



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: May 23, 2022
Re: Analysis of I&E Data by Proportion of Stabilized Units in Buildings constructed before 1974

On April 18, 2022, RGB staff distributed a memo analyzing supplemental data from the NYC Department of Finance (for the same RPIE period as that reported in the *2022 Income & Expense Study*) that grouped buildings that contain rent stabilized units into categories that ranged from a minimum of one stabilized unit in a building to 100% stabilized units.

As a follow-up, RGB board members asked the staff to do a similar analysis of buildings constructed before 1974. Owners of property completed or substantially rehabilitated after January 1, 1974 may avail themselves of various tax abatements so long as they agree to make the units in the property subject to rent stabilization for a prescribed period. This memo compares select data from the previous memo with newly updated data that includes only those buildings constructed pre-1974. To simplify the comparison, buildings are grouped into these four categories:

- 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)

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

Location of Buildings by Stabilized Proportion

Table 1 (below) illustrates the proportion of all buildings of any age that are entirely rent stabilized (100% stabilized); pre-1974 80% or more stabilized; pre-1974 90% or more stabilized; and pre-1974 100% stabilized. Only in Core Manhattan², Upper Manhattan, and Staten Island are there any differences in the proportions (and of no more than three percentage points, in Upper Manhattan) between 100% stabilized buildings of any age and those built before 1974.

Table 1

	100% Stabilized	80% Stabilized (Pre-1974 Buildings Only)	90% Stabilized (Pre-1974 Buildings Only)	100% Stabilized (Pre-1974 Buildings Only)
Percentage of Buildings, by Stabilized Proportion				
Citywide	34%	62%	56%	34%
<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

* Note that there are only 85 buildings of any year, and only 63 pre-1974 buildings, that contain at least one rent stabilized unit in Staten Island.

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

Table 2 (on the next page) 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.

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

Table 2

	Rent	Income	Costs	NOI
Citywide All Years*	\$1,425	\$1,610	\$1,085	\$525
Pre-74*	\$1,390	\$1,572	\$1,081	\$491
80% Stabilized Pre-74	\$1,173	\$1,299	\$889	\$410
90% Stabilized Pre-74	\$1,164	\$1,285	\$879	\$406
100% Stabilized All Years	\$1,202	\$1,333	\$887	\$446
100% Stabilized Pre-74	\$1,151	\$1,274	\$873	\$401
Manhattan All Years*	\$1,719	\$2,028	\$1,396	\$632
Pre-74*	\$1,677	\$1,980	\$1,382	\$599
80% Stabilized Pre-74	\$1,271	\$1,509	\$1,048	\$461
90% Stabilized Pre-74	\$1,269	\$1,503	\$1,036	\$467
100% Stabilized All Years	\$1,377	\$1,639	\$1,097	\$542
100% Stabilized Pre-74	\$1,248	\$1,490	\$1,034	\$455
Bronx All Years*	\$1,039	\$1,168	\$812	\$356
Pre-74*	\$1,036	\$1,165	\$818	\$347
80% Stabilized Pre-74	\$1,036	\$1,163	\$816	\$347
90% Stabilized Pre-74	\$1,032	\$1,158	\$814	\$345
100% Stabilized All Years	\$1,033	\$1,167	\$808	\$359
100% Stabilized Pre-74	\$1,029	\$1,159	\$815	\$344
Brooklyn All Years*	\$1,315	\$1,404	\$893	\$511
Pre-74*	\$1,262	\$1,346	\$895	\$451
80% Stabilized Pre-74	\$1,193	\$1,275	\$855	\$420
90% Stabilized Pre-74	\$1,188	\$1,269	\$851	\$418
100% Stabilized All Years	\$1,245	\$1,332	\$859	\$473
100% Stabilized Pre-74	\$1,190	\$1,271	\$852	\$419
Queens All Years*	\$1,326	\$1,396	\$910	\$486
Pre-74*	\$1,302	\$1,371	\$914	\$456
80% Stabilized Pre-74	\$1,266	\$1,330	\$888	\$442
90% Stabilized Pre-74	\$1,256	\$1,318	\$881	\$437
100% Stabilized All Years	\$1,267	\$1,333	\$871	\$462
100% Stabilized Pre-74	\$1,226	\$1,287	\$865	\$422
Staten Island All Years*	\$1,095	\$1,185	\$793	\$392
Pre-74*	\$1,142	\$1,220	\$811	\$409
80% Stabilized Pre-74	\$1,161	\$1,253	\$834	\$418
90% Stabilized Pre-74	\$1,131	\$1,225	\$820	\$405
100% Stabilized All Years	\$1,072	\$1,182	\$758	\$423
100% Stabilized Pre-74	\$1,120	\$1,209	\$787	\$422
Core Manhattan All Years*	\$1,917	\$2,276	\$1,561	\$715
Pre-74*	\$1,876	\$2,231	\$1,550	\$681
80% Stabilized Pre-74	\$1,434	\$1,731	\$1,191	\$540
90% Stabilized Pre-74	\$1,463	\$1,770	\$1,202	\$568
100% Stabilized All Years	\$1,702	\$2,059	\$1,349	\$711
100% Stabilized Pre-74	\$1,402	\$1,724	\$1,216	\$508
Upper Manhattan All Years*	\$1,320	\$1,529	\$1,064	\$465
Pre-74*	\$1,339	\$1,554	\$1,096	\$458
80% Stabilized Pre-74	\$1,202	\$1,415	\$987	\$428
90% Stabilized Pre-74	\$1,193	\$1,397	\$970	\$427
100% Stabilized All Years	\$1,211	\$1,425	\$968	\$457
100% Stabilized Pre-74	\$1,188	\$1,400	\$965	\$435
City w/o Core Man All Years*	\$1,239	\$1,358	\$905	\$453
Pre-74*	\$1,222	\$1,342	\$918	\$424
80% Stabilized Pre-74	\$1,156	\$1,270	\$869	\$401
90% Stabilized Pre-74	\$1,146	\$1,258	\$860	\$397
100% Stabilized All Years	\$1,169	\$1,285	\$856	\$429
100% Stabilized Pre-74	\$1,138	\$1,251	\$856	\$395

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. There are only 85 buildings of any year, and only 63 pre-1974 buildings, that contain at least one rent stabilized unit in Staten Island.

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

Table 3 (below) breaks down the audited and unaudited cost-to-income ratios in 2020 by Citywide, Core Manhattan, and the City excluding Core Manhattan among buildings containing stabilized units of all ages and compares them to pre-1974 buildings.

Among 100% stabilized buildings, there is a greater difference in Core Manhattan compared to the rest of the City when examining buildings of all ages vs. pre-1974 buildings. For example, the unaudited cost-to-income ratio is 65.5% among Core Manhattan buildings of all ages and 70.6% among pre-74 Core Manhattan buildings, a 5.1 percentage point difference. Meanwhile, in the rest of the City, the unaudited cost-to-income ratio is 66.6% among buildings of all ages and 68.4% among pre-74 buildings, a 1.8 percentage point difference.

Table 3

	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)
Audited Cost-to-Income Ratios						
Citywide	61.9%	63.2%	62.9%	62.8%	61.1%	62.9%
<i>Core Manhattan</i>	63.0%	63.8%	63.2%	62.4%	60.2%	64.8%
<i>City w/o Core Manhattan</i>	61.2%	62.8%	62.8%	62.8%	61.2%	62.8%
Unaudited Cost-to-Income Ratios						
Citywide	67.4%	68.8%	68.4%	68.4%	66.5%	68.5%
<i>Core Manhattan</i>	68.6%	69.5%	68.8%	67.9%	65.5%	70.6%
<i>City w/o Core Manhattan</i>	66.6%	68.4%	68.4%	68.4%	66.6%	68.4%

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 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-74 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-74 buildings, a 0.3 percentage point difference.

Table 4

	Rent	Income	Costs	NOI
Citywide All Years*	-5.4%	-7.0%	-3.6%	-13.4%
Pre-74*	-5.5%	-7.3%	-3.7%	-14.2%
80% Stabilized Pre-74	-2.8%	-3.5%	-3.1%	-4.3%
90% Stabilized Pre-74	-2.9%	-3.5%	-2.9%	-4.7%
100% Stabilized All Years	-3.0%	-3.3%	-2.3%	-5.1%
100% Stabilized Pre-74	-2.8%	-3.3%	-2.7%	-4.5%
Manhattan All Years*	-8.6%	-11.2%	-4.9%	-22.4%
Pre-74*	-8.6%	-11.4%	-5.2%	-23.1%
80% Stabilized Pre-74	-5.1%	-7.1%	-5.4%	-10.6%
90% Stabilized Pre-74	-5.3%	-7.1%	-5.2%	-11.3%
100% Stabilized All Years	-5.9%	-7.0%	-2.8%	-14.5%
100% Stabilized Pre-74	-5.2%	-6.6%	-4.3%	-11.5%
Bronx All Years*	-2.0%	-2.2%	-2.2%	-2.3%
Pre-74*	-2.2%	-2.5%	-2.2%	-3.3%
80% Stabilized Pre-74	-2.3%	-2.5%	-2.4%	-2.9%
90% Stabilized Pre-74	-2.3%	-2.6%	-2.3%	-3.3%
100% Stabilized All Years	-2.0%	-2.2%	-2.1%	-2.5%
100% Stabilized Pre-74	-2.4%	-2.7%	-2.1%	-3.9%
Brooklyn All Years*	-1.8%	-1.9%	-1.8%	-2.2%
Pre-74*	-2.2%	-2.5%	-1.9%	-3.6%
80% Stabilized Pre-74	-1.9%	-2.0%	-1.9%	-2.2%
90% Stabilized Pre-74	-2.0%	-2.1%	-1.9%	-2.6%
100% Stabilized All Years	-1.9%	-1.8%	-1.8%	-2.0%
100% Stabilized Pre-74	-1.9%	-1.9%	-1.8%	-2.2%
Queens All Years*	-2.4%	-2.5%	-2.6%	-2.4%
Pre-74*	-2.5%	-2.6%	-2.5%	-2.8%
80% Stabilized Pre-74	-2.3%	-2.5%	-2.9%	-1.6%
90% Stabilized Pre-74	-2.6%	-2.8%	-2.9%	-2.5%
100% Stabilized All Years	-2.9%	-2.9%	-3.5%	-1.9%
100% Stabilized Pre-74	-3.0%	-3.1%	-3.6%	-1.9%
Staten Island All Years*	0.0%	0.0%	-2.2%	4.8%
Pre-74*	0.2%	0.3%	-4.1%	10.1%
80% Stabilized Pre-74	0.3%	0.3%	-2.6%	7.0%
90% Stabilized Pre-74	0.1%	0.2%	-2.0%	5.0%
100% Stabilized All Years	-0.3%	-0.4%	-1.5%	1.7%
100% Stabilized Pre-74	-0.1%	0.0%	-3.4%	7.4%
Core Manhattan All Years*	-9.9%	-12.9%	-4.8%	-26.6%
Pre-74*	-10.0%	-13.5%	-5.1%	-28.0%
80% Stabilized Pre-74	-8.3%	-12.4%	-5.6%	-24.6%
90% Stabilized Pre-74	-8.6%	-12.7%	-5.3%	-25.3%
100% Stabilized All Years	-8.0%	-10.8%	-0.7%	-25.5%
100% Stabilized Pre-74	-7.6%	-12.4%	-4.0%	-28.1%
Upper Manhattan All Years*	-4.7%	-5.3%	-5.3%	-5.3%
Pre-74*	-5.3%	-5.9%	-5.4%	-7.0%
80% Stabilized Pre-74	-3.5%	-4.1%	-5.4%	-1.2%
90% Stabilized Pre-74	-3.7%	-4.2%	-5.1%	-1.9%
100% Stabilized All Years	-4.3%	-3.9%	-4.2%	-3.3%
100% Stabilized Pre-74	-4.0%	-3.6%	-4.5%	-1.5%
City w/o Core Man All Years*	-2.6%	-2.8%	-2.8%	-2.8%
Pre-74*	-3.0%	-3.3%	-3.0%	-4.0%
80% Stabilized Pre-74	-2.3%	-2.6%	-2.9%	-2.1%
90% Stabilized Pre-74	-2.4%	-2.7%	-2.7%	-2.7%
100% Stabilized All Years	-2.4%	-2.4%	-2.5%	-2.2%
100% Stabilized Pre-74	-2.5%	-2.6%	-2.6%	-2.5%

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. Note that in the longitudinal analysis, there are only 63 buildings of any year, and only 35 pre-1974 buildings, that contain at least one rent stabilized unit in Staten Island.

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 2020 among buildings of any age containing stabilized units and compares them to pre-1974 buildings in three areas: Citywide; in Core Manhattan; and in the City excluding Core Manhattan. Distressed rates are a great deal higher among Core Manhattan buildings than elsewhere in the City, especially in pre-1974 buildings. For example, among 100% stabilized buildings in Core Manhattan, the proportion of distressed properties is 13.0% among buildings of any age vs. 16.1% among pre-1974 buildings, a 3.1 percentage point difference. By comparison, among 100% stabilized buildings elsewhere in the City, the proportion of distressed properties is 5.5% among buildings of any age vs. 5.9% among pre-1974 buildings, a 0.4 percentage point difference.

Table 5

	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)
Distressed Proportion (Proportion of Buildings)						
Citywide	6.5%	6.6%	6.1%	5.9%	6.0%	6.4%
<i>Core Manhattan</i>	9.0%	9.1%	15.4%	13.5%	13.0%	16.1%
<i>City w/o Core Manhattan</i>	5.5%	5.7%	5.5%	5.5%	5.5%	5.9%
Distressed Proportion (Actual Building Counts)						
Citywide	963	907	524	457	304	299
<i>Core Manhattan</i>	368	324	82	56	41	37
<i>City w/o Core Manhattan</i>	595	583	442	401	263	262

Source: NYC Department of Finance, RPIE Filings