

# 2022 Hotel Report

April 20, 2022

New York City Rent Guidelines Board

## Board Members

### Chair:

David Reiss

### Public Members:

Christina DeRose • Christian Gonzalez-Rivera •  
Arpit Gupta • Alex Schwartz

### Owner Members:

Robert Ehrlich • Christina Smyth

### Tenant Members:

Sheila Garcia • Adán Soltren

## Staff Members

### Executive Director:

Andrew McLaughlin

### Research Director:

Brian Hoberman

### Deputy Research Director:

Danielle Burger

### Office Manager:

Charmaine Superville

***New York City Rent Guidelines Board***

1 Centre Street, Suite 2210, New York, NY 10007 • 212-669-7480 • [nyc.gov/rgb](http://nyc.gov/rgb)

# 2022 Hotel Report

**04** *Introduction*

**04** *Overview*

**05** *Certifications of No Harassment*

**05** *Illegal Hotel Violations*

**06** *2022 Hotel PIOC*

**06** *Analysis of 2020/2021 HCR Registration Data*

**14** *Summary*

## What's New

- ☑ There were 63 Certifications of No Harassment issued by the NYC Department of Housing Preservation and Development for SROs during 2021, an increase of 85.3% over the prior year.
- ☑ The Mayor's Office of Special Enforcement issued 2,760 violations for illegal hotels in 2021, an increase of 80.7% from the prior year.
- ☑ The 2022 PIOC found an average decrease in the cost of operating hotels of 1.3% between April of 2021 and March of 2022.
- ☑ As based on an analysis of 2020/2021 HCR registration data, the median legal rent for hotels and rooming houses is \$864 and the average is \$1,066. The median "rent received" for rooming houses and hotels is \$800 and the average is \$908.
- ☑ As based on a longitudinal analysis of 2020 and 2021 HCR registration data, the median legal rent fell 0.3% between 2020 and 2021, and the average legal rent rose 0.4%. The median "rent received" fell 0.2% and the average "rent received" rose 0.6%.

## Introduction

The NYC Rent Guidelines Board (RGB) is charged with setting annual rent adjustments for rent stabilized units in Class A and Class B hotels; rooming and lodging houses; and Single Room Occupancy (SRO) buildings (all referred to generally as “hotels”).<sup>1</sup> While the Board can set separate adjustments for each of these five categories of hotels, only six of the 51 hotel orders have included individual adjustments for the unique classes of hotels, with the last differentiation occurring in 1998.

The Board has historically used information from the RGB’s research reports, including the *Price Index of Operating Costs (PIOC)* and the *Housing Supply Report*, to help determine appropriate hotel guidelines. Periodic memos, beginning in 2007 and related to rent levels in rent stabilized hotel units, have also supplemented these reports. The inaugural *2022 Hotel Report* will, for the first time, consolidate research related to rent stabilized hotels into a single report.

The report includes information on Certifications of No Harassment for SROs, illegal hotel violations, and the number of hotel units registered with NYS Homes and Community Renewal (HCR), as well as the average and median rents in these units. Data from the hotel portion of the *PIOC* is also included.

## Overview

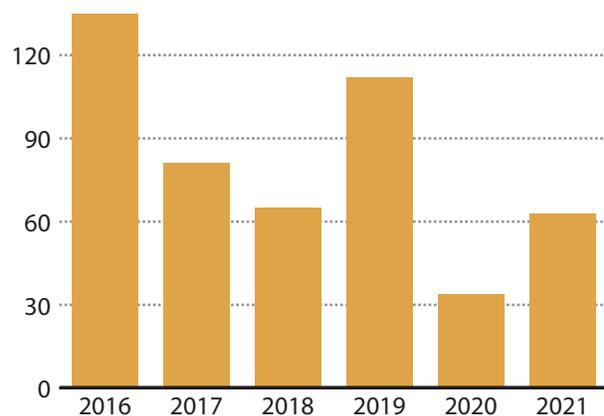
There were 63 Certifications of No Harassment issued by the NYC Department of Housing Preservation and Development for SROs during 2021, an increase of 85.3% over the prior year. In 2021, the Mayor’s Office of Special Enforcement issued 2,760 violations for illegal hotels, an 80.7% increase from 2020. The *2022 PIOC* found an average decrease in the cost of operating hotels of 1.3% between April of 2021 and March of 2022.

An analysis of 2020/2021 HCR registration data identified registration records for 81 hotels and 231 rooming houses (a total of 312 buildings). These 312 buildings contained 5,394 hotel units and 4,794 rooming house units (a total of 10,188 units). Slightly

less than half of these units (5,037) were registered as “rent stabilized,” with most units including corresponding rent data. The balance of the units (5,151) were registered as either vacant or exempt. For those units where rent data is reported, the median legal rent is \$745 for hotels and \$1,161 for rooming houses (with an overall median of \$864). The average legal rent is \$1,033 for hotels and \$1,086 for rooming houses (with an overall average of \$1,066). The median “rent received” (the legal rent, except in cases where there is a preferential rent provided) is \$725 for hotels and \$941 for rooming houses (with an overall median of \$800). The average “rent received” is \$790 for hotels and \$981 for rooming houses (with an overall average of \$908). In addition, a longitudinal analysis of the change in rent in the same set of units in both 2020 and 2021 shows that the median legal rent was unchanged in hotels, rose 1.5% in rooming houses, and fell 0.3% overall. The average legal rent in the longitudinal sample rose 1.2% in hotels, 0.1% in rooming houses, and 0.4% overall. For the “rent received” by owners in the longitudinal sample, the median was unchanged in hotels, and fell 2.0% in rooming houses and 0.2% overall. Average “rent received” in the longitudinal sample rose 2.2% in hotels, fell 0.3% in rooming houses, and rose 0.6% overall.

### Certifications of No Harassment, 2016-2021

Certifications of No Harassment for SROs Increase 85% in 2021



Source: NYC Department of Housing Preservation and Development

## Certifications of No Harassment

SRO owners may convert SRO housing to other uses after obtaining a “Certification of No Harassment” (CONH) from the NYC Department of Housing Preservation and Development (HPD). After falling by 69.6% in 2020 (to 34), the number of CONHs granted by HPD rose in 2021, by 85.3% (to 63).<sup>2</sup> (See graph on the prior page.)

## Illegal Hotel Violations

Efforts are also underway to ensure that units meant to provide permanent housing are not used as transient hotels. As of May 1, 2011, a law was passed clarifying that Class A multiple dwellings were only to be used for occupancy of 30 consecutive days or more,<sup>3</sup> and on October 2, 2012, a companion law was passed strengthening the City’s ability to crack down on housing being used illegally for transient occupancy.<sup>4</sup> In addition, a bill in October of 2016 authorized fines up to \$7,500 for illegally advertising short-term rentals in Class A Multiple Dwellings.<sup>5</sup>

In 2021, 2,760 violations were issued by the Mayor’s Office of Special Enforcement (OSE) for the illegal rental of units for short-term use (including apartments, hostels, and SROs), an increase of 80.7% from 2020. The majority of violations, 1,507 (54.6%) were for dwelling units in Manhattan, with 716 violations in Brooklyn (25.9% of the total); 472 violations in Queens (17.1% of the total); 59

violations in the Bronx (2.1% of the total); and 6 in Staten Island (0.2% of the total).<sup>6</sup> Between May of 2011 and December of 2021, approximately 23,000 violations have been issued by this agency as part of its efforts to address illegal short-term rentals. (See the table on this page for violations by borough from 2016-2021.)

Among OSE’s activity over the past year, the agency announced in February of 2022 that they had won two major settlements against owners of buildings being used illegally as short-term rentals. In the first, an Upper West Side Manhattan SRO building that was being illegally used as a hotel will permanently stop short-term rentals and pay \$1.1 million to the City in fines and penalties for its “sustained illegal activity;” 270 illegal occupancy and safety violations; and 63 illegal advertising of short-term rentals violations. The settlement took into account that the defendant was selling the building to a non-profit that will create 82 units of affordable housing and provide on-site social services for low-income and formerly homeless New Yorkers.<sup>7</sup>

In the second settlement, which also resolved an illegal eviction case brought by the City’s Law Department and a parallel investigation by the NYS Attorney General, a Crown Heights, Brooklyn, building worth more than \$2 million will be transferred to a non-profit entity to be used for affordable housing, and the owners will pay a fine of \$250,000. The owners of the building, who were running a short-term rental operation for four years

<b>Illegal Hotel Violations Issued by the Mayor’s Office of Special Enforcement, 2016-2021</b>						
<b>In Each Year, Violations are Highest in Manhattan and Lowest in the Bronx and Staten Island</b>						
<b>Year</b>	<b>Bronx</b>	<b>Brooklyn</b>	<b>Manhattan</b>	<b>Queens</b>	<b>Staten Island</b>	<b>Citywide</b>
2016 <sup>31</sup>	22	495	894	147	22	1,580
2017	41	803	1,273	397	43	2,557
2018	12	924	1,913	570	37	3,456
2019	16	755	2,276	494	24	3,565
2020	58	409	832	219	9	1,527
2021	59	716	1,507	472	6	2,760

Source: The Mayor’s Office of Special Enforcement

across nine Brooklyn buildings and illegally evicted tenants from the building they are giving up, have also agreed to a permanent injunction against further illegal short-term rental activity anywhere in the City and settled a separate lawsuit brought by former tenants for illegal eviction.<sup>8</sup>

OSE also announced three settlements in August of 2021, worth a combined total of \$1.2 million, for illegal rentals of units in Manhattan's Lower East Side, Hell's Kitchen, and East Village neighborhoods<sup>9</sup> and won summary judgment against an SRO building in Manhattan's Kips Bay neighborhood that was being illegally used as a hotel in November of 2021.<sup>10</sup> In June of 2021, OSE sued a long-time operator of illegal short-term rentals in 18 permanent residential dwelling units, responsible for almost 1,200 reservations over nearly five years<sup>11</sup> and in October announced they were suing a third-party property manager of illegal short-term rentals, responsible for more than 4,000 reservations covering 18,700 nights over a four-year period.<sup>12</sup>

In January of 2022, another law was enacted to help curb the use of permanent housing for short-term rentals. The law, which takes effect in January of 2023, requires anyone wishing to operate as a host of a short-term rental (a rental of less than 30 days) to register with OSE and receive a registration number. Registration numbers will not be issued by OSE unless the unit meets the requirements of a valid short-term rental, as defined by law. The law also prohibits the registration of rent regulated units, and allows building owners to certify that short-term rentals are not allowed in their building, thereby preventing OSE from issuing a registration number to an individual tenant of such a building. In addition, upon receipt of registration applications from renters, OSE will notify the owner of record of the dwelling unit/building. The law also requires that booking services (such as Airbnb, and other similar platforms) verify that listings are properly registered with OSE before they can take a fee.<sup>13</sup>

## 2022 Hotel PIOC

Per the *2022 Price Index of Operating Costs (PIOC)*, the Hotel Price Index for all hotels that contain

rent stabilized units decreased 1.3% this year, a 3.2 percentage point decline from the 1.9% rise in 2021.<sup>14</sup>

There were increases in all of the Hotel PIOC components except Taxes, which fell 14.0% and account for 42% of the entire Hotel Index. The Fuel component increased, rising 15.0% and accounts for 13% of the index. Insurance Costs rose by the second greatest proportion, 10.9%, and account for 6% of the index. The remaining four components all rose by lesser proportions, including Maintenance, which rose 7.6%; Utilities, 7.0%; Labor Costs, 3.6%; and Administrative Costs, 2.7%.

Among the different categories of Hotels, the index for "Traditional" Hotels decreased 6.0%, while Rooming Houses increased by 4.6% and SROs increased by 3.6%. See the appendices of the *2022 PIOC* for more details on the change in cost of individual components and items of the *PIOC*.

## Analysis of 2020/2021 HCR Registration Data

Since 2007, periodic memos produced by Rent Guidelines Board staff have analyzed registration data filed with New York State Homes and Community Renewal (HCR) by owners of buildings containing rent stabilized "hotel" units.<sup>15</sup> Owners register their properties annually with HCR, and include such information as the status of the units in their building (i.e., rent stabilized, vacant, or exempt); the type of property (i.e., hotel or rooming house); and rent levels for units registered as "rent stabilized," as of April 1 of each year. If applicable, the registration information also includes actual and preferential rents. Note that while the RGB sets guidelines for five categories of hotels, HCR allows owners of such buildings to register only as either "hotel" or "rooming house."

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 were registration errors, and many apartment buildings were being erroneously registered as hotels or rooming houses.<sup>16</sup> In 2017, HCR registration data from 2015/2016 was analyzed closely to

more accurately identify those buildings that were most likely to be hotels or rooming houses.<sup>17</sup>

That analysis concluded that 173 buildings containing 4,206 registered units were likely to be rooming houses, and 83 buildings containing 6,730 registered units were likely to be hotels. In total, the analysis identified 257 buildings and 10,936 registered units among both classes of buildings. The data in each analysis from 2017 through 2021 was based on the same set of buildings identified in 2017, regardless of the HCR registration status of these (or other) buildings in subsequent years.<sup>18</sup>

For the 2022 analysis, both the most recent HCR registration records (from 2020 and 2021), as well as records from 2015-2019, were analyzed to identify any hotels or rooming houses that were not previously identified in the 2015/2016 registration records. The two primary methods of identifying new records were to analyze the individual records of those buildings registering with HCR as either rooming house or hotel (consistent with the original methodology), as well as analyzing those buildings identified by the NYC Office of Special Enforcement as a Class B Multiple Dwelling which were registered with HCR, but not specifically self-identified as a rooming house or hotel.

In summary, 200 additional buildings that were likely to be rooming houses or hotels, including 177 rooming houses and 23 hotels, were added to the sample frame of rent stabilized “hotels.” These 200 buildings contained a total of as many as 3,433 registered units, including 2,244 rooming house units and 1,189 hotel units.<sup>19</sup> Note that only 55 of the 200 buildings (28%) were registered in all of the seven additional years analyzed. Of the remaining 145 buildings, 30% registered in either one or two of the years between 2015 and 2021, and 43% registered in three to six of these years. In addition, in the years that these buildings did register, not all necessarily registered as a rooming house or hotel. While 75 of these newly identified buildings always registered as either a rooming house or hotel (in the years that they did register), 125 did not consistently register their status as a rooming house or hotel.

The analysis that follows provides detailed information on buildings registered with HCR in

either of the two most recent registration files. Data is provided both for hotels and rooming houses as separate entities, in addition to the combined total of both. Note that HCR provides the RGB with two versions of each annual registration file — an early release in the spring and a more complete file in the fall that includes additional data from those owners who did not file their registrations in a timely manner. To provide as much data in this analysis as possible, staff determines if the sample frame of 457 buildings identified in HCR registration files since 2015 are present in the most recent registration file (in this case, the early version of the 2021 registration file).<sup>20</sup> If not, they are looked for in the previous registration file (in this case, the more complete 2020 file). In all cases, if available, the most recent data is used as the primary data source. In the *2022 Hotel Report*, 312 of the 457 buildings in the sample frame were registered with HCR in either 2020 or 2021.<sup>21</sup> Data from 2021 was utilized for the vast majority of these buildings (271, or 87% of the total). However, almost all of the data from rent stabilized units used to compute median and average rent levels was based on 2021 HCR registration filings (4,730 units, or 94% of the total). Data from just 307 (6%) of the rent stabilized units analyzed was based on 2020 HCR filings.

### Special Note on Hotel Units

HCR registration files provided to the RGB provide information only for those units that owners register, which may or may not accurately reflect the total number of units in the building. An undercount of units is particularly common in those buildings registered as hotels, which are often used for commercial purposes (such as transient housing). Therefore, staff researches additional data sources to determine a more accurate count of the number of units in HCR-registered hotels. Note that this analysis was not undertaken for rooming houses, which are less likely to be used for commercial purposes. For each building identified as a hotel, staff researched both registration records from the NYC Department of Housing and Preservation Development, as well as internet sites, such as Expedia and Hotels.com, and the individual

### Summary Table of HCR Unit Registration Status (2020/2021)

#### Number and Proportion of Units in Hotels and Rooming Houses, as Reported in Annual HCR Registration Filings

HCR-Registered Unit Status	Hotel	Rooming House	Total
Rent Stabilized	1,895 (35%*)	3,142 (66%)	5,037 (49%*)
Permanently Exempt	7 (0%)	8 (0%)	15 (0%)
Vacant	549 (10%)	837 (17%)	1,386 (14%)
Temporarily Exempt	2,943 (55%)	807 (17%)	3,750 (37%)
Hotel/SRO (Transient)	2,045 (69%)	536 (66%)	2,581 (69%)
Not Prime Residence	735 (25%)	153 (19%)	888 (24%)
Owner/Employee Occupied	23 (1%)	104 (13%)	127 (3%)
Not for Profit/Commercial/Professional/Other	140 (5%)	14 (12%)	154 (4%)
<b>Total Number of HCR Registered Units</b>	<b>5,394**</b>	<b>4,794</b>	<b>10,188**</b>

\*The reported proportions are based solely on HCR registration records. When utilizing the higher estimate of total units in hotel buildings (as derived from sources outside of HCR registration data), the proportion of rent stabilized units in hotels drops to 12% and the proportion of rent stabilized units in hotels and rooming houses combined drops to 24%. See “Special Note on Hotel Units,” starting on Page 7, for more explanation.

\*\*The estimated number of total units in hotel buildings (as derived from sources outside of HCR registration data) is 16,320. The estimated number of total units in hotels and rooming houses combined, utilizing the higher estimate of hotel units, is 21,114. See “Special Note on Hotel Units,” starting on Page 7, for more explanation.

Source: 2020/2021 HCR Registration Files

websites of the hotels, when available. While the unit counts were not always consistent across the various sources, an estimate of the actual unit count within the hotels was derived, generally based on the highest number of units across the various sources. Staff found that the 107 buildings identified as hotels in the sample frame contained an estimated total of 21,921 units of housing, far above the approximately 7,919 units registered with HCR in those years. The current analysis shows that of the 81 registered hotel buildings able to be identified in the 2020/2021 data, they contain an estimated total of 16,320 units (as compared to the 5,394 units registered with HCR). For hotels only, both estimated and HCR-registered unit counts will be used to calculate the proportion of units being used as permanently rent stabilized housing.

### 2020/2021 HCR Registration Status

Owners of buildings containing rent stabilized units are required to register annually with HCR

with detailed information about the buildings they own and the units within them, as of April 1 of each year. Among the information that HCR requests is the unit’s status, which can be recorded as either rent stabilized, vacant, permanently exempt, or temporarily exempt (see table on this page). For those units that are registered as exempt, owners can also provide additional information about the reason for the exemption.

The 81 hotels that comprise the *2022 Hotel Report* had a total of 5,394 units of registered housing in 2020/2021.<sup>22</sup> Of these registered units, the majority (55% or 2,943) were registered as “temporarily exempt,” with the primary reason for the exemption given as “Hotel/SRO (Transient).” An additional 556 units (10%) were registered as either vacant or permanently exempt. The remaining hotel units, 1,895 (35%), were registered as “rent stabilized.”<sup>23</sup>

The 231 rooming houses that comprise the *2022 Hotel Report* have a total of 4,794 units of registered housing in 2020/2021.<sup>24</sup> Of these

### Summary Table of HCR Building Use (2020/2021)

#### Analysis of Building Use, as Reported in Annual HCR Registration Filings

HCR-Registered Building Use	Hotel	Rooming House	Total
Buildings With 100% Exempt or Vacant Units	14 (17%)	34 (15%)	48 (15%)
Number of Units in such buildings	666 (12%)	476 (10%)	1,142 (11%)
Buildings With at Least 85% Units Rent Stabilized	35 (43%)*	84 (36%)	119 (38%)*
Number of Units in such buildings	1,160 (22%)**	2,285 (48%)	3,445 (34%)**
<i>Total Number of HCR Registered Buildings</i>	<i>81</i>	<i>231</i>	<i>312</i>
<i>Total Number of HCR Registered Units</i>	<i>5,394**</i>	<i>4,794</i>	<i>10,188**</i>

\*The reported proportions are based solely on HCR registration records. When utilizing the higher estimate of total units in hotel buildings (16,320, as derived from sources outside of HCR registration data), five hotels (6% of the total) are occupied by a minimum of 85% permanently rent stabilized tenants. In total, 89 of hotels and rooming houses combined (29% of the total) are occupied by a minimum of 85% permanently rent stabilized tenants, when utilizing the higher estimate of total hotel units. See “Special Note on Hotel Units,” starting on Page 7, for more explanation.

\*\*The reported proportions are based solely on HCR registration records. When utilizing the higher estimate of total units in hotel buildings (16,320, as derived from sources outside of HCR registration data), 617 units in hotels (4% of the estimated total) are in buildings that are occupied by a minimum of 85% permanently rent stabilized tenants. In total, 2,902 units in hotels and rooming houses combined (14% of the estimated total) are in buildings that are occupied by a minimum of 85% permanently rent stabilized tenants, when utilizing the higher estimate of total hotel units. See “Special Note on Hotel Units,” starting on Page 7, for more explanation.

\*\*\*The estimated number of total units in hotel buildings (as derived from sources outside of HCR registration data) is 16,320. The estimated number of total units in hotels and rooming houses combined, utilizing the higher estimate of hotel units, is 21,114. See “Special Note on Hotel Units,” starting on Page 7, for more explanation.

Source: 2020/2021 HCR Registration Files

registered units, the majority (3,142, or 66%), were registered as “rent stabilized.” As with hotels, in the 807 (17%) rooming house units that are registered as “temporarily exempt,” the most common reason cited is “Hotel/SRO (Transient).” An additional 845 units (18%) were registered as either vacant or permanently exempt.

In total, 10,188 hotel and rooming house units in 312 buildings were registered in 2020/2021. Of these registered units, almost half, 5,037 (49%) were registered as “rent stabilized” and generally include corresponding data on rent levels. For the 3,750 (37%) of overall units that were registered as “temporarily exempt,” the most common reason cited is “Hotel/SRO (Transient).” An additional 1,401 units (14%) were registered as either vacant or permanently exempt.

## 2020/2021 HCR Building Use

The HCR registration data can also be used to determine how many buildings (as opposed to

units) are being used primarily for permanently rent stabilized housing (see table on this page). As based solely on HCR registration data for the 81 hotels identified for the 2022 Hotel Report, 14 of these buildings (17%) consist entirely of exempt or vacant units and have no rent stabilized tenants, while 35 of these buildings (43%) have a proportion of permanently rent stabilized tenants of at least 85%.<sup>25</sup> Within the 35 buildings that are at least 85% occupied by rent stabilized tenants, there are 1,160 units (22% of the total), 1,101 of which are currently registered as rent stabilized. However, the number of buildings that are at least 85% occupied by permanently rent stabilized tenants drops when utilizing estimated total unit counts derived from sources outside of HCR data (see “Special Note on Hotel Units,” starting on Page 7, and the notes accompanying the Summary Table on this page). Based on these estimated unit counts, just five buildings are at least 85% occupied by rent stabilized tenants. These five buildings contain 617 units of housing, 576 of which are rent stabilized.

For the 231 rooming houses identified for the *2022 Hotel Report*, 34 (15%) of these buildings consist entirely of exempt or vacant units and have no rent stabilized tenants, while 84 (36%) of these buildings have a proportion of permanently rent stabilized tenants of at least 85%.<sup>26</sup> Within the 84 buildings that are at least 85% occupied by rent stabilized tenants, there are 2,285 units (48% of the total), 2,143 of which are currently registered as rent stabilized.

As based solely on HCR registration data for the total of 312 hotels and rooming houses identified for the *2022 Hotel Report*, 48 of these buildings (15%) consist entirely of exempt or vacant units and have no rent stabilized tenants, while 119 of these buildings (38%) have a proportion of permanently rent stabilized tenants of at least 85%.<sup>27</sup> Within the 119 buildings that are at least 85% occupied by rent stabilized tenants, there are 3,445 units (34% of the total), 3,244 of which are currently registered as rent stabilized. However, the number of buildings that are at least 85% occupied by permanently rent stabilized tenants drops when utilizing estimated total unit counts for hotels derived from sources outside of HCR registration data (see “Special Note on Hotel Units,” starting on Page 7, and the notes accompanying the Summary Table on the previous page). Based on these estimated unit counts, a total of 89 buildings (29%) are at least 85% occupied by rent stabilized tenants. These 89 buildings contain 2,902 units of housing, 2,719 of which are rent stabilized.

### Types of HCR Rent Stabilized Rents

Owners can register up to three different types of rents with HCR during the annual registration filing (as of April 1 of each year). All rent stabilized units have a legal rent. Under current law, this is the amount of rent that can be charged to new tenants upon a vacancy, or to current tenants who do not have a registered preferential rent. A preferential rent is defined as a rent that owners charge to tenants that is lower than the registered legal rent. Among the reasons owners utilize preferential rents are market conditions at either the time of the initial lease or a subsequent renewal lease; or agreements

with governmental agencies subsidizing the rent of the unit. Under current law, future rent increases are based on preferential rents until vacancy, at which time the owner may collect up to, but not more than, the legal rent. Actual rents are the rents that are paid out-of-pocket by subsidized tenants, with the balance being paid by government programs such as Section 8, Shelter Plus, or the Senior Citizen Rent Increase Exemption program. The RGB uses the HCR registration data to calculate a fourth type of rent — “rent received.” This is an estimate of the rent actually being received by the owner — generally speaking, the legal rent, unless a preferential rent has been recorded.

Each of these types of rent provide an important source of information — the legal rent can inform on the maximum amount able to be collected by owners either currently or upon vacancy; preferential rents can inform on the prevalence of a less competitive market or regulatory agreements; actual rents can provide a more accurate representation of rent burden, where low-income tenants may have rents that are subsidized; and the “rent received” is the best estimate of the revenue owners are currently receiving for each unit. The median and average of each of these rent types will be summarized below for 2020/2021 HCR rent registrations.

### 2020/2021 HCR Median Rent Stabilized Rent Levels

Per HCR registrations from 2020/2021, the median legal rent for rent stabilized units is \$745 for hotels (1,854 units) and \$1,161 for rooming houses (2,998 units). The median legal rent is \$864 for both hotels and rooming housing combined (4,852 units).<sup>28</sup>

For hotels, 196 of the 1,854 units (11%) also report preferential rents, with a median preferential rent of \$569. For rooming houses, 910 of the 2,998 units (30%) report preferential rents, with a median preferential rent of \$1,192. The median preferential rent for both hotels and rooming housing combined (1,106 units, or 23% of the total) is \$1,031.

For hotels, 548 of the 1,854 units (30%) also report actual rents, with a median actual rent of

**Summary Table of HCR Median Rent Stabilized Rent Levels (2020/2021)**
**Analysis of Median Rents for Permanently Rent Stabilized Tenants, as Reported in Annual HCR Registration Filings**

HCR-Registered Median Rents (Permanently Rent Stabilized Units)	Hotel		Rooming House		Total	
	Median Rent	# of Units with Reported Rent	Median Rent	# of Units with Reported Rent	Median Rent	# of Units with Reported Rent
Legal Rent	\$745	1,854	\$1,161	2,998	\$864	4,852
Preferential Rent*	\$569	196	\$1,192	910	\$1,031	1,106
Actual Rent**	\$264	548	\$251	1,059	\$257	1,607
"Rent Received"	\$725	1,854	\$941	2,998	\$800	4,852

\*For those units reporting a preferential rent: the median legal rent of the 196 hotel units is \$1,343; the median legal rent of the 910 rooming house units is \$1,394; and the median legal rent of the 1,106 combined hotel and rooming house units is \$1,394.

\*\*For those units reporting an actual rent: the median legal rent of the 548 hotel units is \$745; the median legal rent of the 1,059 rooming house units is \$1,300; and the median legal rent of the 1,607 combined hotel and rooming house units is \$1,228. In addition, some units report both actual and preferential rents. The median preferential rent of the 61 hotel units with both a recorded actual and preferential rent is \$1,173; the median preferential rent of the 573 rooming house units is \$1,250; and the median preferential rent of the combined 547 hotel and rooming house units is \$1,250.

Source: 2020/2021 HCR Registration Files

**Summary Table of HCR Average Rent Stabilized Rent Levels (2020/2021)**
**Analysis of Average Rents for Permanently Rent Stabilized Tenants, as Reported in Annual HCR Registration Filings**

HCR-Registered Average Rents (Permanently Rent Stabilized Units)	Hotel		Rooming House		Total	
	Average Rent	# of Units with Reported Rent	Average Rent	# of Units with Reported Rent	Average Rent	# of Units with Reported Rent
Legal Rent	\$1,033	1,854	\$1,086	2,998	\$1,066	4,852
Preferential Rent*	\$752	196	\$1,060	910	\$1,006	1,106
Actual Rent**	\$420	548	\$494	1,059	\$469	1,607
"Rent Received"	\$790	1,854	\$981	2,998	\$908	4,852

\*For those units reporting a preferential rent: the average legal rent of the 196 hotel units is \$3,046; the average legal rent of the 910 rooming house units is \$1,405; and the average legal rent of the 1,106 combined hotel and rooming house units is \$1,696.

\*\*For those units reporting an actual rent: the average legal rent of the 548 hotel units is \$930; the average legal rent of the 1,059 rooming house units is \$1,315; and the average legal rent of the 1,607 combined hotel and rooming house units is \$1,184. In addition, some units report both actual and preferential rents. The average preferential rent of the 61 hotel units with both a recorded actual and preferential rent is \$1,133; the average preferential rent of the 486 rooming house units is \$1,259; and the average preferential rent of the combined 547 hotel and rooming house units is \$1,245.

Source: 2020/2021 HCR Registration Files

\$264. For rooming houses, 1,059 of the 2,998 units (35%) report actual rents, with a median actual rent of \$251. The median actual rent for both hotels and rooming housing combined (1,607 units, or 33% of the total) is \$257.

The median “rent received” by owners for rent stabilized units is \$725 for hotels and \$941 for rooming houses. The median “rent received” is \$800 for both hotels and rooming housing combined. See the table on the previous page for a summary of median rents in 2020/2021.

### **2020/2021 HCR Average Rent Stabilized Rent Levels**

Per HCR registrations from 2020/2021, the average legal rent for rent stabilized units is \$1,033 for hotels (1,854 units) and \$1,086 for rooming houses (2,998 units). The average legal rent is \$1,066 for both hotels and rooming housing combined (4,852 units).<sup>29</sup>

For hotels, 196 of the 1,854 units (11%) also report preferential rents, with an average preferential rent of \$752. For rooming houses, 910 of the 2,998 units (30%) report preferential rents, with an average preferential rent of \$1,060. The average preferential rent for both hotels and rooming housing combined (1,106 units, or 23% of the total) is \$1,006.

For hotels, 548 of the 1,854 units (30%) also report actual rents, with an average actual rent of \$420. For rooming houses, 1,059 of the 2,998 units (35%) report actual rents, with an average actual rent of \$494. The average actual rent for both hotels and rooming housing combined (1,607 units, or 33% of the total) is \$469.

The average “rent received” by owners for rent stabilized units was \$790 for hotels and \$981 for rooming houses. The average “rent received” is \$908 for both hotels and rooming housing combined. See the table on the previous page for a summary of average rents in 2020/2021.

### **2020-2021 HCR Longitudinal Rent Analysis**

HCR registration data from 2020 and 2021 can also be analyzed longitudinally, comparing rent levels

in the same set of units in each of the two years. Of the 271 hotels and rooming houses identified in the 2021 data, 255 were also registered in 2020.<sup>30</sup> However, not every building contains units with registered rents (see “2020/2021 HCR Registration Status” on Page 8). Therefore, the longitudinal sample includes 55 hotels (containing 1,645 rent stabilized units) and 156 rooming houses (containing 2,675 rent stabilized units).

The longitudinal data for median rents shows that between 2020 and 2021, the median legal rent was unchanged in hotels, rose 1.5% in rooming houses, and fell 0.3% overall. The median preferential rent fell 12.1% in hotels, and was unchanged in both rooming houses and overall. The median actual rent rose 1.4% in hotels, 1.2% in rooming houses, and 1.2% overall. For the “rent received” by owners, the median was unchanged in hotels, and fell 2.0% in rooming houses and 0.2% overall.

The longitudinal data for average rents shows that between 2020 and 2021, the average legal rent rose 1.2% in hotels, 0.1% in rooming houses, and 0.4% overall. The average preferential rent rose 3.2% in hotels, and fell 0.8% in rooming houses and 0.4% overall. The average actual rent rose 1.5% in hotels, 6.8% in rooming houses and 5.2% overall. For the “rent received” by owners, the average rose 2.2% in hotels, fell 0.3% in rooming houses, and rose 0.6% overall.

See the table on the following page for a summary of the change in legal, preferential, actual, and “rent received” rents for the same set of units between 2020 and 2021. The notes accompanying the table provide rent figures in each of the two years.

Also note that an examination of individual records in the longitudinal sample shows that some owners increased legal rents, even though rent increases for hotels and rooming houses were not granted by the RGB during this time frame. For hotels, 93% of the units in the longitudinal sample had no increase in legal rent, while 2% of units had a rent decrease and 5% of units had a rent increase. Among the 90 units that registered a legal rent increase, 42% increased rent by exactly 2.5%, and 9% increased rent by exactly 1.5%. For rooming

### Summary Table of HCR Median and Average Longitudinal Rent Change (2020-2021)

#### Longitudinal Analysis of Median and Average Rent Change (2020-2021) for Permanently Rent Stabilized Tenants, as Reported in Annual HCR Registration Filings

Change in Rent, Longitudinal Sample (Permanently Rent Stabilized Units)	Hotel			Rooming House			Total		
	% Change Median Rent	% Change Average Rent	# of Units	% Change Median Rent	% Change Average Rent	# of Units	% Change Median Rent	% Change Average Rent	# of Units
Legal Rent	0.0%	1.2%	1,645	1.5%	0.1%	2,675	-0.3%	0.4%	4,320
Preferential Rent*	-12.1%	3.2%	123	0.0%	-0.8%	831	0.0%	-0.4%	954
Actual Rent**	1.4%	1.5%	447	1.2%	6.8%	938	1.2%	5.2%	1,385
"Rent Received"	0.0%	2.2%	1,645	-2.0%	-0.3%	2,675	-0.2%	0.6%	4,320

#### Legal Rent Levels:

Hotels: 2020 Median: \$744.83; 2021 Median: \$744.83; 2020 Average: \$843.92; 2021 Average: \$854.22

Rooming Houses: 2020 Median: \$1,188.53; 2021 Median: \$1,206.36; 2020 Average: \$1,108.91; 2021 Average: \$1,109.49

Total: 2020 Median: \$890.55; 2021 Median: \$887.91; 2020 Average: \$1,008.01; 2021 Average: \$1,012.28

#### Preferential Rent Levels:

Hotels: 2020 Median: \$1,173.00; 2021 Median: \$1,031.40; 2020 Average: \$867.04; 2021 Average: \$894.92

Rooming Houses: 2020 Median: \$1,202.00; 2021 Median: \$1,202.00; 2020 Average: \$1,071.04; 2021 Average: \$1,062.26

Total: 2020 Median: \$1,173.00; 2021 Median: \$1,173.00; 2020 Average: \$1,044.73; 2021 Average: \$1,040.68

#### Actual Rent Levels:

Hotels: 2020 Median: \$288.00; 2021 Median: \$292.00; 2020 Average: \$432.65; 2021 Average: \$438.98

Rooming Houses: 2020 Median: \$251.00; 2021 Median: \$254.00; 2020 Average: \$476.26; 2021 Average: \$508.50

Total: 2020 Median: \$254.00; 2021 Median: \$257.00; 2020 Average: \$462.18; 2021 Average: \$486.06

#### "Rent Received" Rent Levels:

Hotels: 2020 Median: \$744.83; 2021 Median: \$744.83; 2020 Average: \$800.71; 2021 Average: \$818.16

Rooming Houses: 2020 Median: \$995.00; 2021 Median: \$975.00; 2020 Average: \$997.45; 2021 Average: \$994.92

Total: 2020 Median: \$817.00; 2021 Median: \$815.58; 2020 Average: \$922.53; 2021 Average: \$927.61

Source: 2020/2021 HCR Registration Files

houses, 71% of the units in the longitudinal sample had no increase in legal rent, while 5% of units had a rent decrease and 24% of units had a rent increase. Among the 637 units that registered a legal rent increase, 54% increased rent by exactly 1.5%; 9% increased rent by exactly 2.5%; and 8% increased rent by exactly 1.0%. In total, 79% of units in the longitudinal sample had no rent increase in legal rent, while 4% of units had a rent decrease and 17% had a rent increase. Among the 727 units in total that registered a legal rent increase, 48% increased rent by exactly 1.5%; 13% increased rent by exactly 2.5%; and 7% increased rent by exactly 1.0%.

The data shows that among those units registering a legal rent increase, the majority increased rent by either 1.0%, 1.5%, or 2.5%. These increases coincide with one- and two-year lease increases granted to rent stabilized *apartments* under either Order #51 (for leases renewing between 10/1/19 and 9/30/20) or Order #52 (for leases renewing between 10/1/20 and 9/30/21). Each of these Orders overlap with the timeframes in the HCR registration data, which records rents at the static point of April 1 in each year. It is not possible to determine if the increases were taken illegally, or if the unit is registered incorrectly.

## Summary

In summary, the number of Certifications of No Harassment for SROs increased 85.3% over the prior year (to 63), while violations for illegal hotels increased 80.7% (to 2,760). The 2022 PIOC found a decrease in the cost of operating hotels of 1.3%. The most recent HCR registration data identified 10,188 hotel and rooming house units, 5,037 of which are registered as rent stabilized. The rent stabilized units have a median legal rent of \$864; an average legal rent of \$1,066; a median “rent received” of \$800; and an average “rent received” of \$908. Among all the units registered in both 2020 and 2021, the median legal rent fell 0.3% and the median “rent received” fell 0.2%, while the average legal rent rose 0.4% and the average “rent received” rose 0.6%.

## Endnotes

- The definition of each classification of hotel is 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.
- NYC Department of Housing Preservation and Development (HPD). Per HPD, under local law, if a residential building meets the definition of a single room occupancy multiple dwelling (SRO), the property owner must apply for and receive a Certification of No Harassment (CONH) before applying to the Department of Buildings for a permit to change the use or occupancy of a building, or to demolish a building or any part thereof. Per HPD, an SRO is defined as: a “class A multiple dwelling” used in whole or part as a “rooming house” or “furnished room house,” or for “single room occupancy” pursuant to section 248 of the New York state multiple dwelling law; a “class A multiple dwelling” containing “rooming units”; or a “class B multiple dwelling.” Note that the number of CONHs from 2020 was adjusted from that which was reported in the 2021 *Housing Supply Report*. That figure included both CONHs for SROs, as well as any building in one of the five special districts in Manhattan and Brooklyn that require owners to apply for a CONH when requesting a permit to demolish or change the use or occupancy of a building within one of these districts. The adjusted number of CONHs for SROs for 2016 is 135; for 2017, 81; for 2018, 65; and for 2019, 112.
- Press Release, Mayor’s Office. “Mayor Bloomberg Announces Results of City’s Efforts to Curb Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities.” April 27, 2012.
- Local Law No. 45 of 2012 (Council Int No. 404-A of 2010).
- “Cuomo Signs Bill That Deals Huge Blow to Airbnb.” New York Post. October 21, 2016.
- Office of the Criminal Justice Coordinator, Mayor’s Office of Special Enforcement.
- Press Release, Mayor’s Office. “Mayor Adams Shuts Down Illegal Hotel Operator, Announces Plan to Create 80 New Affordable Homes on Upper West Side.” February 14, 2022.
- Press Release, Mayor’s Office. “Mayor Adams, Attorney General James Take Down Eco-Yogi Slumlords Who Ran Unlawful Short-Term Rental Operation, Illegally Evicted Tenants.” February 23, 2022.
- Press Release, Mayor’s Office for Special Enforcement. “The Mayor’s Office of Special Enforcement Secures \$1.2 Million in Settlements from Illegal Short-Term Rental Lawsuits.” August 10, 2021.
- Lexington v. City of New York, et al., Index No.: 161257/2017 (NY Supreme); Lexington v. DOB, et al., Index No. 158727/2020 (NY Supreme).
- City v. Martine Jowelle Lacroix, Index No. 452107/2021 (NY Supreme).
- Press Release, Mayor’s Office for Special Enforcement. “The Mayor’s Office of Special Enforcement Sues ‘Concierge Service’ to Illegal Short-Term Rentals for Raking in Millions from Airbnb.” October 14, 2021.
- New York City Local Law 18 of 2022 (Int 2309-2021).
- “2022 Price Index of Operating Costs.” NYC Rent Guidelines Board. April 14, 2022.
- Memos were published in 2007, 2009, 2012-2013, 2015, and 2017-2020.
- It is important to accurately identify hotels and rooming houses because a Class A rent stabilized apartment building incorrectly registered as a hotel or rooming house, especially one with relatively high rent levels, will skew the average and median rent levels of what are being reported as rents for “hotel” units.
- For more information on the methodology used in 2017, refer to the memo published on June 12, 2017.
- While the purpose of the 2017 analysis was to create a methodology that could more accurately identify hotels and rooming houses (and that analysis forms the basis of all subsequent memos), there is no guarantee that every record identified via this methodology fits the legal definition of a “hotel.” Similarly, not all rooming houses or hotels are able to be identified. While not necessarily a complete count of rooming houses and hotels, the methodology that is used to identify “hotels” is more representative than would be based solely on owner-reported HCR registration status.
- The number of units is qualified by the phrase “as many as” because while some of these buildings registered in only one year between 2015 and 2021, others registered in up to all seven of these years and unit counts in the individual registration files were not always equal. The sum of 3,433 units is based off of the highest unit count registered in any of the seven years. Note that in the analysis that follows of 2020/2021 data, only the unit counts from the most recent HCR registration files will be utilized. Also note that the total number of units is based on just those units registered with HCR, including exempt and vacant units. The total number of rent stabilized units, as based off of the highest unit counts in any of the years the building was registered, is 2,920.

20. Because the 2021 registration data is not final, two years of registration data were examined to capture buildings that may not appear in the 2021 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; owners may register late; or owners may fail to correctly identify a building as a hotel or rooming house.
21. More specifically, 81 of the 107 hotels previously identified were present in either 2020 or 2021 data. A total of 231 of the 350 rooming houses previously identified were present in either 2020 or 2021 HCR registration data.
22. As noted in “Special Note on Hotel Units,” which starts on Page 7, while 5,394 units were registered with HCR in 2020/2021, staff calculated that there is actually an estimated number of 16,320 total units in these buildings.
23. While 35% of units in hotels were registered as “rent stabilized” (as based solely on HCR registration data), as a proportion of the estimated number of hotel units in these buildings, as derived from sources other than HCR registration data, 12% of units in these buildings are rent stabilized. See “Special Note on Hotel Units,” starting on Page 7, and the notes in the table on Page 8.
24. Unlike the additional research conducted for buildings registered as “hotels,” for “rooming houses,” 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.
25. The proviso in RGB Hotel Order 41, the last time the Board granted an increase for hotel units, limited permitted increases to only those hotels and rooming houses with at least 85% permanently rent stabilized occupancy. Note that if the owner is only registering their rent stabilized units (as opposed to all units in the building), the proportion of buildings (and the units within those buildings) that are at least 85% occupied by permanently rent stabilized units may be inaccurate.
26. See Endnote 25.
27. See Endnote 25.
28. While 5,037 units in total registered as rent stabilized in 2020/2021, only 4,852 of these units recorded rent levels.
29. See Endnote 28.
30. All but 15 of the rooming houses and one of the hotels registered in 2021 were also registered in 2020.
31. Individual records of violations for 2016 were not available, however a summary of violations by City Council District was able to be categorized into borough data. Note that violations in District 8, which encompasses parts of both Manhattan and the Bronx, were categorized solely within Manhattan for the purposes of this table. Violations in City Council District 34, which encompasses parts of both Brooklyn and Queens were categorized solely within Brooklyn for the purposes of this table.