

# NYC Rent Guidelines Board

## *Changes to the Rent Stabilized Housing Stock in NYC in 2021*

May 26, 2022

# Changes Report

- Rent regulation laws allow for shift in regulatory status of units
  - Housing Stability & Tenant Protection Act of 2019 eliminated certain methods of deregulation
  - Units enter, exit or change status
  - Report examines changes to rent stabilized housing stock
  - Totals represent a 'floor' or minimum count of actual number of newly regulated & deregulated units

# Additions to the Stock in 2021

- Programs and events that lead to addition of stabilized units:
  - Section 421-a program
  - J-51 program
  - Articles 11, 14, & 15 of PHFL programs
  - Mitchell-Lama Buyouts
  - Lofts converted to stabilized units
  - Rent controlled apartments converting to rent stabilization
  - Other Additions

## Additions to the Stock in 2021

- 421-a Tax Exemption Program added 6,007 units Citywide, up 49% from prior year
  - Queens: 42%
  - Brooklyn: 30%
  - Bronx: 24%
  - Manhattan: 4%
  - Staten Island: None
  - Median legal rent of all 421-a stabilized units: \$3,364, up 3% from prior year
- J-51 Program added 76 units, up from 67 the prior year

# Additions to the Stock in 2021

## ► Other Additions:

- Rent controlled apartments converting to rent stabilization: 244 units, up 67% from prior year
- Lofts converted to stabilized: 11 units, compared to 36 the prior year
- Mitchell-Lama buyout additions: none, same as last year
- Articles 11, 14, and 15 of PHFL additions: 101 units, compared to none the prior year

## Additions to the Stock in 2021

- Overall, 6,439 units added to the rent stabilized housing stock in 2021
  - 50% more than in the prior year
- Median legal rent of these initially registered rent stabilized apartments in 2021: \$2,295
  - 4% increase from prior year

# Additions to the Stock in 2021

- Additions by Borough:
  - Queens: 40%
  - Brooklyn: 30%
  - Bronx: 23%
  - Manhattan: 8%
  - Staten Island: None

Note: Numbers may not add up to 100% due to rounding.

# Subtractions from the Stock in 2021

- Events and programs that have led to the subtraction of stabilized units:
  - High-Rent High-Income Deregulation
  - High-Rent Vacancy Deregulation
  - Co-op/Condo Conversions
  - Expiration of 421-a benefits
  - Expiration of J-51 benefits
  - Substantial rehabilitation
  - Conversion to commercial or professional status
  - Other Losses to the Housing Stock

# Subtractions from the Stock in 2021

- High-Rent High-Income Deregulation:
  - No longer permitted
  - From 1994 to 2019, an estimated total of 6,662 units were deregulated
- High-Rent Vacancy Deregulation:
  - Also no longer permitted
  - From 1994 to 2019, at least 170,386 units were removed from rent regulation

# Subtractions from the Stock in 2021

## ► Other Subtractions:

- Co-op/Condo conversions: 480 units, one fewer than prior year
- 421-a expirations: 1,959 units, 4% more than prior year
- J-51 expirations: 397 units, 12% more than prior year
- Substantial Rehab: 158 units, down 10% from prior year
- Conversions: 2 units, unchanged from prior year
- Other: 2,428 units, up 65% from prior year

## Subtractions from the Stock in 2021

- At least 5,424 units left stabilization in 2021
  - 18% fewer than in the prior year
- Subtractions by Borough:
  - Manhattan: 58%
  - Brooklyn: 31%
  - Queens: 8%
  - Bronx: 2%
  - Staten Island: Fewer than 1%

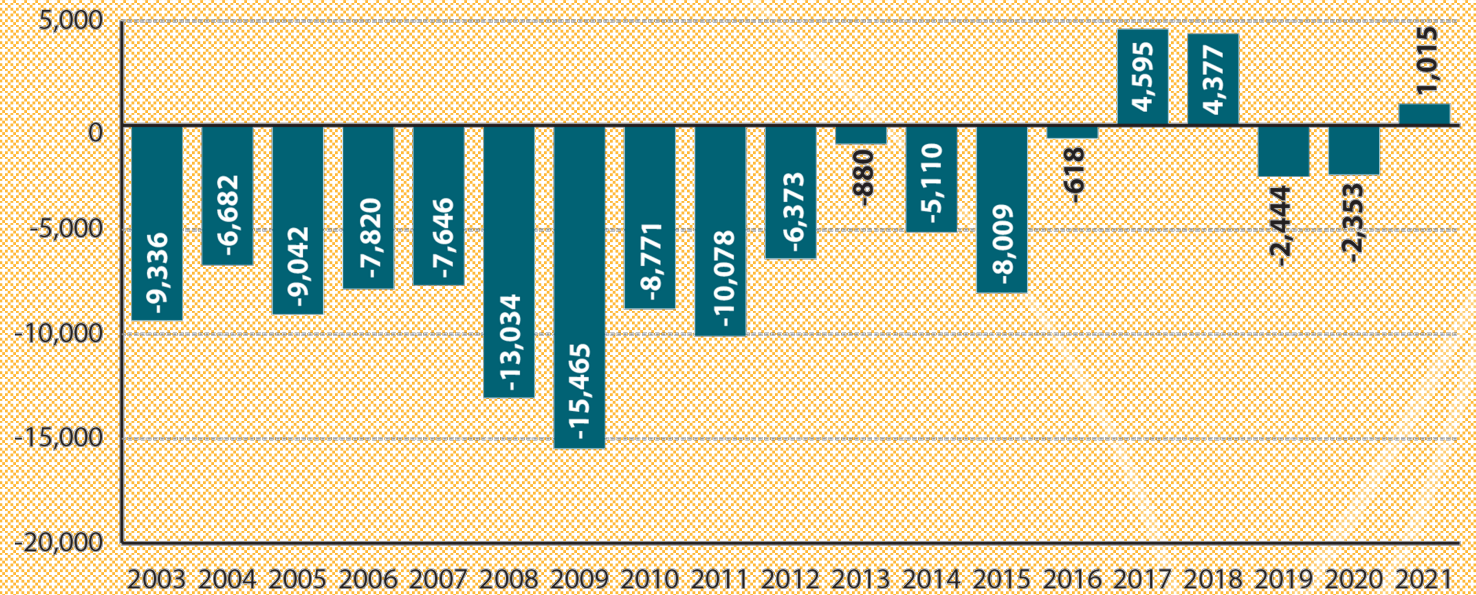
# Summary Table of Additions & Subtractions to the Rent Stabilized Housing Stock in 2021

Program/Event	Number of Units
<b>ADDITIONS</b>	
421-a	+ 6,007
J-51	+ 76
Mitchell-Lama buyouts	+ 0
Loft conversions	+ 11
Article 11, 14 or 15	+ 101
<b>CHANGES</b>	
Rent control to rent stabilization	+ 244
<b>Subtotal Additions &amp; Changes</b>	<b>+ 6,439</b>
<b>SUBTRACTIONS</b>	
Co-op and Condo subtractions	- 480
421-a Expiration	- 1,959
J-51 Expiration	- 397
Substantial Rehabilitation	- 158
Commercial/Professional Conversion	- 2
Other Subtractions	- 2,428
<b>Subtotal Subtractions</b>	<b>- 5,424</b>
<b>NET TOTAL</b>	
<b>Net Estimated Gain</b>	<b>+ 1,015</b>

## Summary of Changes in 2021

- The study finds an estimated net gain of 1,015 rent stabilized units in 2021
- Majority of additions to rent stabilized stock were from 421-a tax incentive program: 93%
- About 45% of units remove from rent stabilization occurred due to changes in the “Other” category, which encompasses losses due to apartment mergers, or when a building is condemned or demolished.
- 421-a expirations accounted for an additional 36% of subtractions

# Annual Net Change of Rent Stabilized Units 2003-2021



## Summary of Changes Since 1994

- Change in Rent Stabilized Stock over last 28 years:
  - 175,095 units added
  - 321,745 units removed
  - Estimated cumulative net loss of at least 146,650 units

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