


2023 HOUSING SUPPLY REPORT



NYC Rent Guidelines Board
May 25, 2023

Summary

- The Rent Stabilization Law requires the RGB to consider the "overall supply of housing accommodations and overall vacancy rates."
- Contains housing stock trends in New York City, focusing on:
 - Housing and Vacancy Survey Findings
 - New Construction and Demolitions
 - Conversions and Subdivisions
 - Cooperatives and Condominiums
 - Rehabilitation
 - Government Housing Programs, including Tax Incentives and In Rem Housing

Major Findings

- Building permit approvals for new housing units increased 7.9% in 2022, to 21,490 permits
 - 1st Quarter 2023: Decrease of 45.3%
- Decrease of 8.1% in 2022 of units in newly constructed buildings, a total of 25,924 units.
- 13,990 units (58% new construction and 42% preservations) “started” through City programs, a decrease of 47.7% from 2021.
- Permits for demolitions (of both residential and commercial buildings) up 16.4%, 1,796 buildings

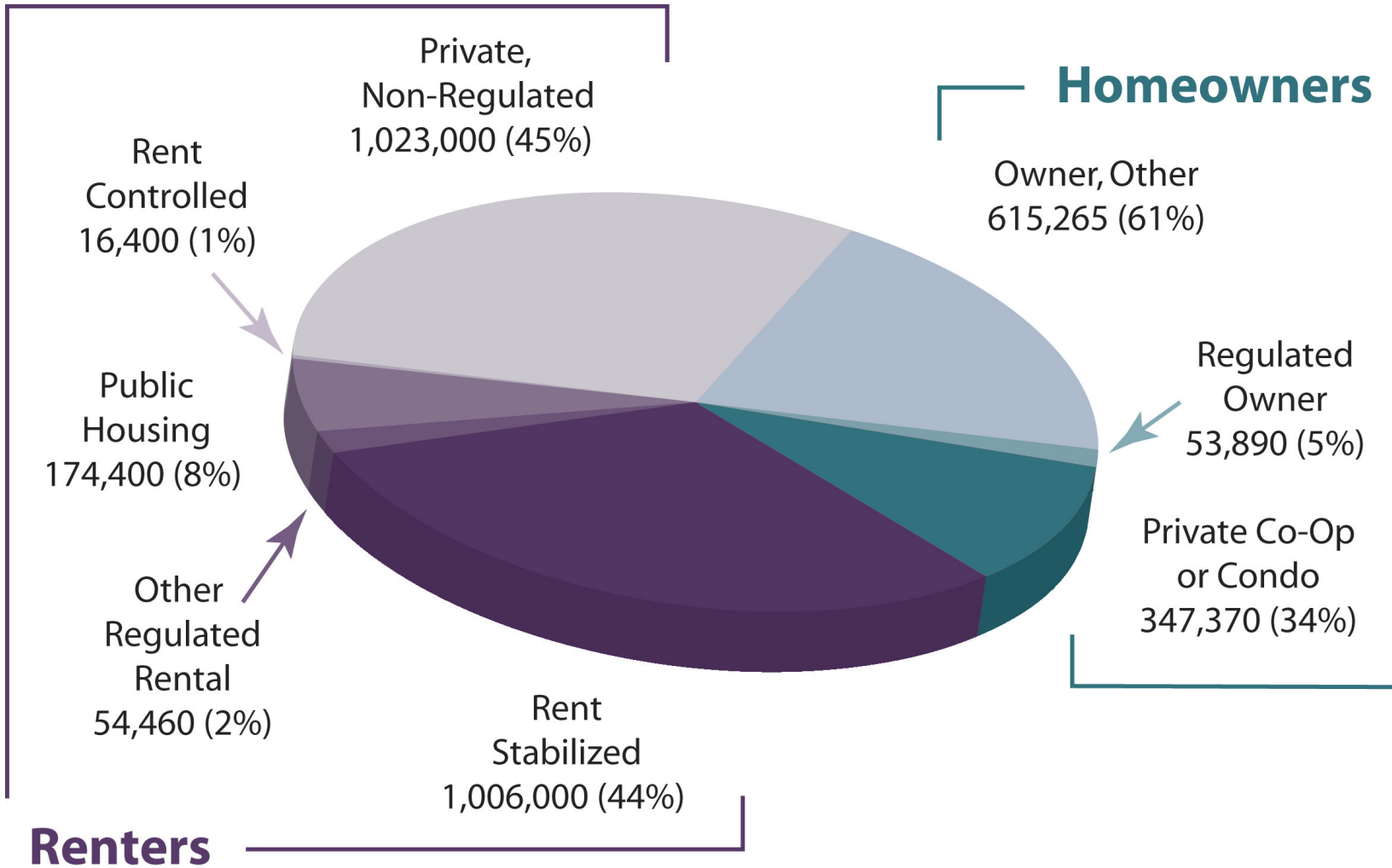
Major Findings

- Decrease of 22.2% in the number of residential units in co-op or condo plans approved in 2022, to 3,637 units
- Increase of 35.6% in newly certified 421-a units, to 13,456 units
- Increase of 102.4% in J-51 units, to 14,901 units
- As of 2021, 9.4% of all rental housing is overcrowded
- Citywide vacancy rate was 4.54% in 2021

2021 NYC Housing and Vacancy Survey Findings

- New York City is predominantly a city of renters:
 - City's available housing stock is 69% renter-occupied
 - Almost 2.3 million housing units are rentals, 44% of which are rent stabilized
- Vacancy rates:
 - Overall rental vacancy rate: 4.54%
 - Rent stabilized: 4.57% (3.22% in pre-1974 and 11.21% post-1973)
 - Private, non-regulated: 5.29%
- Overcrowding rates:
 - Overall rental overcrowding rate: 9.4%
 - Rent stabilized: 13.1% (14.7% in pre-1974 and 4.4% post-1973)
 - Private, non-regulated: 7.2%

Number of Renter and Owner Units



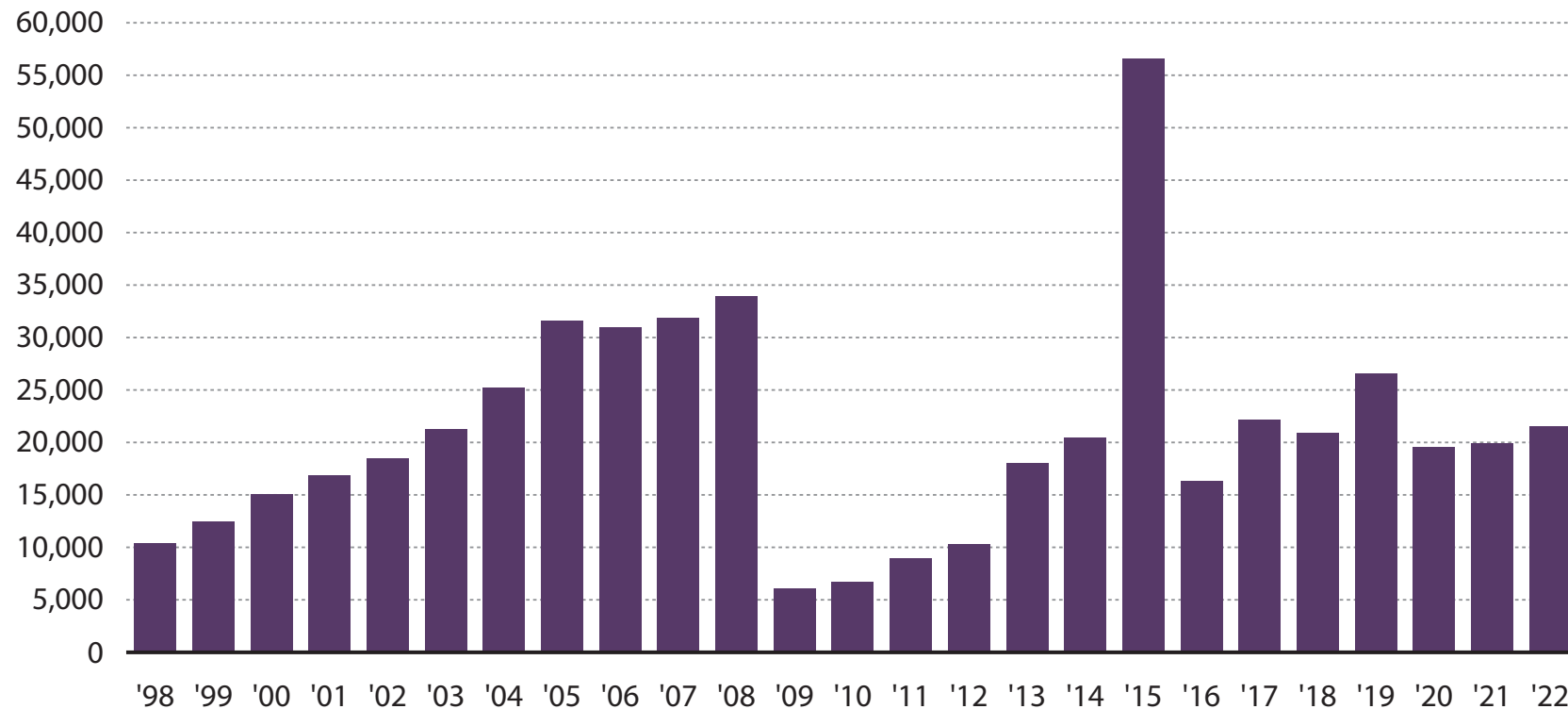
Source: 2021 NYC Housing and Vacancy Survey

New Housing Permits

- Permit approvals for new housing units increased by 7.9%, to 21,490 in 2022
 - the Bronx, down 26.5%, to 3,930 units
 - Manhattan, down 18.4%, to 2,584 permits
 - Brooklyn, up 34.4%, to 9,423 units
 - Staten Island, up 26.5%, to 392 units
 - Queens, up 26.3%, to 5,161 units
- First quarter 2023 permits decreased by 45.3%
 - Decreases in four boroughs
 - The Bronx, down 82.2%; Staten Island, down 80.0%; Queens, down 62.5%; and Brooklyn, down 49.8%
 - Up 186.7% in Manhattan

Units Issued New Housing Permits

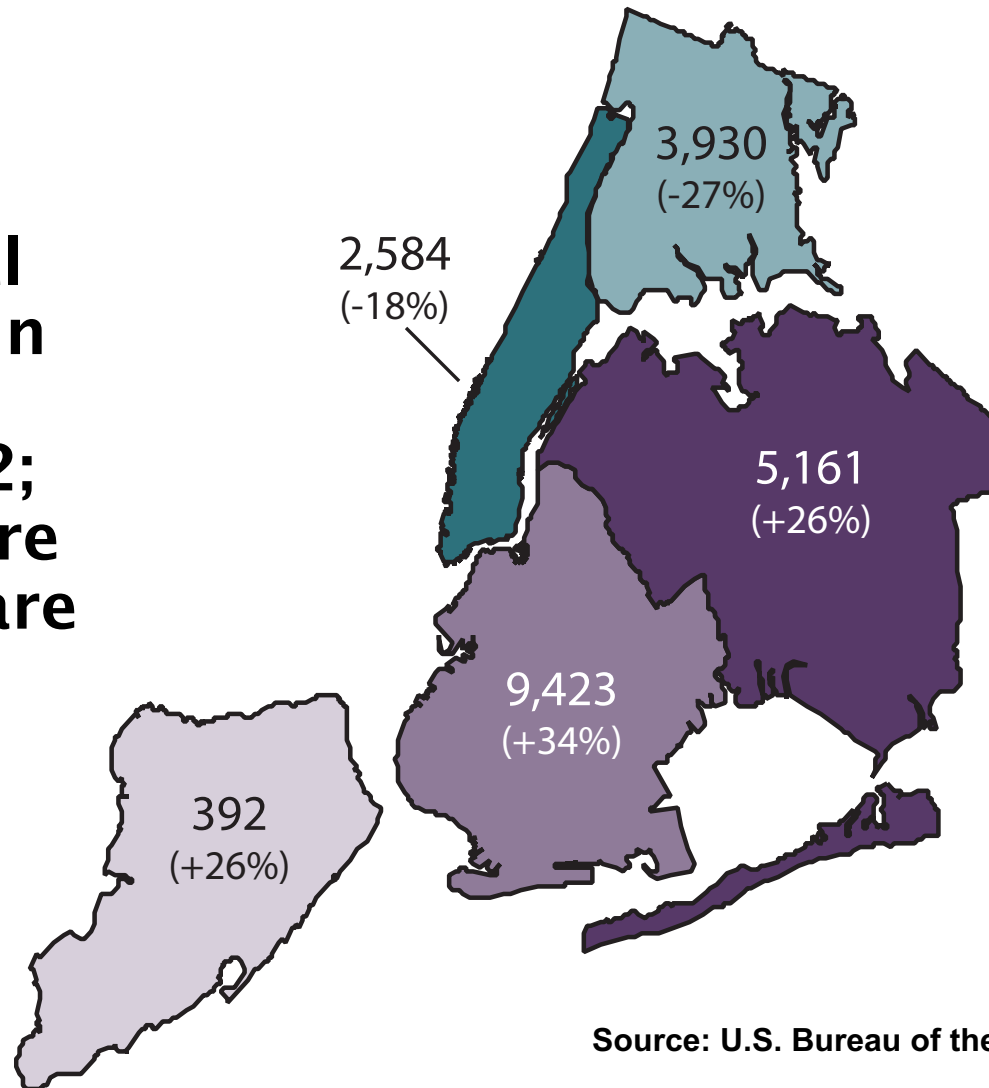
Number of Permits Issued for New Construction of Residential Units Increases



Source: U.S. Bureau of the Census

Residential Building Permits

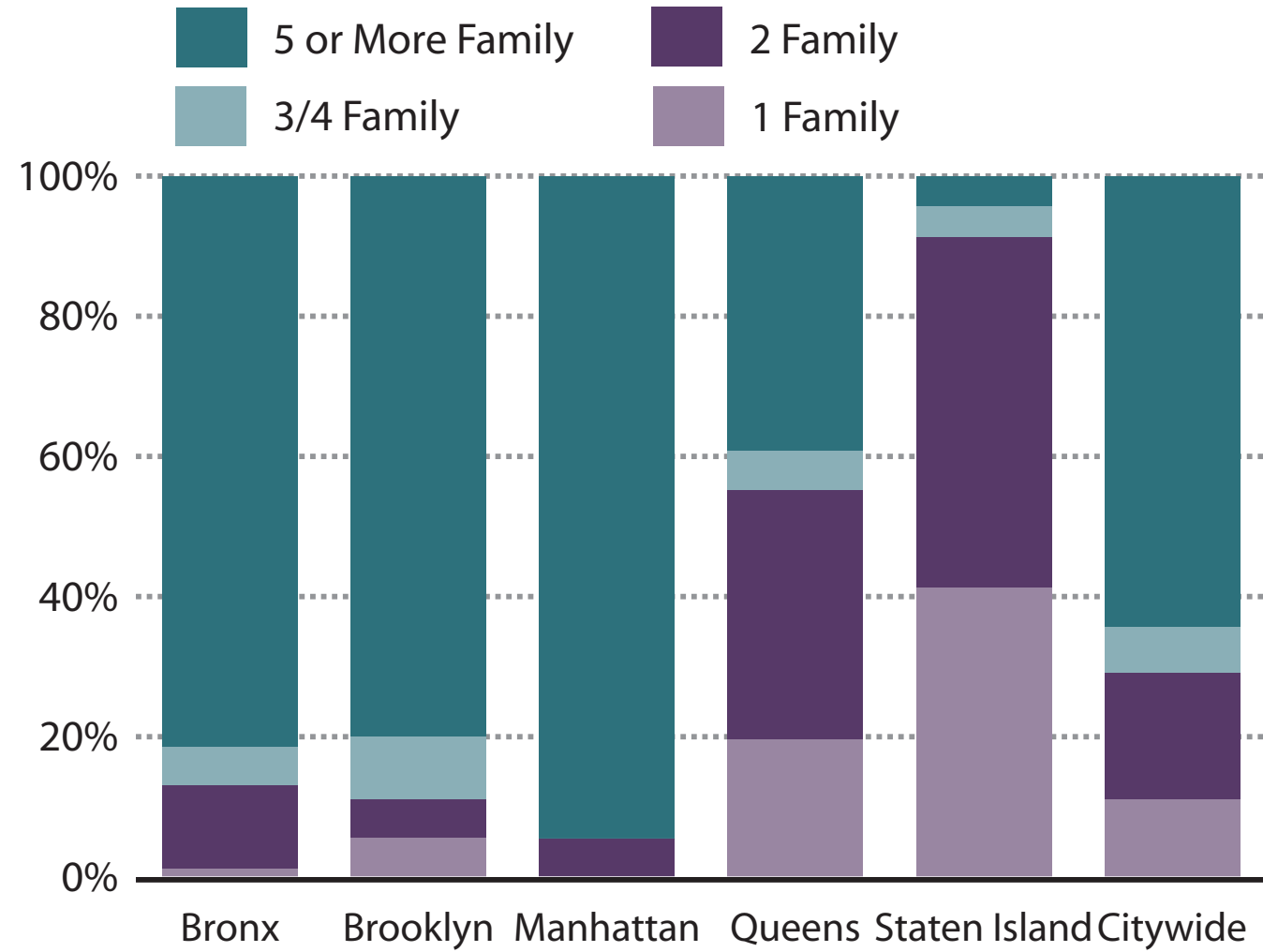
**Largest
proportional
increase is in
Brooklyn
during 2022;
Largest share
of permits are
in Brooklyn**



Source: U.S. Bureau of the Census

Residential Building Permits

Most Permits in Manhattan are for 5 or More Family Buildings; In Staten Island, almost all 1- or 2-Families



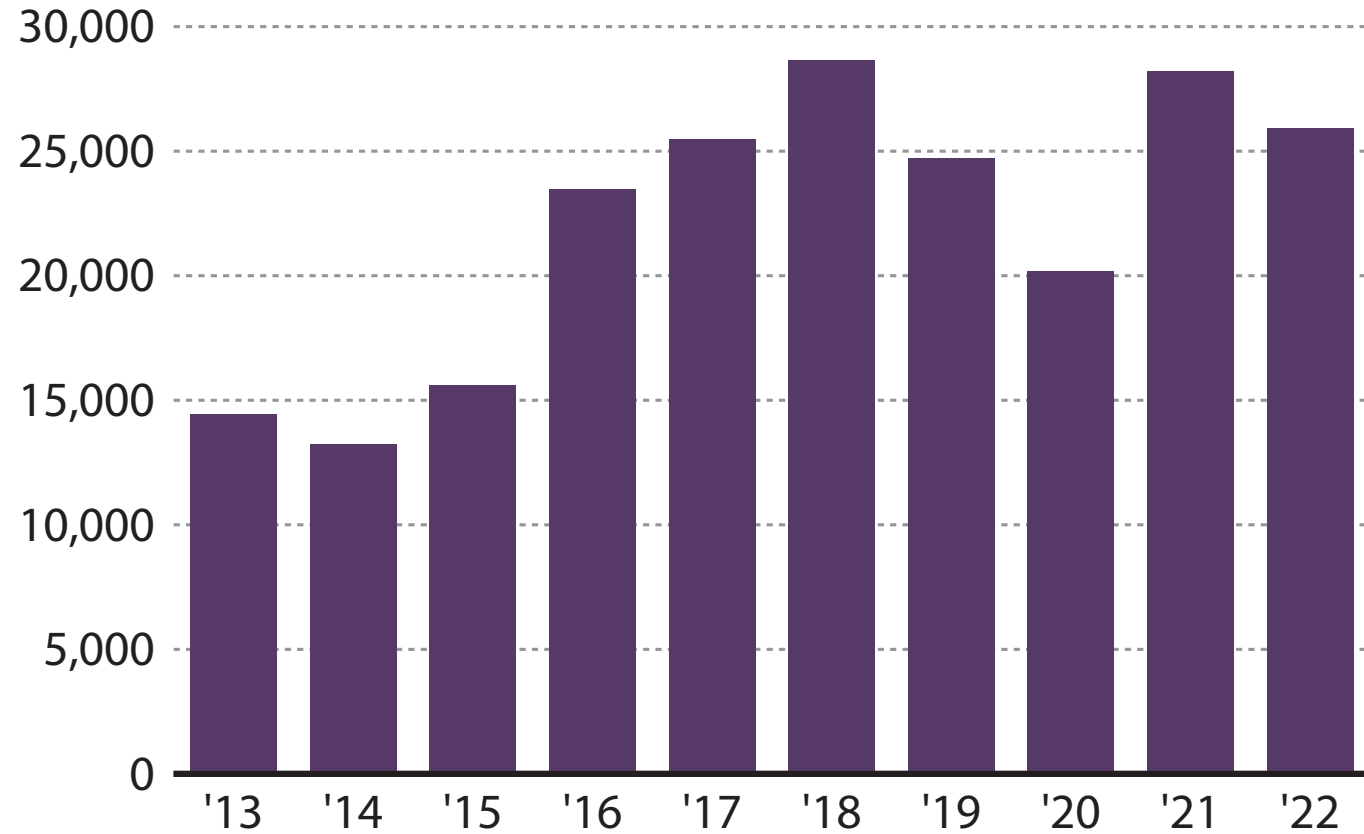
Source: U.S. Bureau of the Census

Housing Completions

- Class A housing units completed in new buildings in 2022 decrease:
 - Down Citywide 8.1%, to 25,924
 - Down 28.1% in Brooklyn, to 8,253 units
 - Down 15.5% in Staten Island, to 463 units
 - Down 11.3% in Queens, to 7,317 units
 - Up 12.1% in the Bronx, to 4,994 units
 - Up 40.5% in Manhattan, to 4,897 units
- Net gain of 2,076 Class A units via alterations
- Loss of 1,497 units of Class A residential housing through demolitions

Housing Completions

Number of Units in Newly Completed Buildings Decreases



Source: NYC Department of City Planning

City-Sponsored Construction

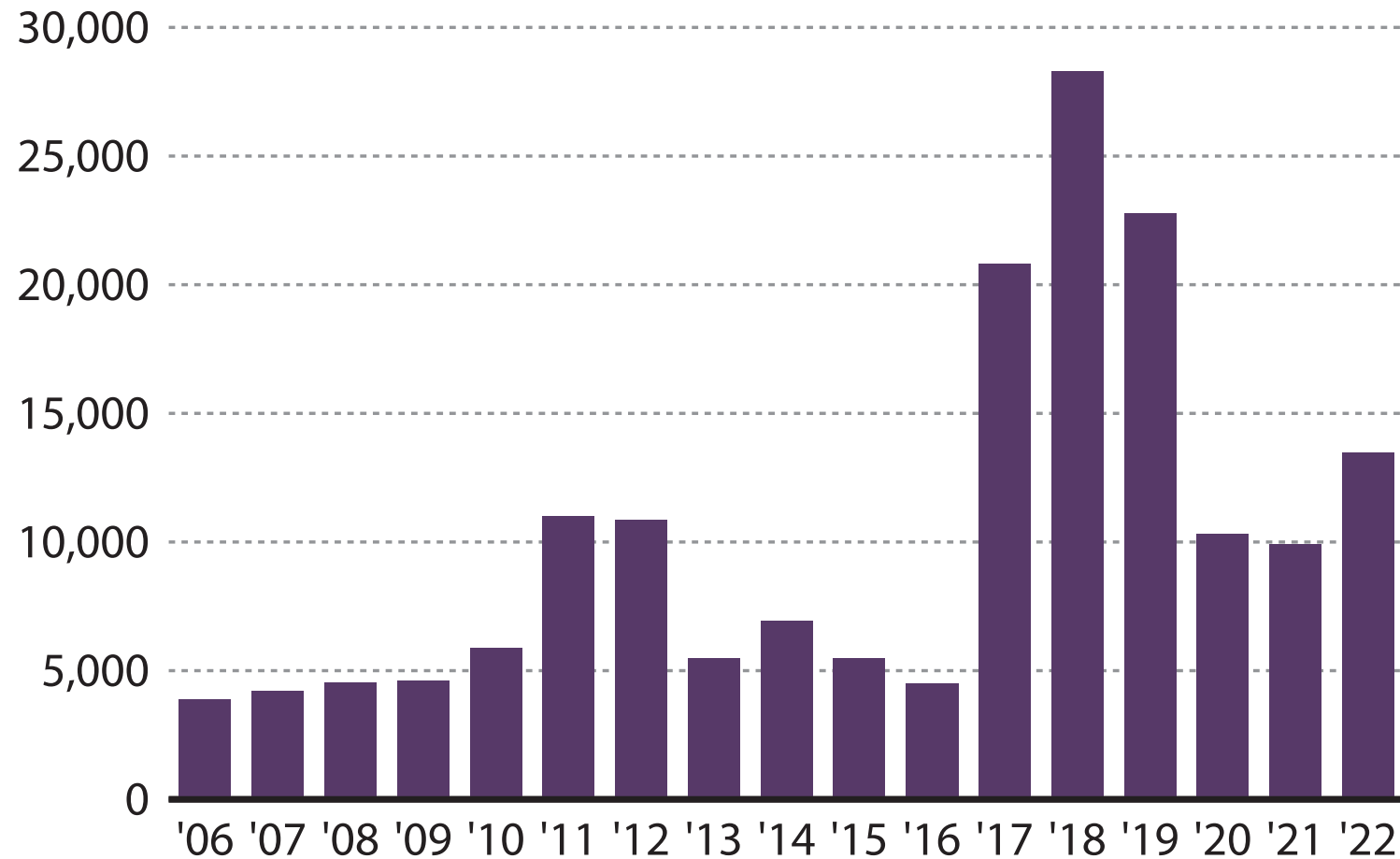
- 13,990 units of HPD- and HDC-sponsored housing starts during 2022, a decrease of 47.7%
 - 58% new construction, 42% preservations
- Location of units by borough:
 - Brooklyn: 37.5%; Bronx: 31.1%; Manhattan: 20.3%; Queens: 10.8%; and Staten Island: 0.2%
- By affordability level:
 - Extremely low-income: 25.0%; very low-income: 21.4%; low-income: 30.8%; moderate-income: 7.0%; and middle-income or higher: 15.8%

421-a Tax Incentive Program

- Objective of 421-a tax exemptions was to encourage construction of multi-family housing (program expired on June 15, 2022)
- 35.6% more units received newly issued final 421-a exemptions in 2022 than in prior year
 - 13,456 units Citywide, with 49.6% in Brooklyn, 20.9% in the Bronx, 15.6% in Queens, and 14.0% in Manhattan
- Increases in all boroughs except Staten Island
 - 61.1% in the Bronx; 54.4% in Queens; 25.5% in Brooklyn; and 25.0% in Manhattan
 - Second consecutive year of no units in Staten Island

Units Receiving Final 421-a Certificates

Number of Units in 421-a Plans Increases



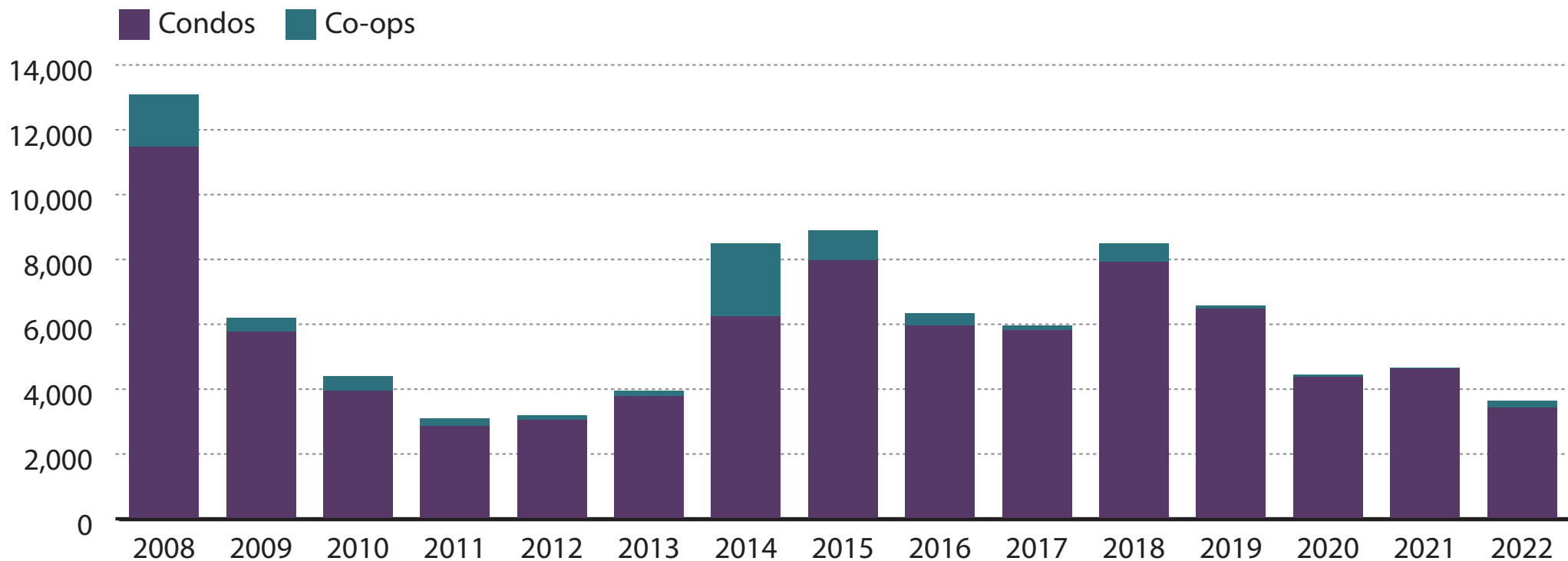
Source: NYC Dept. of Housing Preservation and Development

Newly Accepted Cooperatives & Condos

- Just less than 40% of the City's owner-occupied housing is either co-ops or condos
- In 2022, the NYS Attorney General's Office approved 205 residential plans (3,637 residential units), a 6.8% decrease in plans and 22.2% decrease in units
 - Largest number of plans for new construction: 160 plans with 3,089 residential units
 - 342 units in 42 rehabilitation plans
 - 206 units in three non-eviction conversion plans
- More than two-thirds of plans in Brooklyn: 69%
- Largest number of units are in Brooklyn: 43%

Accepted Co-op and Condo Units

Number of Residential Units in Accepted Co-op and Condo Plans Decreases



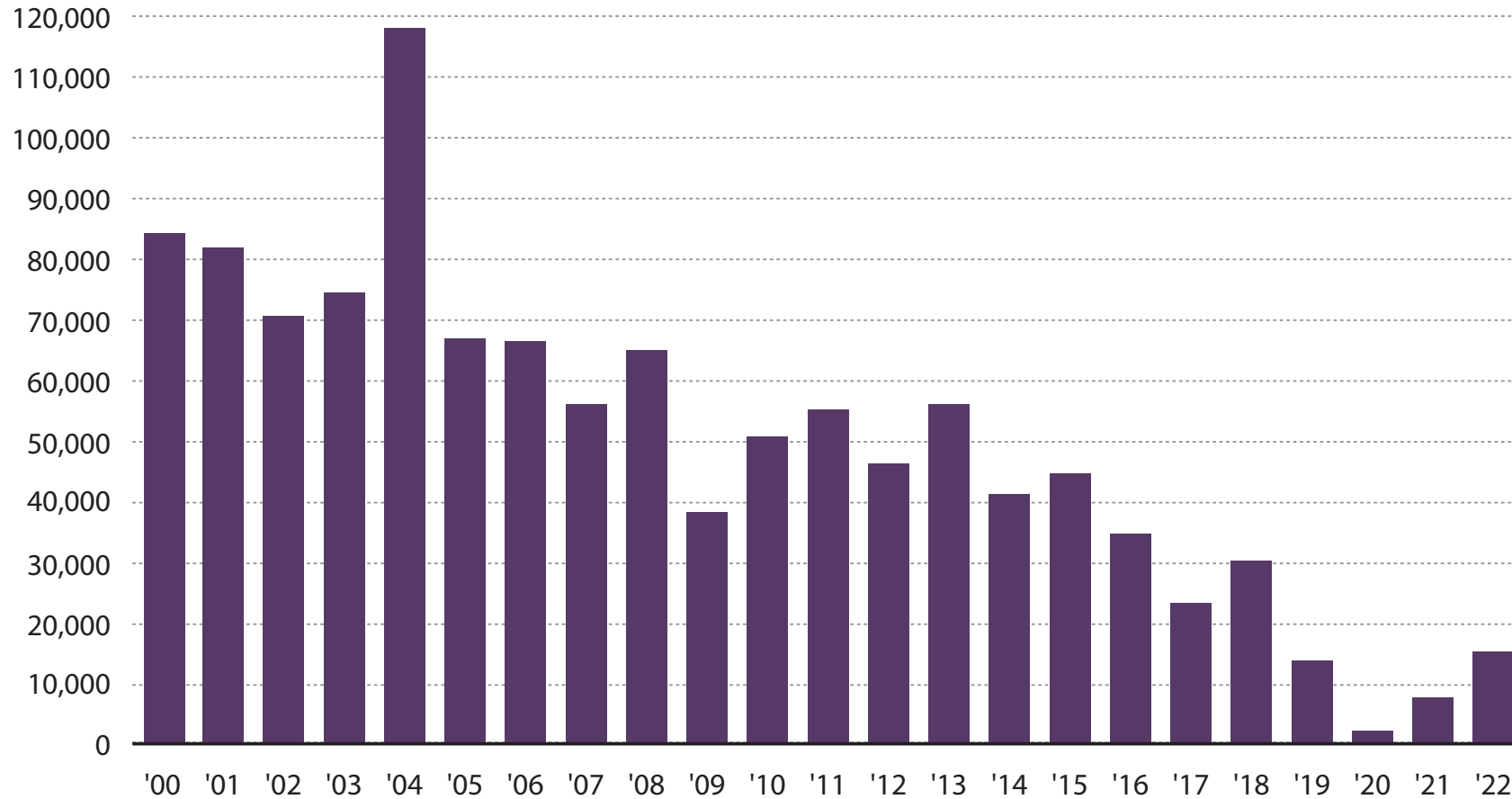
Source: NYS Attorney General's Office

J-51 Rehabilitation

- J-51 program provided benefits to rehabilitated housing units (program expired June 29, 2022)
- Eligible activities included MCI's; moderate or substantial rehab; and conversions from non-residential use if substantial government assistance is provided
- 14,901 units were newly approved for benefits in 2022, a 102.4% increase from 2021
 - Increases in every borough, including 171.6% in Manhattan, 163.9% in Queens, 81.5% in the Bronx, 16.6% in Brooklyn, and from no units in Staten Island in 2021 to 161 in 2022.
 - Just less than half of newly approved units were rentals (47.6%)

Units Receiving Initial J-51 Benefits

Number of units newly receiving J-51 benefits rises



Source: NYC Dept. of Housing Preservation and Development


Demolition Permits

- Per NYC Department of Buildings, demolition permits increase in 2022, by 16.4%, to 1,796 buildings
 - Brooklyn: 36.9% share of permits, rise of 26.3%
 - Queens: 28.2% share of permits, rise of 10.0%
 - Bronx: 15.6% share of permits, rise of 19.6%
 - Staten Island: 11.0% share of permits, decline of 2.5%
 - Manhattan: 8.2% share of permits, rise of 23.5%
- Per NYC Department of City Planning, demolition permits for buildings containing Class A residential housing increased 11.6%, with the number of units in these buildings increasing 7.2%
 - 740 buildings, with a total of 1,497 units of Class A housing

In Conclusion

- NYC housing supply through 2022:
 - Permits increased in 2022, but fell in the first quarter of 2023
 - Units in newly completed buildings decrease
 - Decrease in residential co-op and condo units approved
 - More units certified with 421-a tax incentives
 - More rehabs with J-51 tax incentives
 - Increase in demolition permits
 - The rental vacancy rate is 4.54% and 9.4% of rental housing is overcrowded

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