



New York City Rent Guidelines Board

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Chair
David Reiss

Executive Director
Andrew McLaughlin

Memorandum

To: All Board Members
From: Andrew McLaughlin and Brian Hoberman
Date: April 18, 2022
Re: Analysis of Income and Expense Data by Proportion of Stabilized Units in a Building

RGB board members beginning four years ago asked RGB staff to research whether the income and expense profile of buildings containing at least one rent stabilized unit varies depending on the proportion of stabilized units in a building.

The RGB staff requested and analyzed supplemental data from the NYC Department of Finance for the same RPIE period as that reported in the *2022 Income & Expense (I&E) Study*, grouping buildings that contain rent stabilized units into these categories (not mutually exclusive, as they overlap each other):

- Buildings that contain at least one stabilized unit
- Buildings where 20% or more of residential units are stabilized
- Buildings where 50% or more of residential units are stabilized
- Buildings where 80% or more of residential units are stabilized
- Buildings where 90% or more of residential units are stabilized
- Buildings where all residential units are stabilized (“100% stabilized”)

These groupings are also broken down by location as well.¹

A further discussion of income and expense statistics accompany each of the five tables that follow.

¹ Note that the data used in this analysis are unweighted.

Location of Buildings by Stabilized Proportion

Table 1 (below) illustrates the proportion of buildings containing at least one rent stabilized unit in each category, broken down by location. There is a sizable difference between Core Manhattan² and the City excluding Core Manhattan. Buildings that are entirely rent stabilized (100% stabilized) comprise 44% of buildings containing at least one rent stabilized unit in the City excluding Core Manhattan, compared to just 8% in Core Manhattan alone.

Looking further at the proportion of buildings that are 100% rent stabilized, the proportions are: 31% in Upper Manhattan; 37% in Queens; 47% in Brooklyn; 55% in the Bronx and 56% on Staten Island³.

Table 1

	All Buildings Containing Stabilized Units	20%+ Stabilized	50%+ Stabilized	80%+ Stabilized	90%+ Stabilized	100% Stabilized
Percentage of Buildings, by Stabilized Proportion						
Citywide	100%	86%	71%	61%	55%	34%
<i>Manhattan</i>	100%	76%	46%	31%	26%	15%
<i>Bronx</i>	100%	95%	94%	91%	86%	55%
<i>Brooklyn</i>	100%	90%	85%	77%	72%	47%
<i>Queens</i>	100%	94%	88%	74%	63%	37%
<i>Staten Island</i>	100%	84%	81%	80%	72%	56%
<i>Core Manhattan</i>	100%	69%	29%	16%	13%	8%
<i>Upper Manhattan</i>	100%	90%	81%	63%	52%	31%
<i>City w/o Core Manhattan</i>	100%	92%	87%	78%	71%	44%

Source: NYC Department of Finance, RPIE Filings

Average Rent, Income and Costs: Citywide and by Borough

Table 2 (on the next page) breaks down average rent, income, costs, and NOI in 2020 per unit per month by location and proportion of stabilized units. When looking at NOI around the City, there are small differences between All stabilized buildings containing at least one rent stabilized unit and 100% stabilized buildings. In Core Manhattan, 100% stabilized building NOI is \$4 less than All stabilized buildings, while in the City excluding Core Manhattan, 100% stabilized building NOI is \$24 less than All buildings containing at least one stabilized unit.

² Core Manhattan represents the area south of W 110th and E 96th Streets. Upper Manhattan is the remainder of the borough.

³ Note that there are only 85 buildings that contain at least one rent stabilized unit in Staten Island.

Table 2

	Rent	Income	Costs	NOI
Citywide*	\$1,425	\$1,610	\$1,085	\$525
20%+ Stabilized	\$1,351	\$1,519	\$1,031	\$489
50%+ Stabilized	\$1,242	\$1,383	\$934	\$449
80%+ Stabilized	\$1,205	\$1,335	\$897	\$438
90%+ Stabilized	\$1,198	\$1,325	\$888	\$437
100% Stabilized	\$1,202	\$1,333	\$887	\$446
Manhattan*	\$1,719	\$2,028	\$1,396	\$632
20%+ Stabilized	\$1,614	\$1,908	\$1,323	\$585
50%+ Stabilized	\$1,401	\$1,662	\$1,148	\$514
80%+ Stabilized	\$1,345	\$1,592	\$1,082	\$509
90%+ Stabilized	\$1,357	\$1,601	\$1,078	\$523
100% Stabilized	\$1,377	\$1,639	\$1,097	\$542
Bronx*	\$1,039	\$1,168	\$812	\$356
20%+ Stabilized	\$1,041	\$1,170	\$813	\$357
50%+ Stabilized	\$1,040	\$1,169	\$812	\$357
80%+ Stabilized	\$1,039	\$1,167	\$811	\$356
90%+ Stabilized	\$1,036	\$1,163	\$808	\$355
100% Stabilized	\$1,033	\$1,167	\$808	\$359
Brooklyn*	\$1,315	\$1,404	\$893	\$511
20%+ Stabilized	\$1,275	\$1,363	\$884	\$478
50%+ Stabilized	\$1,247	\$1,334	\$871	\$463
80%+ Stabilized	\$1,229	\$1,315	\$860	\$455
90%+ Stabilized	\$1,227	\$1,311	\$857	\$454
100% Stabilized	\$1,245	\$1,332	\$859	\$473
Queens*	\$1,326	\$1,396	\$910	\$486
20%+ Stabilized	\$1,316	\$1,384	\$911	\$473
50%+ Stabilized	\$1,310	\$1,378	\$907	\$471
80%+ Stabilized	\$1,287	\$1,354	\$891	\$463
90%+ Stabilized	\$1,281	\$1,347	\$885	\$462
100% Stabilized	\$1,267	\$1,333	\$871	\$462
Staten Island*	\$1,095	\$1,185	\$793	\$392
20%+ Stabilized	\$1,124	\$1,227	\$807	\$420
50%+ Stabilized	\$1,120	\$1,224	\$802	\$422
80%+ Stabilized	\$1,121	\$1,227	\$807	\$420
90%+ Stabilized	\$1,092	\$1,201	\$792	\$409
100% Stabilized	\$1,072	\$1,182	\$758	\$423
Core Manhattan*	\$1,917	\$2,276	\$1,561	\$715
20%+ Stabilized	\$1,831	\$2,180	\$1,503	\$677
50%+ Stabilized	\$1,621	\$1,946	\$1,326	\$621
80%+ Stabilized	\$1,613	\$1,934	\$1,275	\$659
90%+ Stabilized	\$1,668	\$2,001	\$1,299	\$702
100% Stabilized	\$1,702	\$2,059	\$1,349	\$711
Upper Manhattan*	\$1,320	\$1,529	\$1,064	\$465
20%+ Stabilized	\$1,283	\$1,490	\$1,045	\$445
50%+ Stabilized	\$1,243	\$1,459	\$1,021	\$438
80%+ Stabilized	\$1,209	\$1,417	\$984	\$433
90%+ Stabilized	\$1,205	\$1,405	\$969	\$436
100% Stabilized	\$1,211	\$1,425	\$968	\$457
City w/o Core Man*	\$1,239	\$1,358	\$905	\$453
20%+ Stabilized	\$1,216	\$1,334	\$898	\$436
50%+ Stabilized	\$1,195	\$1,313	\$886	\$428
80%+ Stabilized	\$1,174	\$1,288	\$868	\$420
90%+ Stabilized	\$1,167	\$1,279	\$860	\$419
100% Stabilized	\$1,169	\$1,285	\$856	\$429

Source: NYC Department of Finance, RPIE Filings

*All buildings that contain at least one rent stabilized unit in row.

Notes: Data is not weighted, and therefore may differ from that reported in the 2022 *Income & Expense Study*.

Data is *not* adjusted for the results of the 1992 NYC Department of Finance audit on I&E reported operating costs.

Cost-to-Income Ratios: Core Manhattan vs. City w/o Core

As a follow-up to the discussion of cost-to-income ratios in the *Income and Expense Study*, Table 3 (below) breaks down the audited and unaudited cost-to-income ratios by Citywide, Core Manhattan and the City excluding Core Manhattan.

When looking at the unaudited cost-to-income ratios for All buildings containing at least one stabilized unit, there is a 2.0 percentage point difference between Core Manhattan (68.6%) and the rest of the City (66.6%). However, among buildings with 100% stabilized units, the proportions reverse, and the difference shrinks to 1.1 percentage points (65.5% in Core Manhattan and 66.6% in the rest of the City). This suggests that building income and expenses ratios may be more dependent on the proportion of stabilized units in a building, rather than whether a building is in Core Manhattan or elsewhere in the City. In addition, in Core Manhattan, the cost-to-income ratios among 80%+, 90%+ and 100% stabilized are all lower than Core Manhattan's All Buildings, 20%+ and 50% stabilized building categories. Further, in the City excluding Core Manhattan, the cost-to-income ratios for 100% stabilized buildings is identical to the cost-to-income ratios for All stabilized Buildings.

Table 3

	All Buildings Containing Stabilized Units	20%+ Stabilized	50%+ Stabilized	80%+ Stabilized	90%+ Stabilized	100% Stabilized
Audited Cost-to-Income Ratios						
Citywide	61.9%	62.3%	62.0%	61.7%	61.6%	61.1%
Core Manhattan	63.0%	63.3%	62.6%	60.5%	59.6%	60.2%
City w/o Core Manhattan	61.2%	61.8%	61.9%	61.9%	61.8%	61.2%
Unaudited Cost-to-Income Ratios						
Citywide	67.4%	67.8%	67.5%	67.2%	67.0%	66.5%
Core Manhattan	68.6%	69.0%	68.1%	65.9%	64.9%	65.5%
City w/o Core Manhattan	66.6%	67.3%	67.4%	67.4%	67.3%	66.6%

Source: NYC Department of Finance, RPIE Filings

Note: Data is not weighted, and therefore may differ from that reported in the 2022 *Income & Expense Study*.

Average Growth in Rent, Income, Costs and NOI: Citywide and by Borough

Table 4 (on the next page) breaks down average longitudinal rent, income, costs, and NOI changes from 2019 to 2020 per unit per month, by location and proportion of a building containing at least one stabilized unit. Looking at the changes in NOI, there was minimal variation based on the proportion of stabilized units within areas. For example, there was only a 1.1 percentage point difference in the change in NOI in Core Manhattan between All stabilized buildings and 100% stabilized buildings. In the City excluding Core Manhattan, there was a 0.6 percentage point difference between All stabilized and 100% stabilized buildings.

Table 4

	Rent	Income	Costs	NOI
Citywide*	-5.4%	-7.0%	-3.6%	-13.4%
20%+ Stabilized	-4.7%	-6.2%	-3.6%	-11.3%
50%+ Stabilized	-3.3%	-4.3%	-3.1%	-6.5%
80%+ Stabilized	-2.9%	-3.5%	-2.9%	-4.7%
90%+ Stabilized	-2.9%	-3.5%	-2.6%	-5.1%
100% Stabilized	-3.0%	-3.3%	-2.3%	-5.1%
Manhattan*	-8.6%	-11.2%	-4.9%	-22.4%
20%+ Stabilized	-7.8%	-10.5%	-5.2%	-20.7%
50%+ Stabilized	-6.2%	-8.5%	-5.0%	-15.5%
80%+ Stabilized	-5.6%	-7.3%	-4.5%	-12.7%
90%+ Stabilized	-5.9%	-7.4%	-4.1%	-13.6%
100% Stabilized	-5.9%	-7.0%	-2.8%	-14.5%
Bronx*	-2.0%	-2.2%	-2.2%	-2.3%
20%+ Stabilized	-2.0%	-2.3%	-2.3%	-2.2%
50%+ Stabilized	-2.0%	-2.3%	-2.3%	-2.2%
80%+ Stabilized	-2.0%	-2.2%	-2.4%	-2.0%
90%+ Stabilized	-2.1%	-2.3%	-2.3%	-2.4%
100% Stabilized	-2.0%	-2.2%	-2.1%	-2.5%
Brooklyn*	-1.8%	-1.9%	-1.8%	-2.2%
20%+ Stabilized	-2.1%	-2.2%	-2.0%	-2.6%
50%+ Stabilized	-1.9%	-2.0%	-2.0%	-2.0%
80%+ Stabilized	-1.8%	-1.8%	-1.8%	-1.9%
90%+ Stabilized	-1.9%	-1.9%	-1.7%	-2.3%
100% Stabilized	-1.9%	-1.8%	-1.8%	-2.0%
Queens*	-2.4%	-2.5%	-2.6%	-2.4%
20%+ Stabilized	-2.4%	-2.6%	-2.6%	-2.7%
50%+ Stabilized	-2.3%	-2.4%	-2.7%	-2.0%
80%+ Stabilized	-2.3%	-2.5%	-2.9%	-1.6%
90%+ Stabilized	-2.5%	-2.7%	-3.0%	-2.3%
100% Stabilized	-2.9%	-2.9%	-3.5%	-1.9%
Staten Island*	0.0%	0.0%	-2.2%	4.8%
20%+ Stabilized	0.1%	0.0%	-1.5%	3.1%
50%+ Stabilized	0.3%	0.2%	-1.3%	3.2%
80%+ Stabilized	0.2%	0.0%	-1.5%	3.1%
90%+ Stabilized	-0.1%	-0.2%	-0.8%	1.1%
100% Stabilized	-0.3%	-0.4%	-1.5%	1.7%
Core Manhattan*	-9.9%	-12.9%	-4.8%	-26.6%
20%+ Stabilized	-9.1%	-12.7%	-5.0%	-25.8%
50%+ Stabilized	-8.2%	-12.0%	-4.7%	-24.4%
80%+ Stabilized	-8.5%	-11.5%	-3.8%	-23.5%
90%+ Stabilized	-8.8%	-11.6%	-3.1%	-24.1%
100% Stabilized	-8.0%	-10.8%	-0.7%	-25.5%
Upper Manhattan*	-4.7%	-5.3%	-5.3%	-5.3%
20%+ Stabilized	-4.7%	-5.3%	-5.5%	-5.0%
50%+ Stabilized	-4.2%	-4.8%	-5.2%	-3.9%
80%+ Stabilized	-3.6%	-4.1%	-5.0%	-1.8%
90%+ Stabilized	-3.8%	-4.2%	-4.7%	-2.9%
100% Stabilized	-4.3%	-3.9%	-4.2%	-3.3%
City w/o Core Man*	-2.6%	-2.8%	-2.8%	-2.8%
20%+ Stabilized	-2.7%	-2.9%	-2.9%	-2.9%
50%+ Stabilized	-2.4%	-2.7%	-2.9%	-2.3%
80%+ Stabilized	-2.2%	-2.4%	-2.8%	-1.8%
90%+ Stabilized	-2.3%	-2.5%	-2.6%	-2.4%
100% Stabilized	-2.4%	-2.4%	-2.5%	-2.2%

Source: NYC Department of Finance, RPIE Filings

*All buildings that contain at least one rent stabilized unit in row.

Notes: Data is not weighted, and therefore may differ from that reported in the 2022 *Income & Expense Study*. Data is not adjusted for the results of the 1992 NYC Department of Finance audit on I&E reported operating costs.

Rate of Distressed Properties: Core Manhattan vs. City w/o Core

Buildings that have operating and maintenance costs that exceed gross income are considered distressed. Table 5 (below) breaks down the proportion of distressed properties in three areas: Citywide; in Core Manhattan; and in the City excluding Core Manhattan. Distressed rates are all higher in Core Manhattan, compared to the rest of the City. For example, 9.3% of the buildings (259 buildings) that are at least 20% stabilized are distressed in Core Manhattan, while buildings that are 100% stabilized have a distress rate of 13.0% (41 buildings) in Core Manhattan. Meanwhile, in the rest of the City, there is a minimal difference between the categories, with all falling between 5.3% and 5.5%.

Table 5

	All Buildings Containing Stabilized Units	20%+ Stabilized	50%+ Stabilized	80%+ Stabilized	90%+ Stabilized	100% Stabilized
Distressed Proportion (Proportion of Buildings)						
Citywide	6.5%	6.2%	6.1%	5.9%	5.7%	6.0%
<i>Core Manhattan</i>	9.0%	9.3%	12.3%	13.7%	11.9%	13.0%
<i>City w/o Core Manhattan</i>	5.5%	5.4%	5.3%	5.3%	5.3%	5.5%
Distressed Proportion (Actual Building Counts)						
Citywide	963	792	645	531	462	304
<i>Core Manhattan</i>	368	259	143	88	61	41
<i>City w/o Core Manhattan</i>	595	533	502	443	401	263

Source: NYC Department of Finance, RPIE Filings