

# **NYC Rent Guidelines Board**

## ***2022 I&E Memo #2: Analysis of I&E Data by Proportion of Stabilized Units in Buildings Constructed Before 1974***

**May 26, 2022**

# Analysis of I&E Data by Proportion of Stabilized Units in Buildings constructed before 1974

- Examination by proportions in:
  - Buildings that contain at least one stabilized unit (all years and pre-1974 only)
  - Buildings where 80% or more of residential units are stabilized (pre-1974 only)
  - Buildings where 90% or more of residential units are stabilized (pre-1974 only)
  - Buildings where 100% of residential units are stabilized (all years and pre-1974 only)

# Location of Buildings by Stabilized Proportion

	100% Stabilized	80% Stabilized (Pre-1974 Buildings Only)	90% Stabilized (Pre-1974 Buildings Only)	100% Stabilized (Pre-1974 Buildings Only)
<b>Percentage of Buildings, by Stabilized Proportion</b>				
<b>Citywide</b>	<b>34%</b>	<b>62%</b>	<b>56%</b>	<b>34%</b>
<i>Manhattan</i>	15%	32%	26%	15%
<i>Bronx</i>	55%	93%	88%	55%
<i>Brooklyn</i>	47%	80%	74%	47%
<i>Queens</i>	37%	75%	64%	37%
<i>Staten Island*</i>	56%	84%	74%	55%
<i>Core Manhattan</i>	8%	15%	12%	6%
<i>Upper Manhattan</i>	31%	60%	50%	28%
<i>City w/o Core Manhattan</i>	44%	79%	71%	44%

Source: NYC Department of Finance, RPIE Filings

# Average Rent, Income and Costs: Citywide and by Borough

- Memo's Table 2 examines average rent, income, costs, and NOI in 2020 per unit per month by location among buildings of any age and compares them to pre-1974 buildings.
- Examining NOI among 100% stabilized buildings, NOI is \$508 in Core Manhattan pre-74 buildings, compared to \$711 among Core Manhattan buildings of all ages, a \$203 difference.
- By comparison, among 100% stabilized buildings in the rest of the City, NOI is \$395 in pre-74 buildings, compared to \$429 among buildings of all ages, a \$34 difference.

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

	All Buildings Containing Stabilized Units	All Buildings Containing Stabilized Units (Pre-1974 Buildings Only)	80% Stabilized (Pre-1974 Buildings Only)	90% Stabilized (Pre-1974 Buildings Only)	100% Stabilized	100% Stabilized (Pre-1974 Buildings Only)
<b>Audited Cost-to-Income Ratios</b>						
Citywide	61.9%	63.2%	62.9%	62.8%	61.1%	62.9%
Core Manhattan	63.0%	63.8%	63.2%	62.4%	60.2%	64.8%
City w/o Core Manhattan	61.2%	62.8%	62.8%	62.8%	61.2%	62.8%
<b>Unaudited Cost-to-Income Ratios</b>						
Citywide	67.4%	68.8%	68.4%	68.4%	66.5%	68.5%
Core Manhattan	68.6%	69.5%	68.8%	67.9%	65.5%	70.6%
City w/o Core Manhattan	66.6%	68.4%	68.4%	68.4%	66.6%	68.4%

Source: NYC Department of Finance, RPIE Filings

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

- Memo's Table 4 breaks down average longitudinal rent, income, costs, and NOI changes from 2019 to 2020 per unit per month, by location among buildings of any age and compares them to pre-1974 buildings.
- Among 100% stabilized buildings, there was a greater decline in NOI among Core Manhattan buildings, compared to the rest of the City in buildings among both pre-1974 and all building ages.
- In 100% stabilized Core Manhattan buildings, NOI fell 25.5% among buildings of all ages and 28.1% among pre-1974 buildings, a 2.6 percentage point difference.
- Meanwhile, in 100% stabilized buildings in the rest of the City, NOI fell 2.2% among buildings of all ages and 2.5% among pre-1974 buildings, a 0.3 percentage point difference.

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

	All Buildings Containing Stabilized Units	All Buildings Containing Stabilized Units (Pre-1974 Buildings Only)	80% Stabilized (Pre-1974 Buildings Only)	90% Stabilized (Pre-1974 Buildings Only)	100% Stabilized	100% Stabilized (Pre-1974 Buildings Only)
<b>Distressed Proportion (Proportion of Buildings)</b>						
Citywide	6.5%	6.6%	6.1%	5.9%	6.0%	6.4%
Core Manhattan	9.0%	9.1%	15.4%	13.5%	13.0%	16.1%
City w/o Core Manhattan	5.5%	5.7%	5.5%	5.5%	5.5%	5.9%
<b>Distressed Proportion (Actual Building Counts)</b>						
Citywide	963	907	524	457	304	299
Core Manhattan	368	324	82	56	41	37
City w/o Core Manhattan	595	583	442	401	263	262

Source: NYC Department of Finance, RPIE Filings

# **NYC Rent Guidelines Board**

## ***2022 I&E Memo #2: Analysis of I&E Data by Proportion of Stabilized Units in Buildings Constructed Before 1974***

**May 26, 2022**