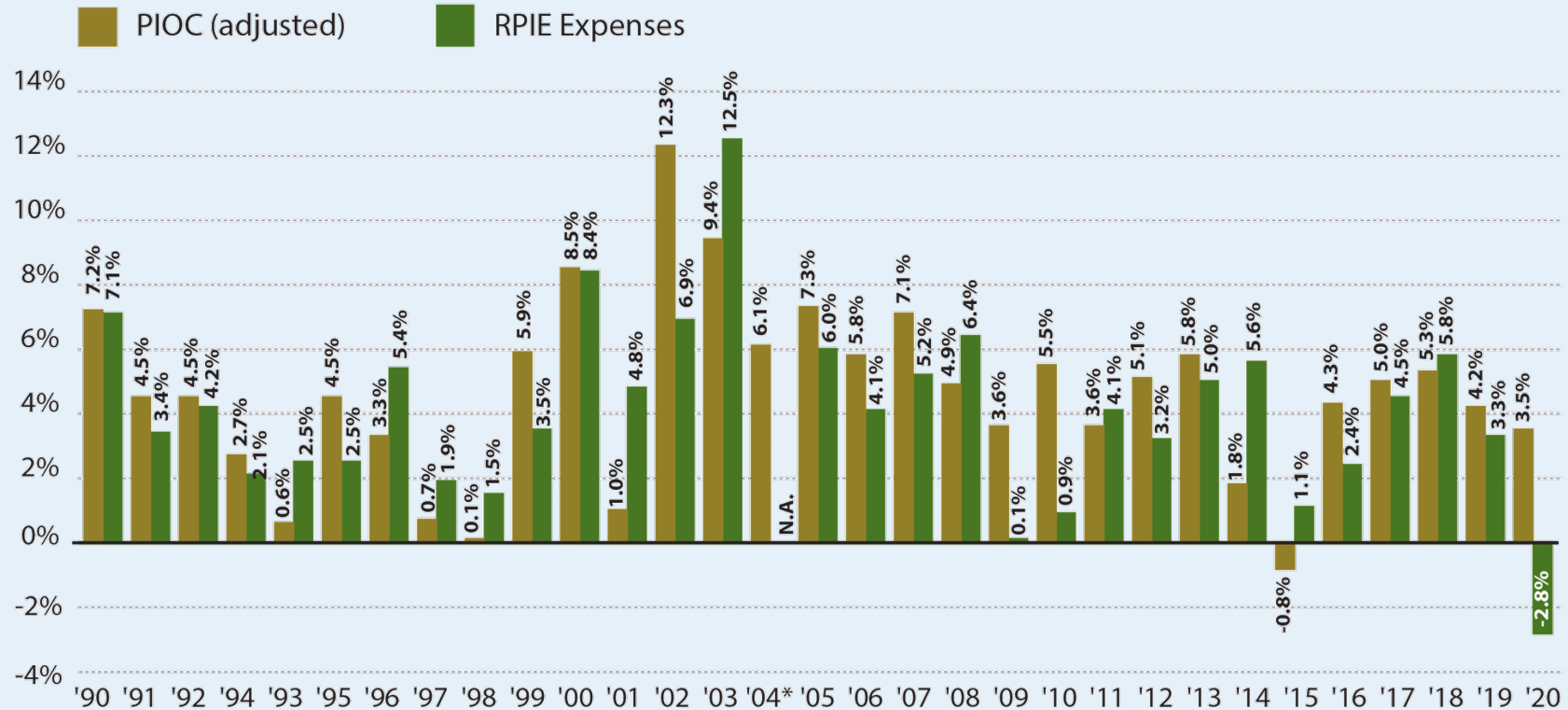
Longitudinal Study

Change in Expenses from 2019 to 2020

- Monthly expenses declined 2.8% Citywide
 - ♦ 3.3% decline in pre-war buildings
 - ♦ 1.8% decline in post-war buildings
- By borough:
 - ♦ Manhattan: 3.9% decline
 - ♦ Upper Manhattan: 4.5% decline
 - ♦ Core Manhattan: 3.6% decline
 - ♦ Queens: 2.5% decline
 - ♦ Staten Island: 2.3% decline
 - ♦ Bronx & Brooklyn: Both decline 2.0%
 - ♦ City excluding Core Manhattan: 2.5% decline
- Median costs fell 2.6% Citywide

Change in Operating & Maintenance Costs, RPIE and the PIOC, 1990 to 2020

In 2020, PIOC Costs Grew While Owner-Reported RPIE Expenses Declined



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

Source: NYC Dept. of Finance, 1990-2020 RPIE Data; NYC Rent Guidelines Board PIOC 1990-2020

Longitudinal Study

Change in NOI from 2019 to 2020

- Average Net Operating Income fell by 7.8% Citywide
 - ◆ Fourth Decline in the Last 30 Years
 - ◆ Down 4.7% in post-war buildings
 - ◆ Down 9.8% in pre-war buildings

Longitudinal Study

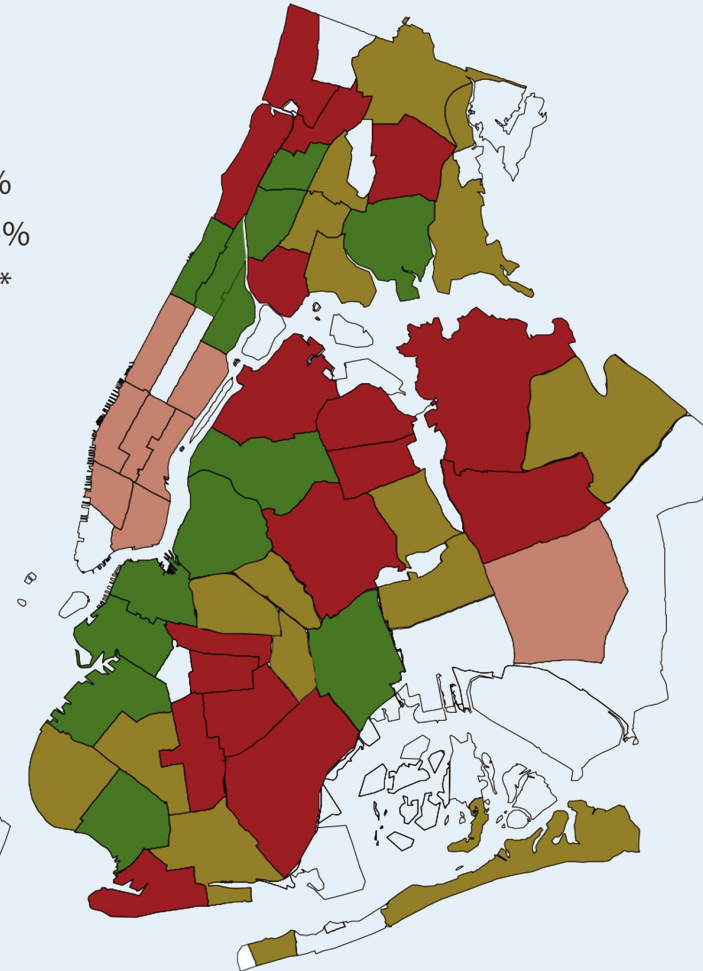
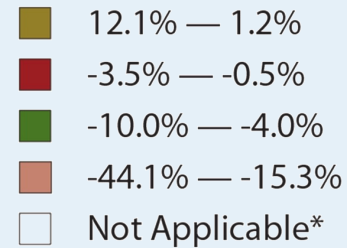
Change in NOI from 2019 to 2020

- Change in Net Operating Income (NOI) around NYC:

- ◆ Staten Island: up 6.4%
- ◆ Brooklyn: up 0.1%
- ◆ Manhattan: down 17.5%
 - ◆ Core Manhattan: down 22.0%
 - ◆ Upper Manhattan: down 5.2%
- ◆ Bronx: down 1.8%
- ◆ Queens: down 1.6%
- ◆ City excluding Core Manhattan: down 1.5%

Change in NOI by Community District, 2019-20

*Net Operating
Income
Declines in
70% of
Community
Districts*



*Community Districts with not enough buildings for reliable data.

Source: NYC Dept. of Finance, 2019-20 RPIE Data

Changes in Average Monthly Rents, Income, Operating Costs, and Net Operating Income per Dwelling Unit, 1990-2020

Net Operating Income (NOI) Fell from 2019 to 2020, the Fourth Decline in the Last 30 Years

Source: NYC Dept. of Finance, 1990-2020 RPIE Data

Note: 2003-04 data unavailable.

	Avg. Rent Growth	Avg. Income Growth	Avg. Cost Growth	Avg. NOI Growth
1990-91	3.4%	3.2%	3.4%	2.8%
1991-92	3.5%	3.1%	4.2%	1.2%
1992-93	3.8%	3.4%	2.1%	6.3%
1993-94	4.5%	4.7%	2.5%	9.3%
1994-95	4.3%	4.4%	2.5%	8.0%
1995-96	4.1%	4.3%	5.4%	2.3%
1996-97	5.4%	5.2%	1.9%	11.4%
1997-98	5.5%	5.3%	1.5%	11.8%
1998-99	5.5%	5.5%	3.5%	8.7%
1999-00	6.2%	6.5%	8.4%	3.5%
2000-01	4.9%	5.2%	4.8%	5.9%
2001-02	4.0%	4.1%	6.9%	-0.1%
2002-03	3.6%	4.5%	12.5%	-8.7%
2003-04	-	-	-	-
2004-05	4.6%	4.7%	6.0%	1.6%
2005-06	5.6%	5.5%	4.1%	8.8%
2006-07	6.5%	6.5%	5.2%	9.3%
2007-08	5.8%	6.2%	6.4%	5.8%
2008-09	1.4%	1.8%	0.1%	5.8%
2009-10	0.7%	1.2%	0.9%	1.8%
2010-11	4.4%	4.5%	4.1%	5.6%
2011-12	5.0%	5.3%	3.2%	9.6%
2012-13	4.5%	4.5%	5.0%	3.4%
2013-14	4.8%	4.9%	5.6%	3.5%
2014-15	4.4%	4.4%	1.1%	10.8%
2015-16	3.1%	3.1%	2.4%	4.4%
2016-17	3.0%	3.0%	4.5%	0.4%
2017-18	3.7%	3.6%	5.8%	-0.6%
2018-19	3.3%	3.2%	3.3%	2.9%
2019-20	-3.8%	-4.6%	-2.8%	-7.8%

NYC Rent Guidelines Board

***2022 Income and
Expense Study***

March 31, 2022