Changes to the Rent Stabilized Housing Stock in NYC in 2021

May 26, 2022
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

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

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