



# 2024 Income and Affordability Study

**NEW YORK CITY RENT GUIDELINES BOARD**

*April 11, 2024*

# What is the I&A Study?

- Section 26-510(b) of the Rent Stabilization Law requires the Rent Guidelines Board to consider “relevant data from the current and projected cost of living indices” and permits consideration of other measures of housing affordability in its deliberations

# What is the I&A Study?

- The *I&A Study* reports on housing affordability and tenant income by examining economic factors, rent levels, and public policies
- Factors include:
  - Economic factors such as inflation and job growth
  - Household income and housing costs
  - Eviction proceedings, homelessness, usage of emergency assistance and other indicators

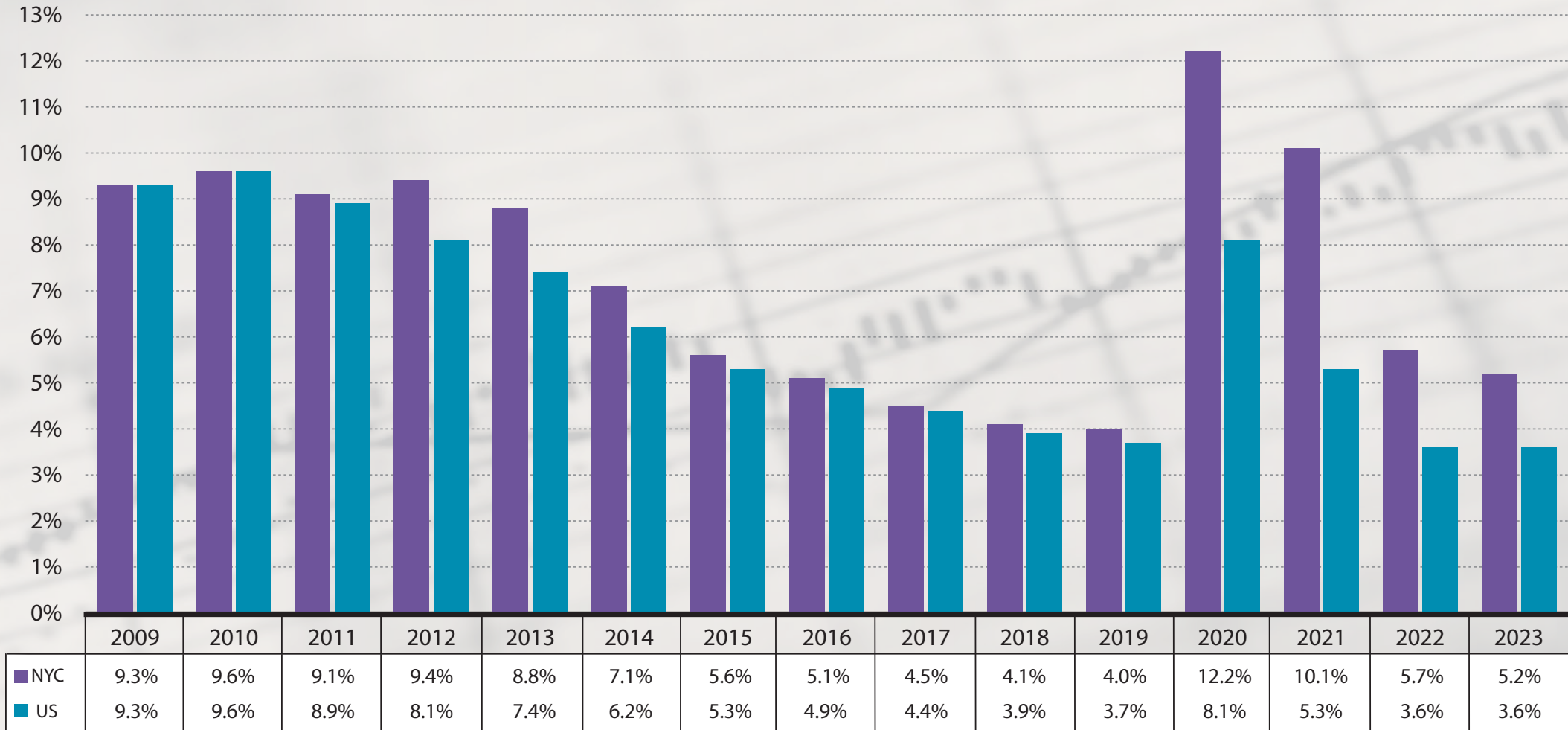
# Income & Affordability Overview

- City's economy forecasted to grow by "real" 2.6%
- Unemployment rate fell to 5.2%
- City gained 116,870 jobs, a 2.6% increase
- Slower growth in inflation, 3.8%
- Average "real" wages decreased 6.1%; "real" total wages decreased 2.6%
- Cash assistance recipients increased 12.7%
- SNAP recipients increased 1.3%
- As of March 25, 2024, NYS ERAP has made 232,085 payments on behalf of tenants for rent assistance within NYC. The average payment amount is \$12,135.

# Income & Affordability Overview

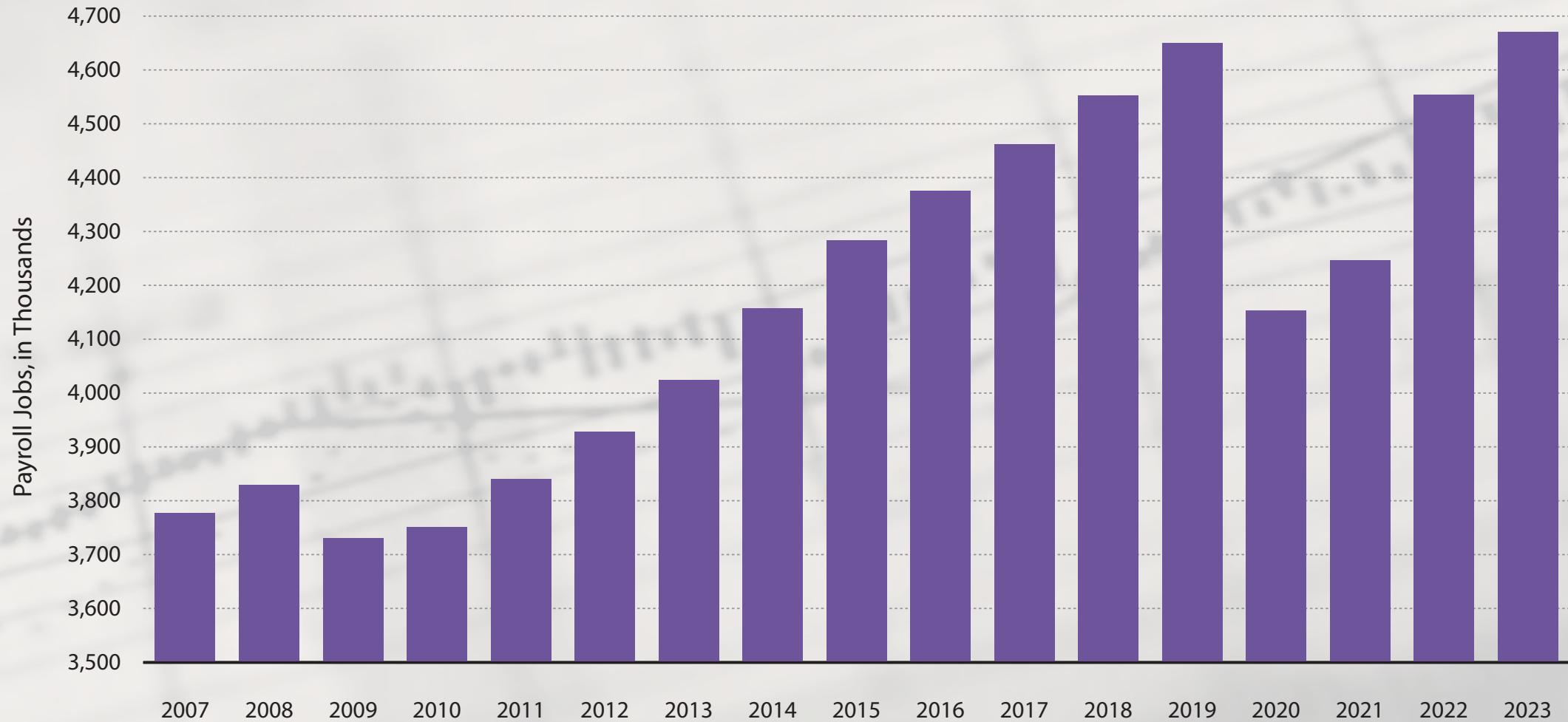
- Including asylum-seekers, homeless levels (in DHS shelters) rose 54.9% and rose 9.5% excluding asylum-seekers
- Non-payment filings rose 23.5% and non-payment calendared cases rose 34.5%
- Residential evictions increased to 12,139 (195.4% increase)
- Data for rent stabilized tenants from the *2023 NYC Housing and Vacancy Survey* shows that:
  - Median gross rent-to-income ratio (excluding those receiving rental assistance): 28.8%
  - Median household income: \$60,000
  - Median contract rent: \$1,500
  - Median gross rent: \$1,570
  - Vacancy Rate: 0.98%

# Unemployment Statistics



Source: NYS Department of Labor and U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics Program

# Employment Statistics



Source: NYS Department of Labor, Current Employment Statistics Program

# Consumer Price Index

- Overall inflation rises at a slower rate in 2023
  - Prices in NYC metro area rise by 3.8%
    - Second highest increase since 2008
    - But drop of 2.3 percentage points from 2022 (6.1%)
  - Prices in U.S. urban areas increased by 4.1% in 2023
    - 3.9 percentage points lower than the previous year
- The Bureau of Labor Statistics also produces special aggregate indices of CPI, such as all items less shelter, energy, and all items less medical care



# Consumer Price Index

- CPI for all items less shelter rose at a slower rate in 2023
  - Prices for all items less shelter in NYC metro area rose by 2.6%
    - Follows increase of 8.1% in 2022, a 5.5 percentage point drop
  - Accounts for 60% of all costs in metro area
- CPI can be disaggregated for changes in specific components
  - Food and beverages: 5.0% increase, down from 8.6% in 2022
  - Apparel: 3.1% increase, down from 2.4% in 2022
  - Medical care: 0.8% decrease, down from 5.8% increase in 2022
  - Recreation: 4.5% increase, down from 5.3% in 2022
  - Electricity: 1.2% increase, down from 10.9% in 2022
  - Tuition, school fees, childcare: 3.3% increase, up from 2.6% in 2022

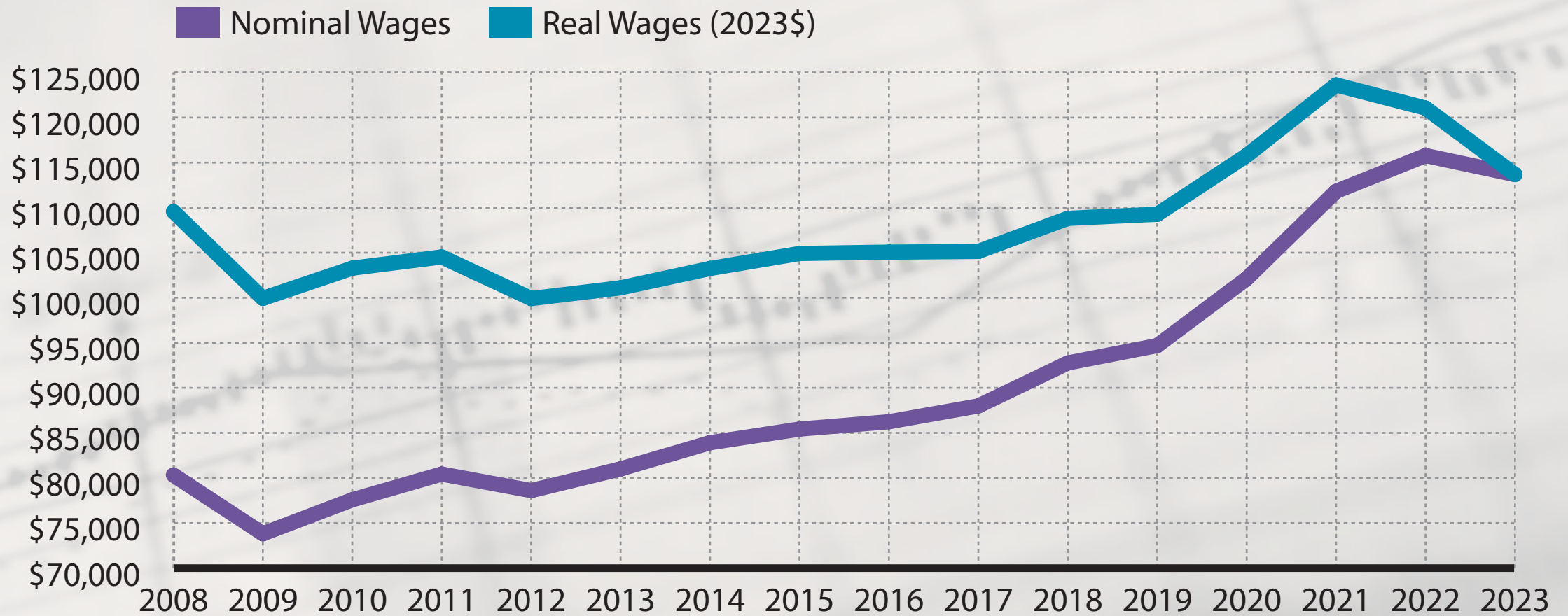
# Consumer Price Index

- Rent of primary residence is one of two major expense items in the shelter component
  - Shelter expenses account for 40% of expenses in NYC metro
  - Rent of primary residence in the CPI increased 5.7% in 2023 in the NYC metro area
    - Highest increase since 1990, an increase of 3.2 percentage points
    - Lower than the U.S. CPI for rent in 2023, an increase of 8.0%
    - Over 55-year period of rent stabilization, overall prices in metro area rose 792%, rent rose 965%; in U.S. (776% and 823%, respectively)
  - Seven metro areas selected for comparison:
    - Rent in NYC metro rises slower than four metros, including Atlanta (11.1%)
    - Rent rises faster than three metros, including San Francisco (4.9%)

# Consumer Price Index

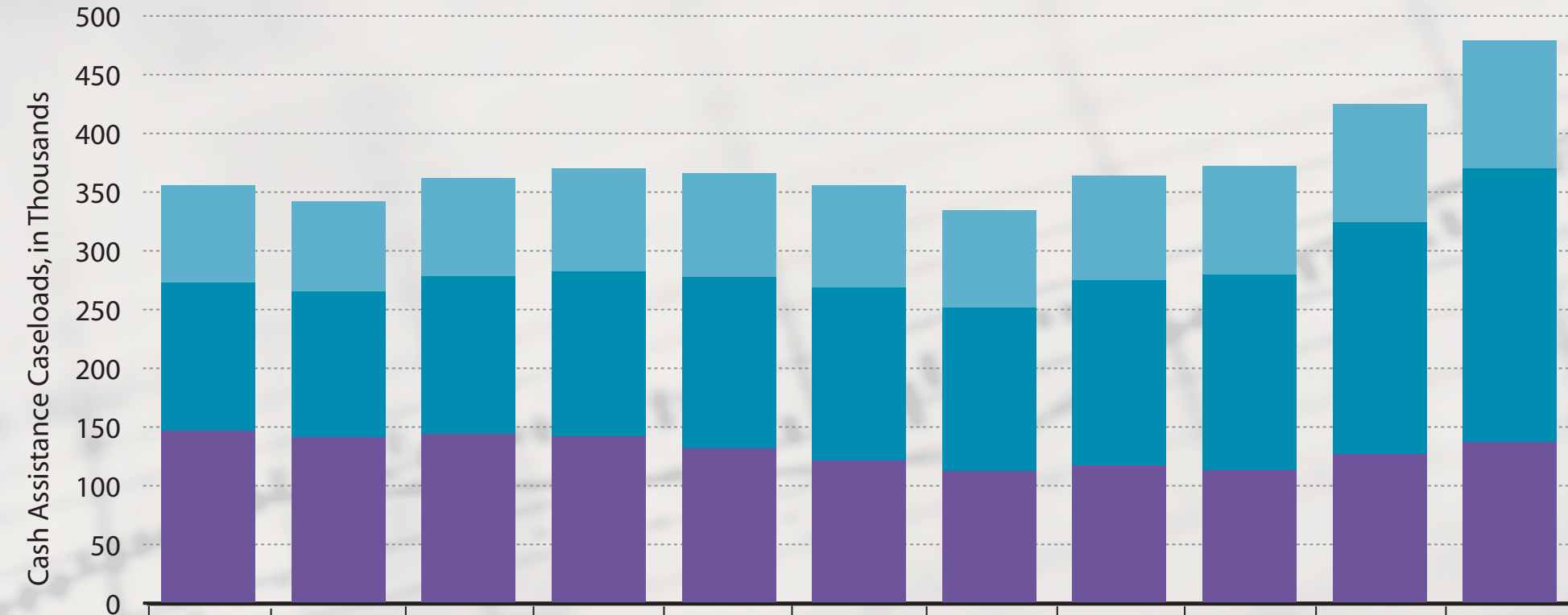
- Owner's equivalent of rent is the other major expense item in the shelter component
  - Defined as "the implicit rent that owner occupants would have to pay if they were renting their homes, without furnishings or utilities."
  - Owner's equivalent of rent in the CPI increased 5.8% in 2023 in the NYC metro area
    - Follows increase of 3.3% in 2022, a 2.5 percentage point rise
  - Shelter component as a whole increases 5.8% in 2023
    - Follows increase of 2.9% in 2022, a 2.9 percentage point rise

# Average Wage Data



Source: NYS Department of Labor, QCEW Filings

# Cash Assistance Programs



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FAP	147.0	141.3	144.2	141.8	131.4	121.6	112.7	117.0	113.3	126.9	137.4
SNA	125.5	124.0	134.2	140.9	146.3	147.0	138.9	158.1	166.2	197.4	232.5
FAP-SNA	83.6	77.0	83.5	87.7	88.7	87.5	83.1	88.5	92.6	100.6	109.0
Total	356.0	342.3	361.9	370.5	366.3	356.1	334.7	363.7	372.1	424.9	478.9

Source: NYC Human Resources Administration

# NYS Emergency Rental Assistance Program

- ERAP, authorized in 2021, has allocated \$3.44 billion towards helping eligible New Yorkers pay rent and utilities arrears.
- Up to 12 months of rent or utility arrears and three months of prospective rent
- Acceptance of payment requires landlords to:
  - waive late fees on rent arrears
  - keep rent constant for one year
  - and not evict for one year

# NYS Emergency Rental Assistance Program

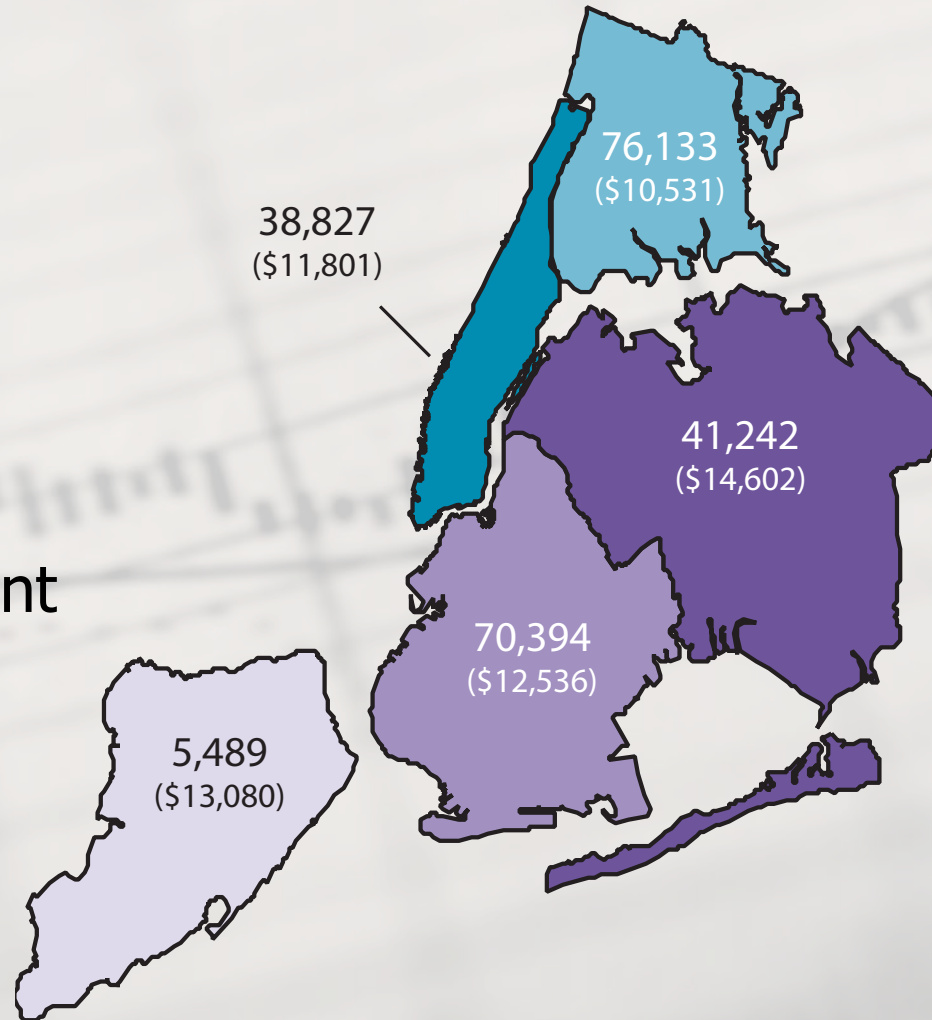
- Of all the applications for rent arrears in NYS, 73.2% of applications (297,021) came from residents of NYC
- As of March 2024, 232,085 payments were issued on behalf of NYC tenants for rental assistance, 77.3% of the total payments within NYS
- The payments for rent arrears in NYC totaled \$2.2 billion, with another \$613 million expended for prospective rent payments (for a total of \$2.8 billion, or 81.9% of the total value of payments within NYS)

# NYS Emergency Rental Assistance Program

Total Number of Payments  
and Average Payment  
Amount, by Borough  
(as of March 25, 2024)

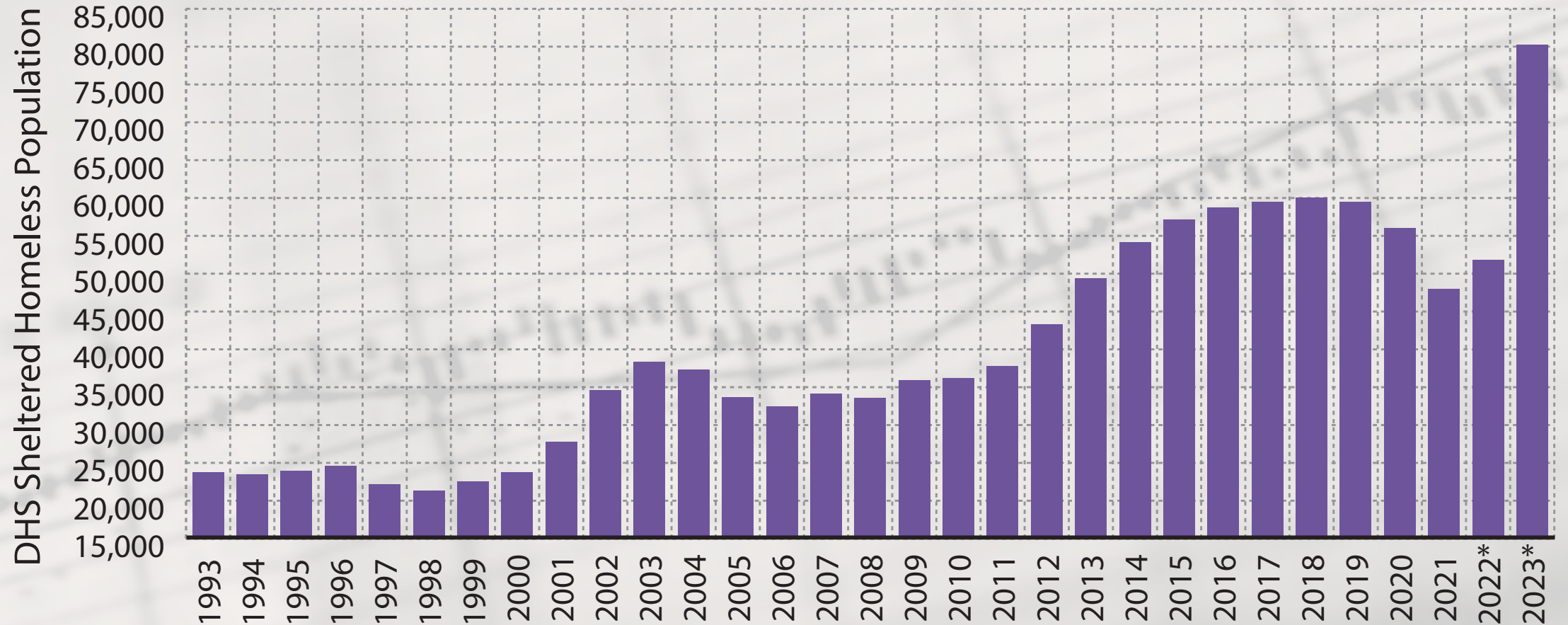
NYC Total:

- 232,085 Payments
- \$12,135 Average Payment





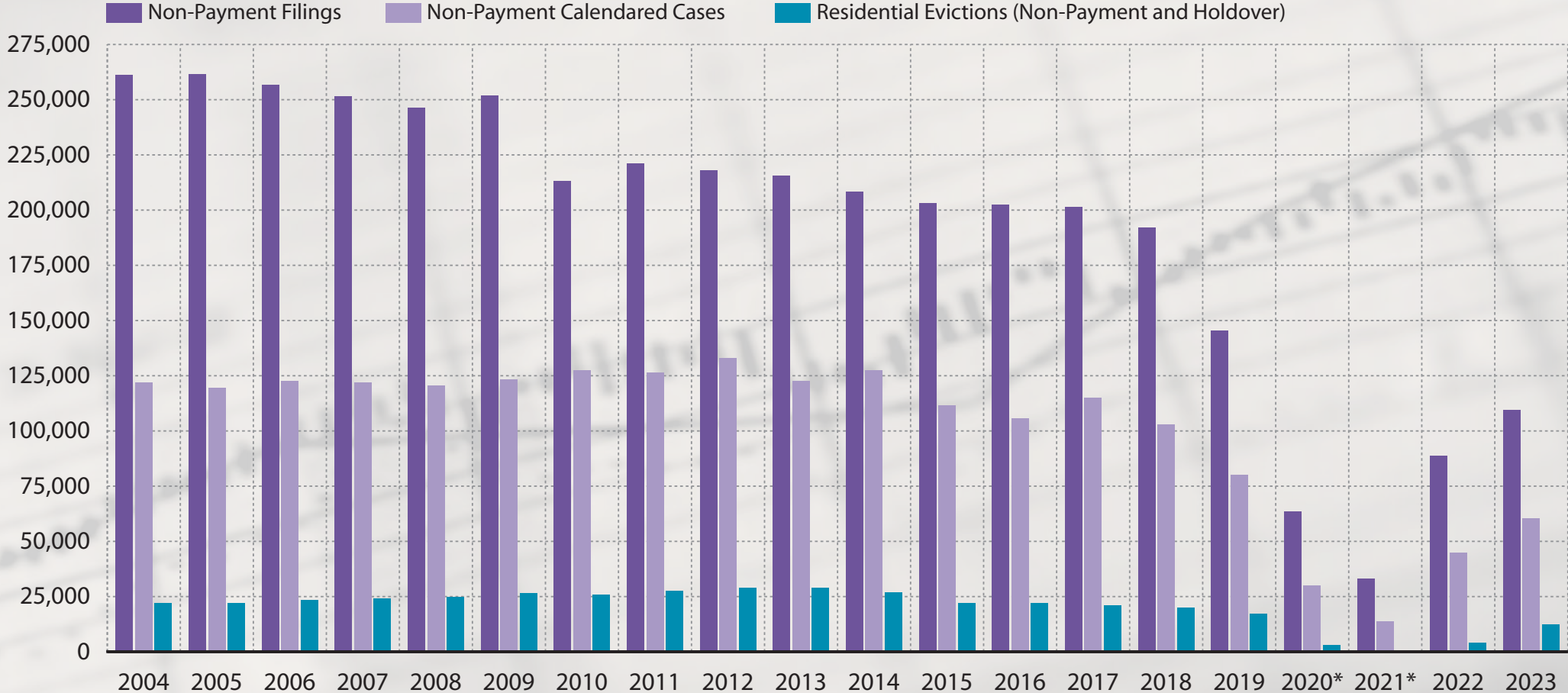
# DHS Sheltered Homelessness Levels



**Source: NYC Department of Homeless Services**

*\*Data from 2022 and 2023 includes newly arrived asylum-seekers. Excluding asylum-seekers, the 2022 average DHS homeless shelter census would be 47,103 persons per night, and the 2023 average would be 51,598 persons per night.*

# Housing Court



Source: Civil Court of NYC and NYC Department of Investigations.

\*There were 136 evictions in 2021, which due to the scale of the graph, are not visible.

# 2023 NYC Housing & Vacancy Survey: Income

- Median household income for various households in 2022:
  - All Households: \$80,000
  - Rental households: \$70,000, “real” increase of 27.7% from 2020
  - Owner-occupied: \$122,000, “real” increase of 13.6% from 2020
  - Rent Stabilized: \$60,000, “real increase” of 16.5% from 2020
    - Pre-74: \$60,000
    - Post-73: \$50,000
  - Market rentals: \$90,800, “real” increase of 31.6% from 2020
  - Public Housing: \$20,600
  - Rent Controlled or Other Regulation: \$36,020

# 2023 NYC Housing & Vacancy Survey: Income

- Per the NYC Department of Housing Preservation and Development, the large increases in household income resulted from a combination of factors, including:
  - increases in individual wages (e.g., because of a raise or change in jobs)
  - the number of wage earners living together (e.g., household members entering the workforce or an additional wage earner moving in with others to increase the overall household income)
  - and migration (e.g., new higher-income households that moved to New York City as well as lower-income households that left the city)

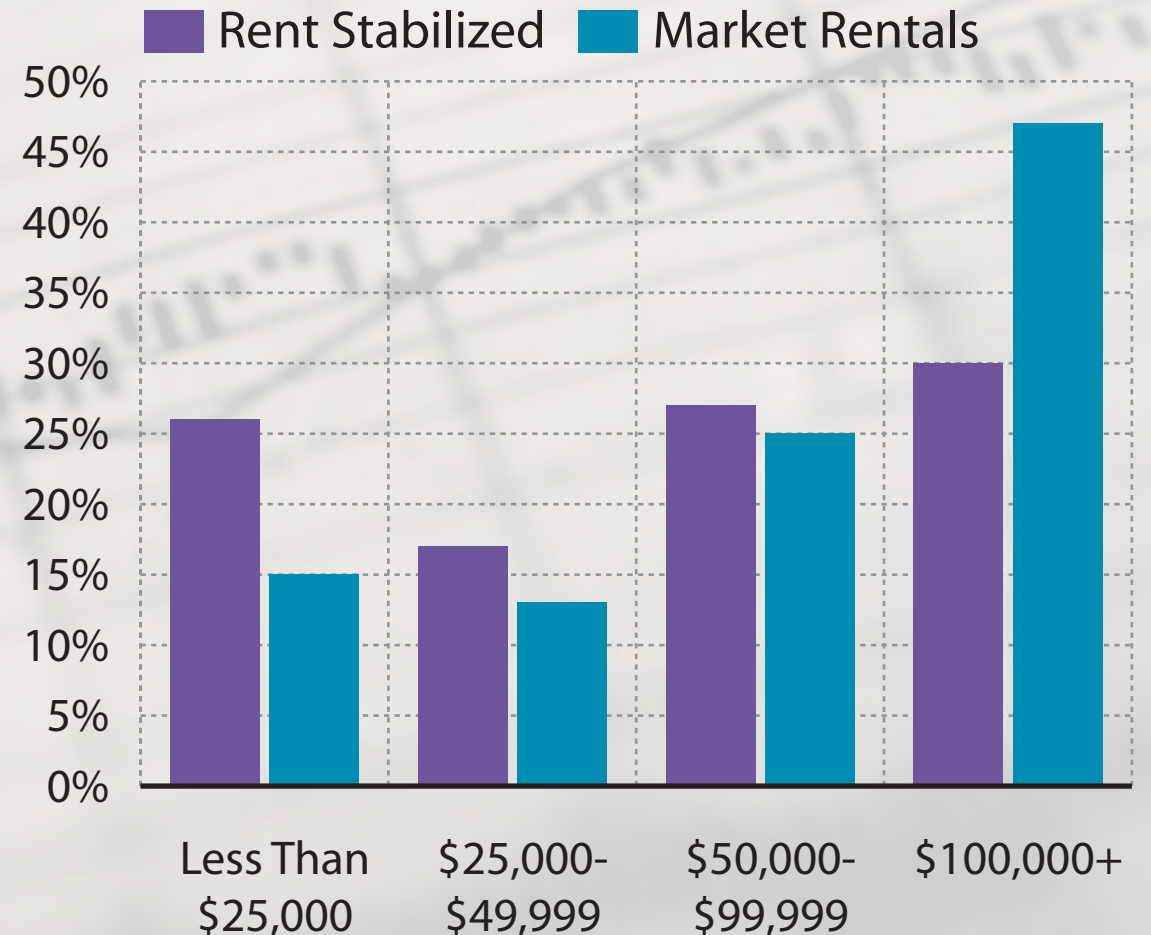
# 2023 NYC Housing & Vacancy Survey: Income

- For renters overall, household income for more tenants who moved into their units more recently skews higher than for long-term tenants:
  - 30% who lived in the same unit in both 2021 and 2023 made \$100,000 or more
  - 44% of more recent occupants (those newly moving into a unit previously surveyed in the ensuing time period between the 2021 and 2023 HVS surveys) made \$100,000 or more
  - 56% of renter households that moved into units that were vacant in 2021 made \$100,000 or more

# 2023 NYC Housing & Vacancy Survey: Income

## Household Income Levels of Rent Stabilized and Market Rentals, 2022

The High and Low Ranges of Household Income for Rent Stabilized and Market Rate Renters Diverge More than the Middle Ranges



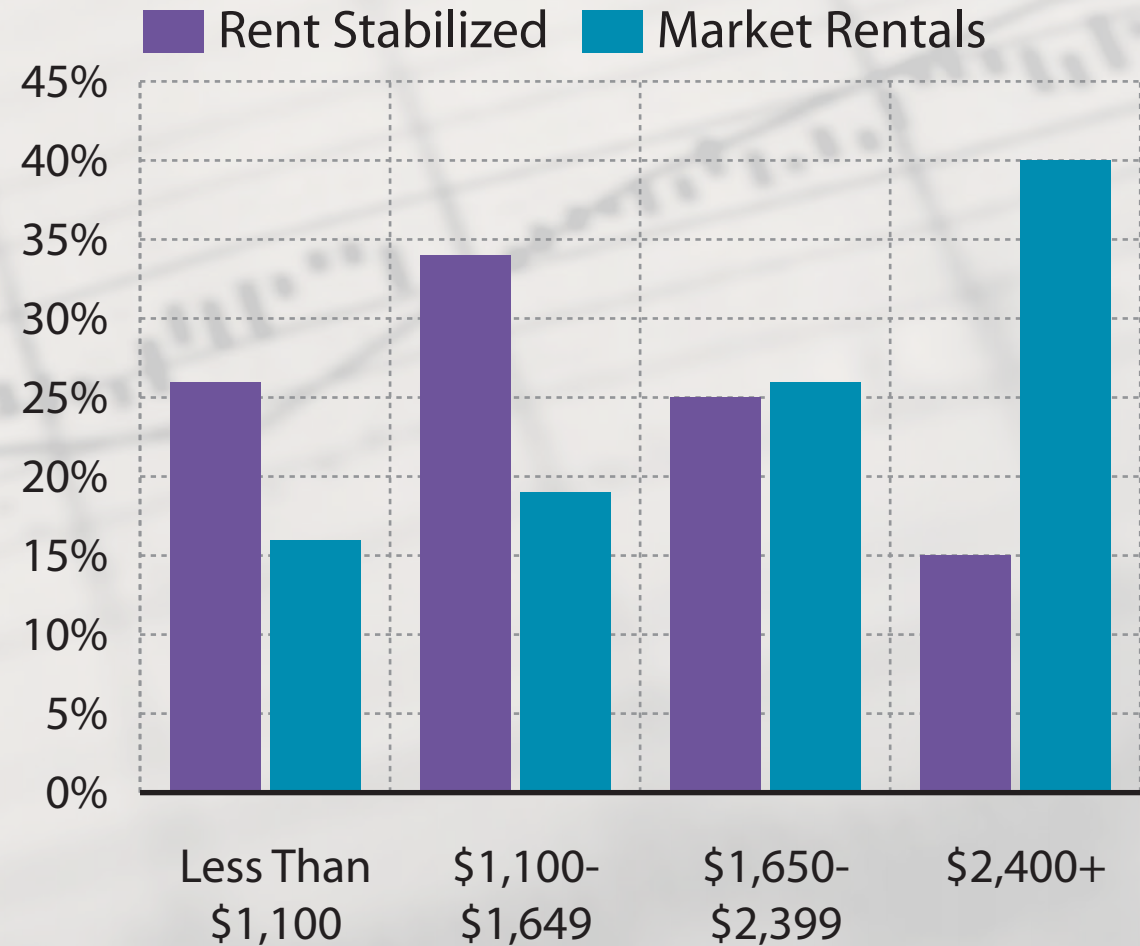
# 2023 NYC Housing & Vacancy Survey: Rent

- Median contract rent for various households in 2023:
  - Rental households: \$1,641
  - Rent Stabilized: \$1,500 (Pre-1974: \$1,471; Post-1973: \$1,627)
  - Market Rentals: \$2,000
  - Public Housing: \$560
  - Rent Control: \$988
  - Other Regulated Rentals: \$1,367
- Median gross rent for various households in 2023:
  - Rental households: \$1,695
  - Rent Stabilized: \$1,570 (Pre-1974: \$1,558; Post-1973: \$1,694)
  - Market Rentals: \$2,115
  - Public Housing: \$588
  - Rent Control: \$1,163
  - Other Regulated Rentals : \$1,367

# 2023 NYC Housing & Vacancy Survey:

## Contract Rent Levels of Rent Stabilized and Market Rentals

Almost 60% of Rent Stabilized Apartments Rent for Between \$1,100 and \$2,399



Source: 2023 Housing and Vacancy Survey



# 2023 NYC Housing & Vacancy Survey: Affordability

- Median contract rent-to-income ratios in 2023:
  - All rental households: 27.6%, down from 32.6% in 2021
  - Rent stabilized: 28.2%, down from 33.6% in 2021
    - Pre-74: 27.4%; Post-73: 31.7%
  - Rent stabilized, without rent assistance: 27.0%, down from 30.0% in 2021
    - Pre-74: 26.3%; Post-73: 30.3%
  - Market rentals: 26.3%, down from 31.3% in 2021
  - Public Housing: 30.3%
  - Rent controlled: 28.9%
  - Other regulation: 38.5%

# 2023 NYC Housing & Vacancy Survey: Affordability

- Median gross rent-to-income ratios in 2023:
  - All rental households: 29.5%
  - Rent stabilized: 30.5%
    - Pre-74: 29.4%; Post-73: 34.0%
  - Rent stabilized, without rent assistance: 28.8%
    - Pre-74: 28.3%; Post-73: 31.5%
  - Market rentals: 27.9%
  - Public Housing: 30.8%
  - Rent controlled: 33.4%
  - Other regulation: 40.3%

# 2023 NYC Housing & Vacancy Survey: Affordability

- Rent burden in 2023 (not including tenants who receive rental assistance, based on contract rent)
  - Definition:
    - Moderate rent burden: more than 30%, but not more than 50% of income towards contract rent)
    - Severe rent burden: more than 50% of income towards contract rent
  - Proportion of Rent Burdened Households:
    - All rental households: 43.1% (18.1% moderate, 25.0% severe)
    - Rent stabilized: 45.5% (18.3% moderate, 27.2% severe)
      - ✓ Pre-74: 43.8% (18.2% moderate, 25.6% severe)
      - ✓ Post-73: 53.0% (18.8% moderate, 34.2% severe)
    - Market rentals: 40.6% (18.0% moderate, 22.7% severe)

# 2023 NYC Housing & Vacancy Survey: Vacancy Rates

- Vacancy Rates Citywide and by Borough:
  - Citywide: 1.41%
  - Bronx: 0.82%
  - Manhattan: 2.33%
  - Brooklyn: 1.27%
  - Queens: 0.88%
- Vacancy Rates by Type of Rental Housing:
  - Rent stabilized: 0.98%
  - Market rentals: 1.84%
- Vacancy Rate by Apartment Rent:
  - Asking rent under \$1,650 per month: 0.65%
  - Asking rent \$1,650 or more: 2.16%

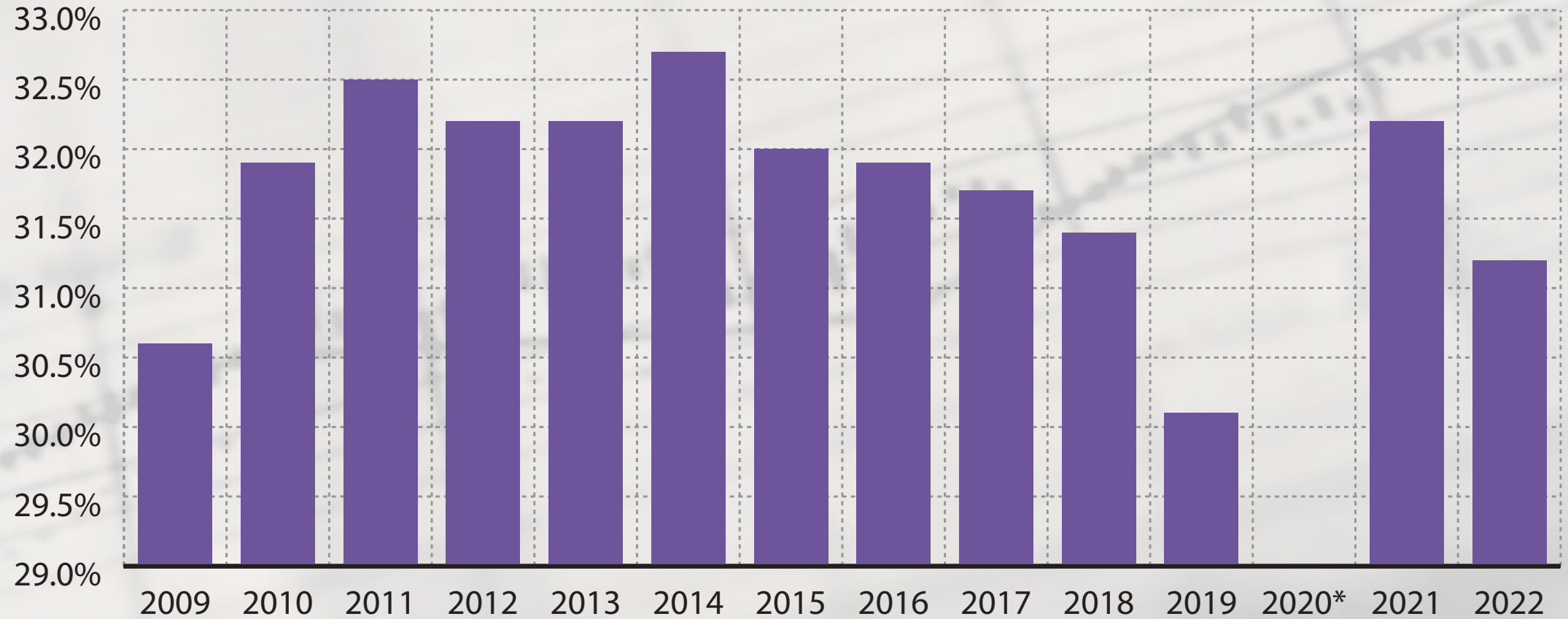
# 2023 NYC Housing & Vacancy Survey: Hardship

- Households that Missed Rent Payments in Past Year:
  - All rental units: 13%, same as 2021
  - Household income less than \$25,000: 18%
  - Household income \$25,000-\$49,999: 18%
  - Household income \$50,000-\$99,999: 15%
  - Household income \$100,000+: 7%
- Households with Current Rent Arrears (of those that missed a rent payment in the past year):
  - All rental units: 34%, up from 29% 2021
  - Household income less than \$25,000: 46%, up from 38% in 2021
  - Household income \$25,000-\$49,999: 40%, up from 27% in 2021
  - Household income \$50,000-\$99,999: 28%, up from 26% in 2021
  - Household income \$100,000+: 16%

# 2023 NYC Housing & Vacancy Survey: Hardship

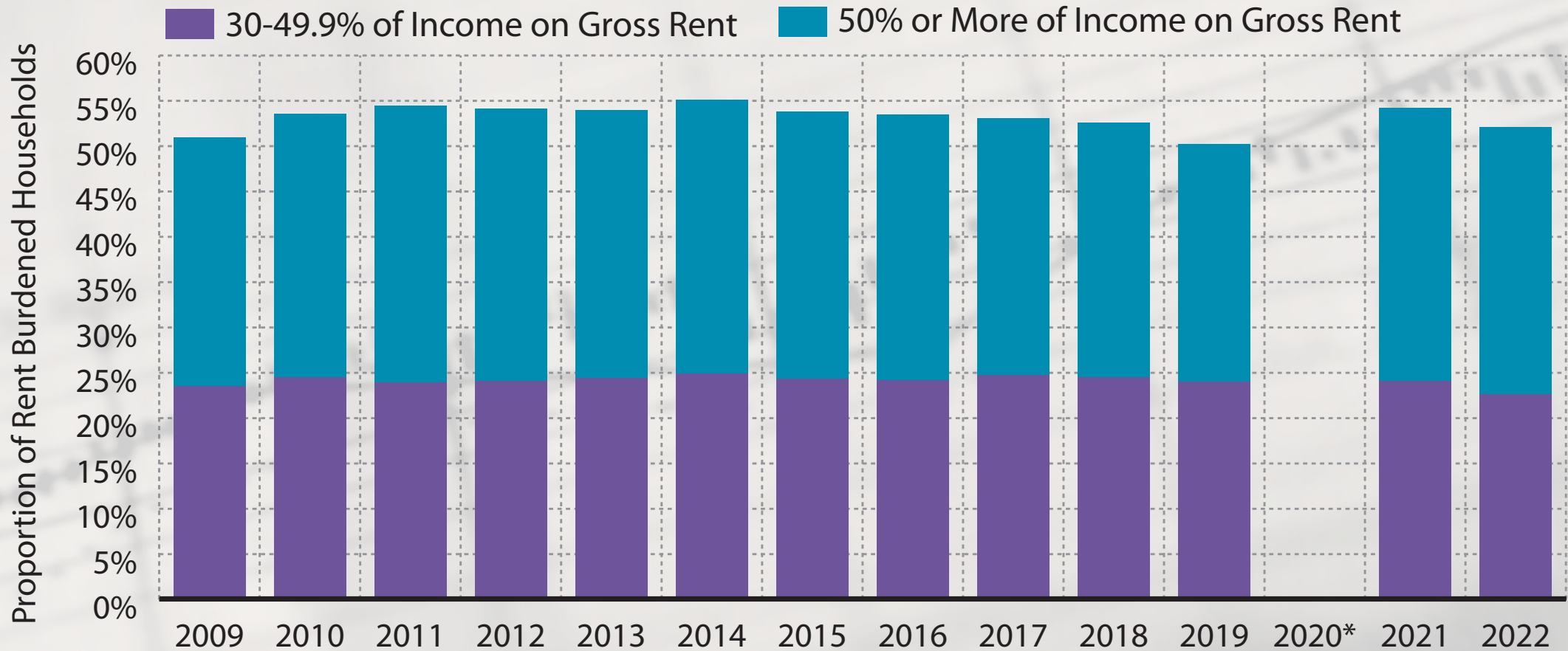
- Households Experiencing Food Insecurity in Past Year:
  - All households: 13%, up from 10% in 2021
  - Renter households: 17%, up from 11% in 2021
  - Rent stabilized households: 21%, up from 13% in 2021
  - Market rate renter households: 12%, up from 11% in 2021

# Median Gross Rent-to-Income Ratios (ACS Survey)



**Source: 2009-2022 American Community Survey; \*2020 ACS Data Not Available for Comparison.**

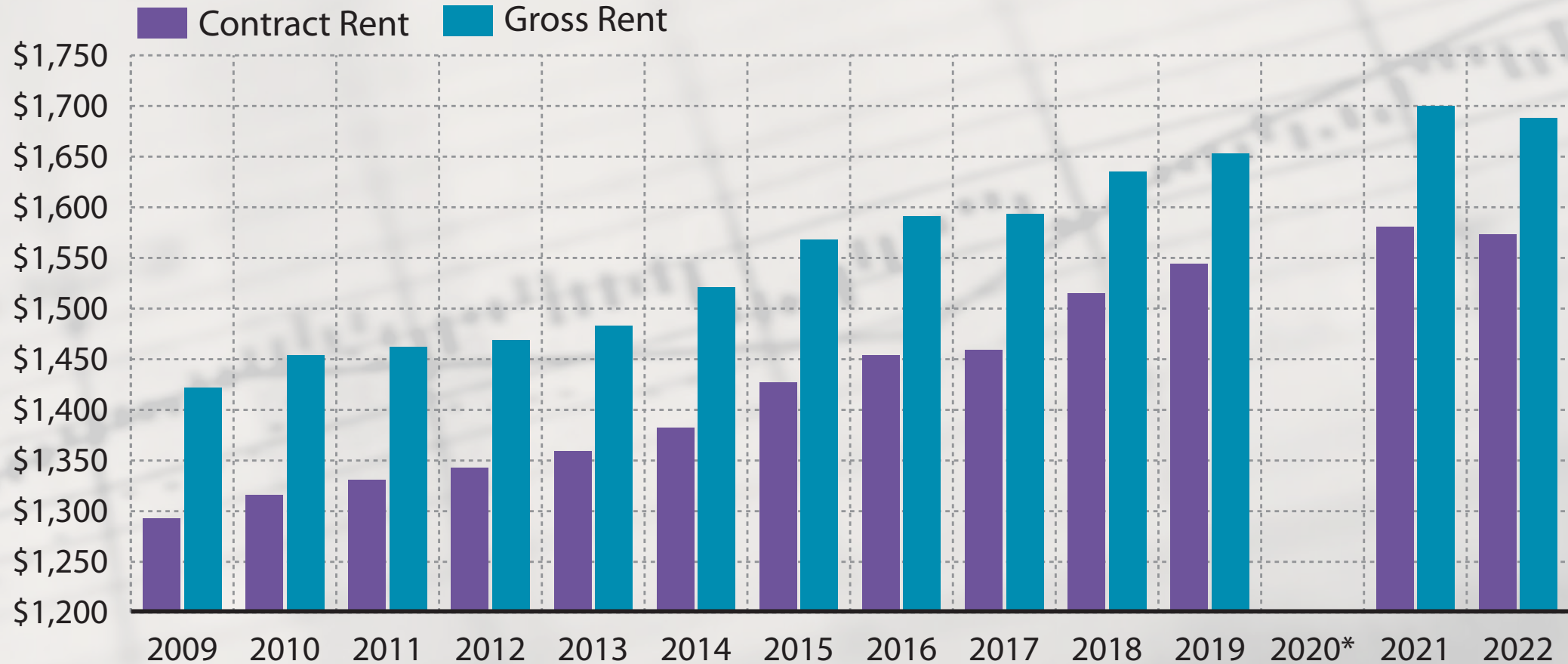
# Rent Burdened Households (ACS Survey)



Source: 2009-2022 American Community Survey; \*2020 ACS Data Not Available for Comparison.

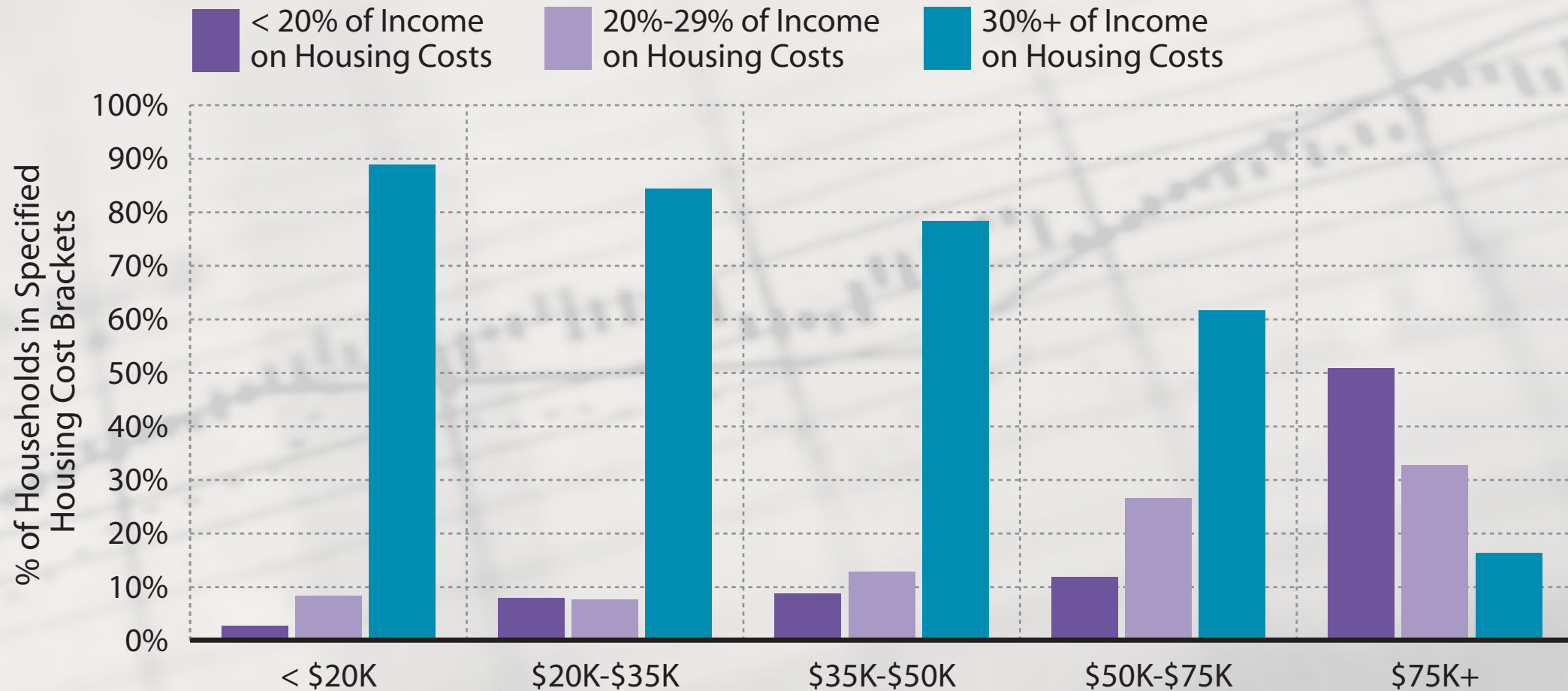


# Median Monthly Rent in Real 2022 Dollars (ACS Survey)



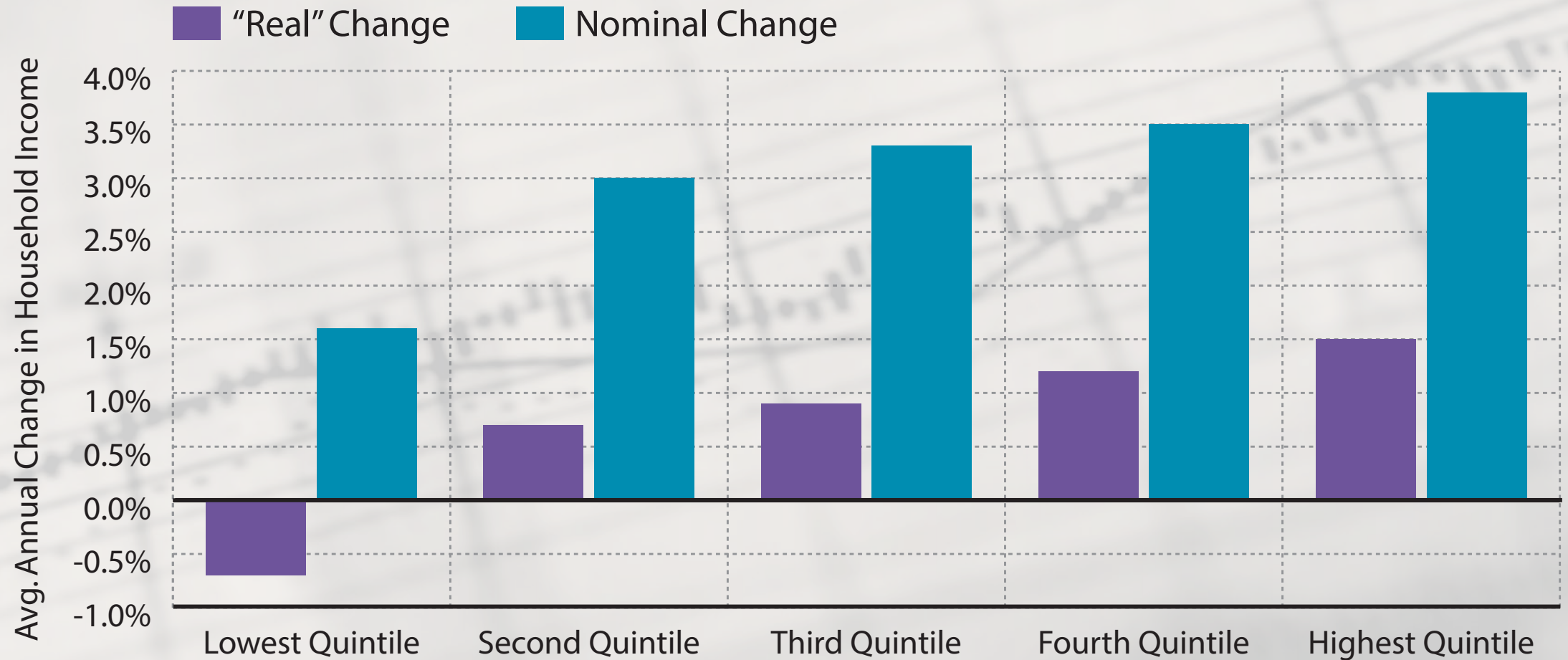
Source: 2009-2022 American Community Survey; \*2020 ACS Data Not Available for Comparison.

# Renter Housing Costs as a Percent of Household Income (ACS Survey)



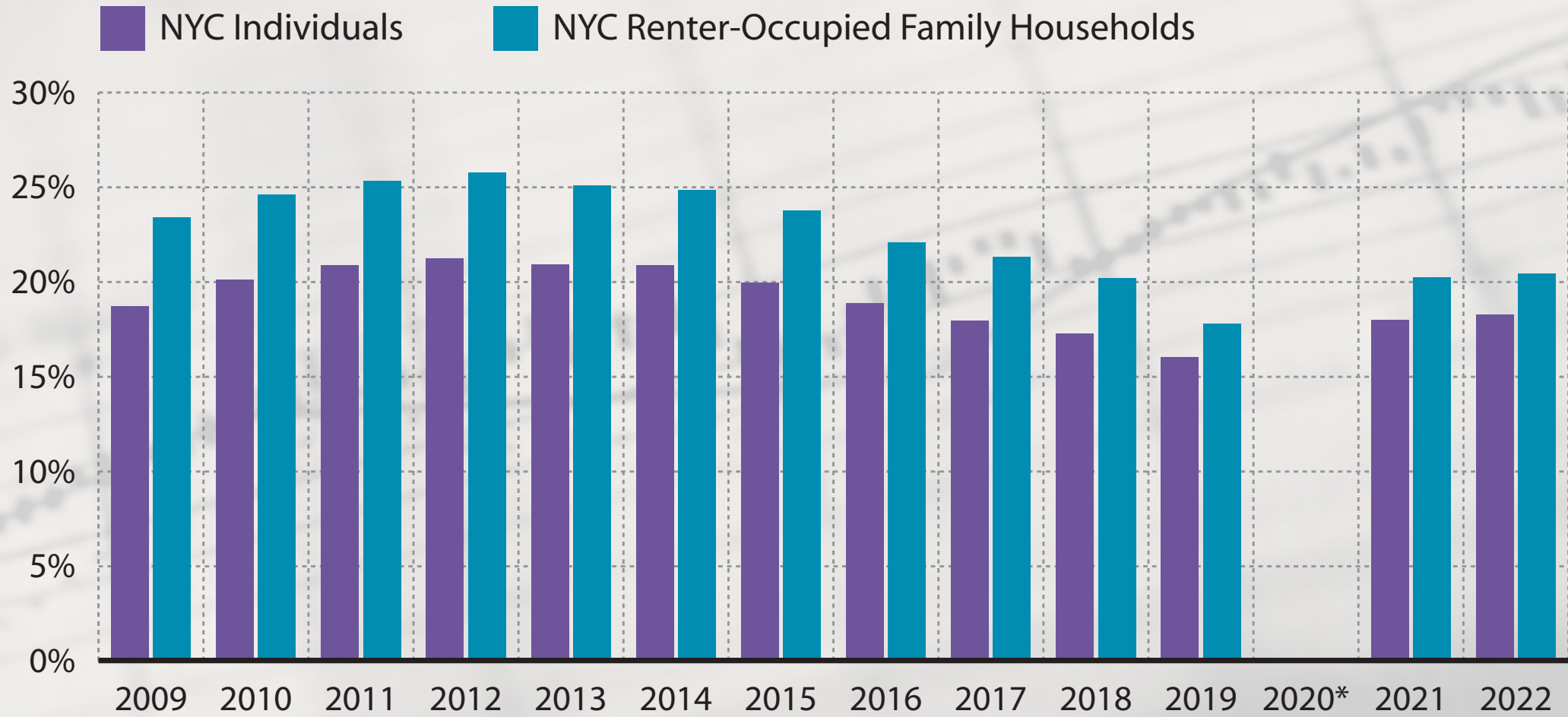
Source: 2022 American Community Survey

# Average Annual Household Income Change, 2006-2022 (ACS Survey)



Source: 2006-2022 American Community Survey

# Poverty Rates (ACS Survey)



Source: 2022 American Community Survey; \*2020 ACS Data Not Available for Comparison.

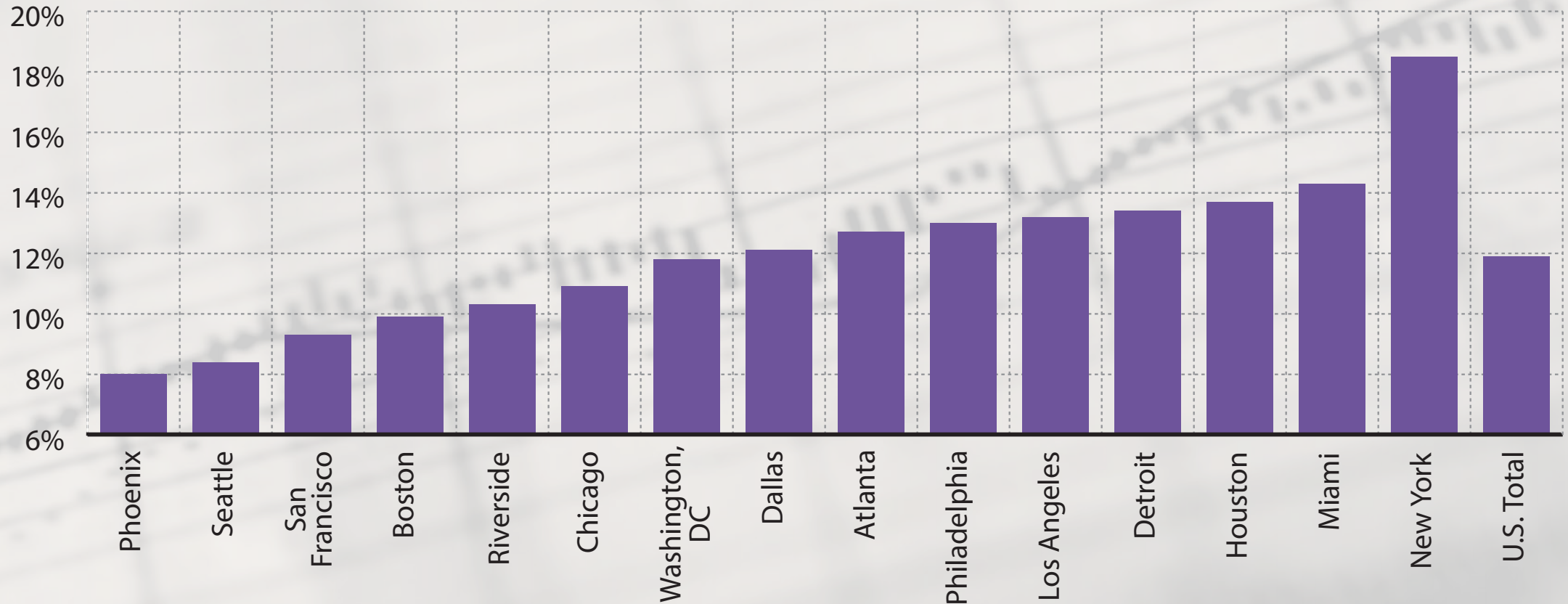
# Household Pulse Survey

- Household Pulse Survey Background:
  - Conducted by U.S. Census Bureau
  - Began in April 2020
  - Surveyed respondents weekly through July 2020; every two weeks through October 2021; a single two-week period in each month through December 2023; and beginning in 2024, collecting data continuously over a four-week period
  - A total of 10 surveys conducted since last I&A published (April 2023 through March 2024)
  - Data available for 15 metro areas, including NYC metro area

# Household Pulse Survey

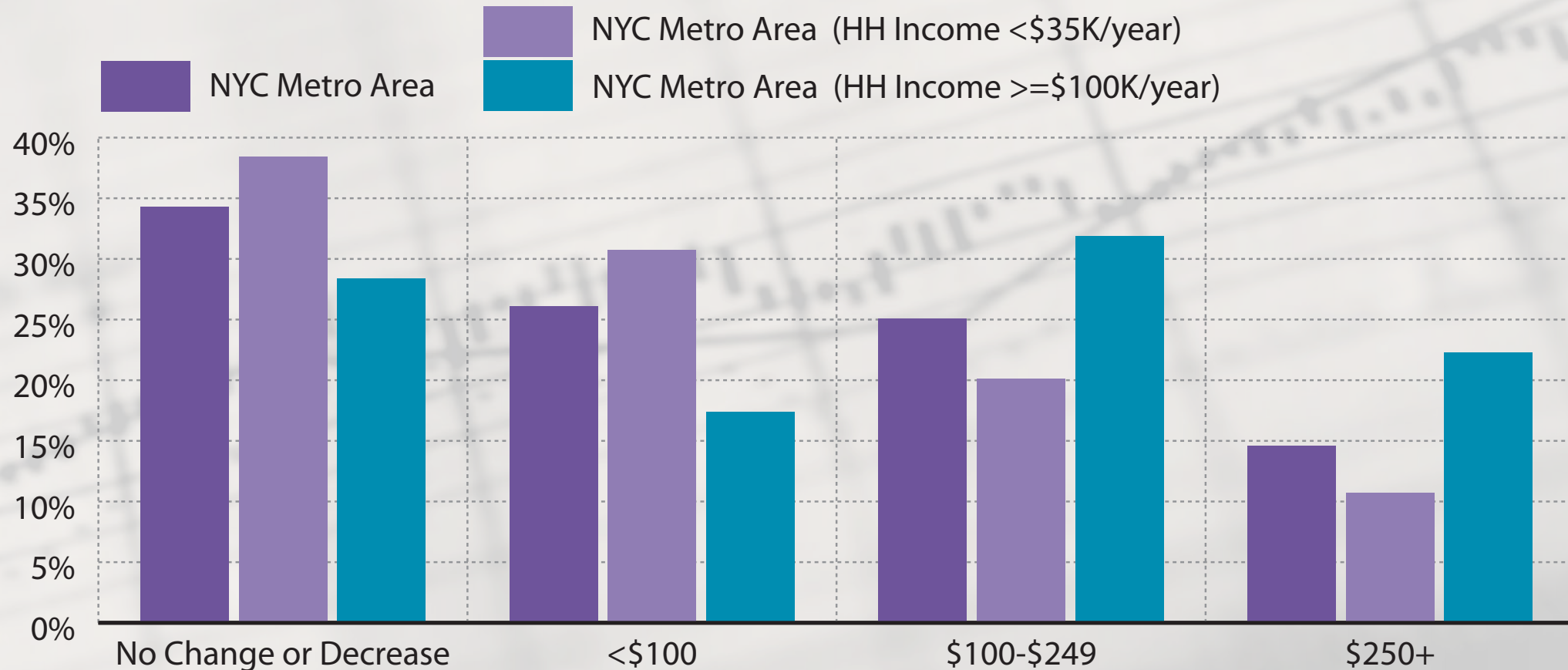
- Caught up on rent? (April 2023-March 2024)
  - NYC metro renter households: 18.5% not caught up on rent, down from 19.6% in prior year
  - U.S. renter households: 11.9% not caught up on rent, down from 13.1% in prior year
  - Of those in NYC metro not caught up on rent:
    - 26.2% “0” months behind
    - 18.5% one month behind and 17.4% two months behind
    - 25.6% three to seven months behind and 12.3% eight or more months behind
    - For those behind at least one month, average is 3.55 months, versus 3.53 months in prior year
- Caught up on rent? (NYC metro, April 2022-March 2024)
  - Household income less than \$35,000: 27.1% not caught up on rent
  - Household income of \$100,000 or more: 5.1% not caught up on rent

# Average Proportion of Households that Report Being Behind on Rent, by Metro Area, April 2023-March 2024 (HPS Survey)



Source: U.S. Census Bureau, Household Pulse Survey

# Proportion of Renter Households in NYC Metro Area, by Amount of Rent Change, April 2023-March 2024 (HPS Survey)



Source: U.S. Census Bureau, Household Pulse Survey

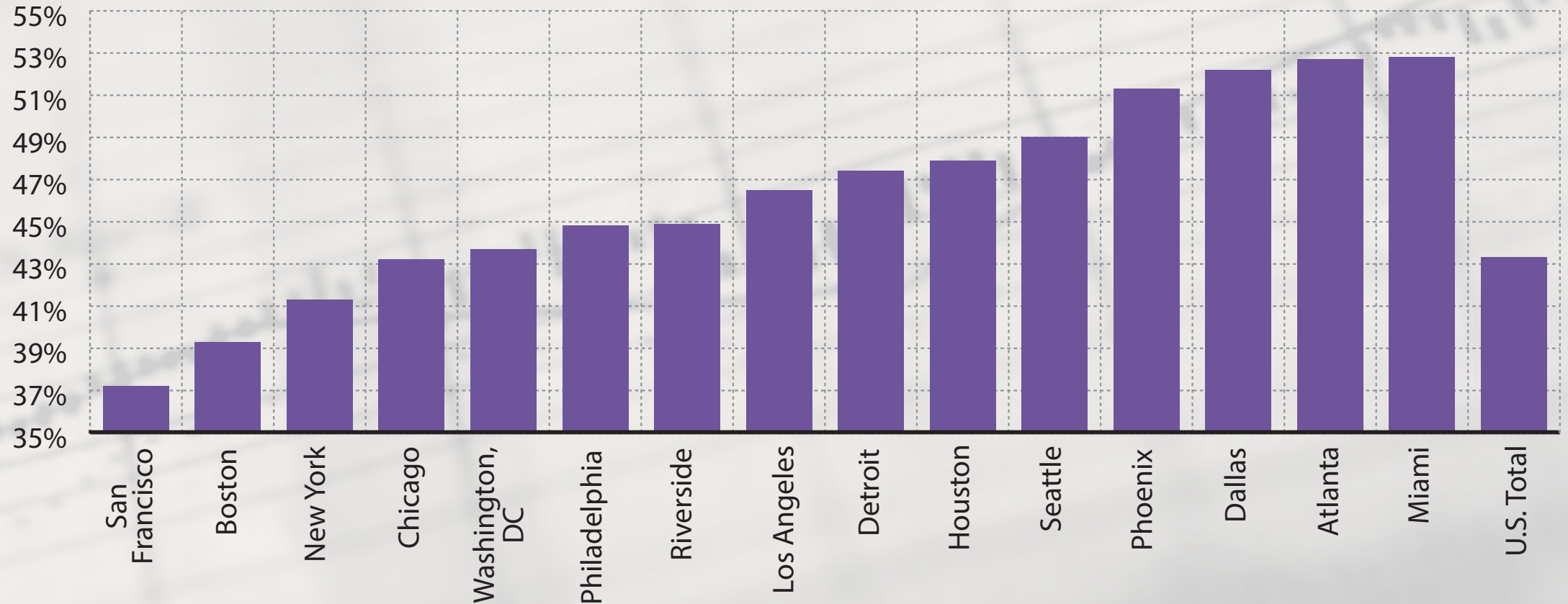


# Household Pulse Survey

- Pressure to Move?

- Eight surveys so far have asked respondents if they felt any pressure to move in the past six months
- Pressure includes the owner raising the rent; missing a rent payment; a lack of repairs; a change of locks, removal of belongings, or shutting off utilities; a dangerous neighborhood; or any other pressure
- NYC metro: average of 41.3% of renters report pressure to move
  - ✓ By household income: 38.0% of lower-income households (less than \$35,000 per year) and 38.1% of higher-income households (\$100,000 or more per year)
  - ✓ Of 15 metro areas, NYC reports third lowest proportion of households feeling pressure
  - ✓ U.S.: average of 43.3% of renters report pressure to move
- Most common pressure in NYC metro (for those reporting pressure):
  - ✓ Rent increase: 51.1%, including 40.4% of lower-income households and 64.3% of higher-income households
  - ✓ "Other" pressure: 33.7%; owner not making repairs: 28.1%

# Average Proportion of Households that Reported Feeling Pressure to Move, by Metro Area, June 2023-March 2024 (HPS Survey)



Source: U.S. Census Bureau, Household Pulse Survey

# Household Pulse Survey

- Moved in Past Six Months?

- NYC Metro: 6.4% of renters overall reported moving, including 15.5% of those who felt pressure
  - Lower-income households: 4.4% moved, including 11.6% of those feeling pressure
  - Higher-income households: 7.1% moved, including 18.7% of those feeling pressure
- U.S.: 9.5% of renters overall reported moving, including 21.9% of those who felt pressure
- Of 15 metros nationwide, the NYC metro has lowest proportion of renter households that moved, and lowest proportion of renter households that moved due to pressure

# Change in Selected I&A Indicators, by Quarter (2023)

Indicator	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Unemployment Rate	-1.7 pp	-0.6 pp	0.2 pp	0.2 pp	-0.5 pp
Employment	4.5%	3.1%	1.6%	1.1%	2.6%
Gross City Product	N/A	N/A	N/A	N/A	2.6%
Homelessness*	55.4%	72.7%	58.8%	38.4%	54.9%
Cash Assistance Caseloads	13.2%	12.3%	13.3%	12.0%	12.7%
SNAP Caseloads	4.0%	1.9%	-0.4%	-0.1%	1.3%
Medicaid Enrollees	-0.5%	4.6%	7.8%	8.6%	5.1%
Non-Payment Filings	72.2%	21.7%	20.3%	2.9%	23.5%
Calendared Cases	89.4%	48.8%	19.5%	6.7%	34.5%
"Real" Average Wages	-6.6%	-1.4%	-2.9%	N/A	-6.1%**

**NOTES: "pp" refers to percentage point; All changes are as compared to the same time period in the previous year.**

**\*Including asylum-seekers**

**\*\*As based on the fourth quarter of 2022-third quarter of 2023.**



# 2024 Income and Affordability Study

**NEW YORK CITY RENT GUIDELINES BOARD**

*April 11, 2024*