

**NYC Rent Guidelines Board**

***2024 Mortgage  
Survey Report***

April 18, 2024

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**Mortgage Survey Report**

- Highlights changes in N.Y.C. multifamily lending market over the prior year
- Survey of lenders offering mortgages to buildings containing rent stabilized units
- Analysis of building sales data

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## How the Mortgage Survey is Conducted

- Lenders surveyed each winter
- List of mortgage lenders updated annually
- Received 8 surveys in 2024
  - Two fewer respondents than last year

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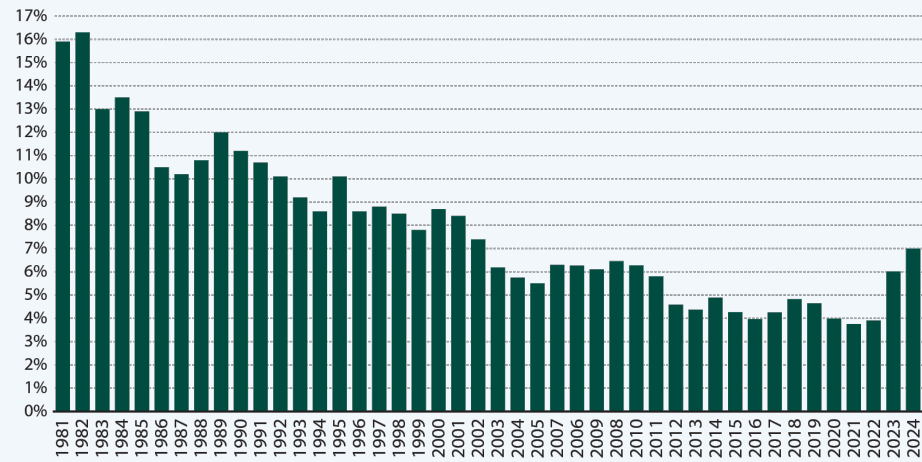
## Interest Rates Increase

- Mortgage survey data shows rise in interest rates for new mortgages, to 7.00%
  - Increase of 98 basis points (16%)
  - Moving five-year average interest rate of 4.94%, up from 4.47% last year

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## Average Interest Rates for New Loans, 1981-2024

### Multifamily Mortgage Interest Rates Increase This Year



Source: NYC Rent Guidelines Board, Annual Mortgage Surveys

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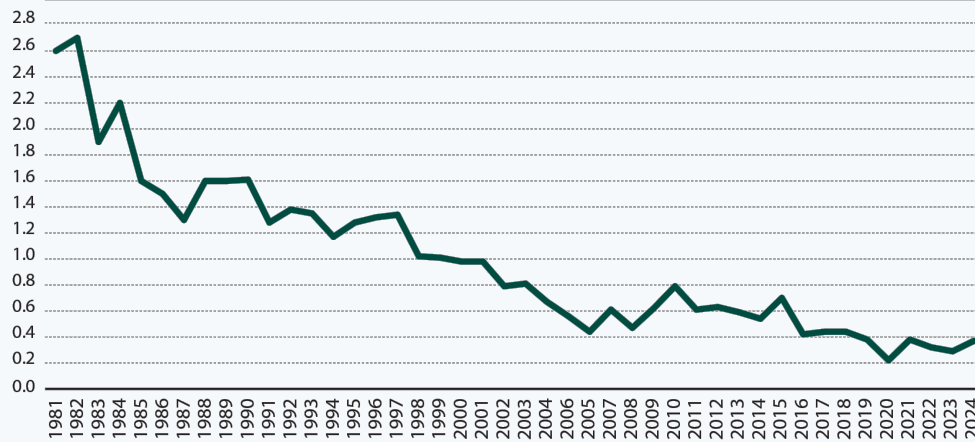
## Points Increase

- Points charged for loans rose to 0.37
  - Increase from 0.29 prior year
- Points ranged between 0 and 1.1 points
  - Three lenders charge no points

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## Points for New Loans, 1981-2024

Average Points Charged by Lenders Increase This Year



Source: NYC Rent Guidelines Board, Annual Mortgage Surveys

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## Mortgage Loan Activity

- New loan volume declined
  - Average of 31 loans per institution
  - Down from 72 loans last year
- Refinanced loan volume also declined
  - Average number of refinanced loans fell to 20
  - Down from 34 loans last year

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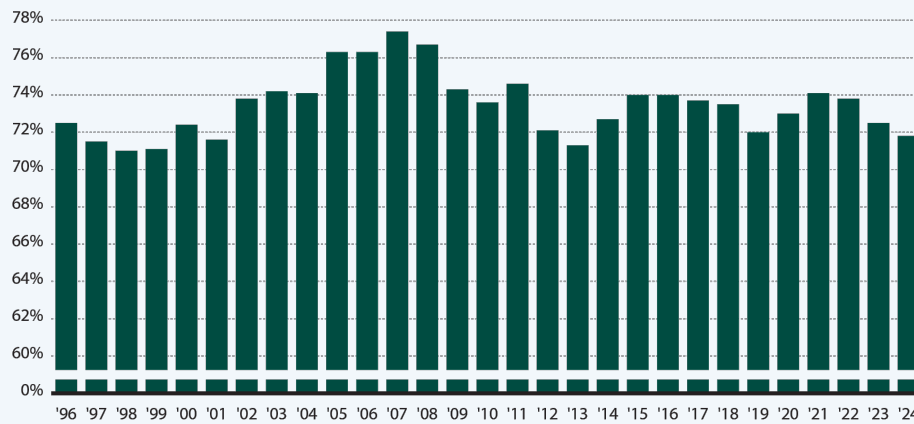
## Adjustments in Underwriting Criteria

- Maximum Loan-to-Value (LTV) ratios ranged from 60% to 85%
- Average LTV ratio fell from 72.5% last year to 71.8% this year
- Average debt service coverage ratio (DSCR) little changed, at 1.26 this year vs. 1.25 last year
- DSCR ranged between 1.15 and 1.50

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## Average Loan-to-Value Standards, 1996-2024

Maximum Loan-to-Value Ratios Decrease This Year



Source: NYC Rent Guidelines Board, Annual Mortgage Surveys

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## Non-Performing Loans & Foreclosures

- Six lenders reported non-performing loans, up from four last year
  - Among these lenders, represents about 1.2% of their portfolios
  - Up from 0.5% of their portfolios last year
- Three lender reported having foreclosures, compared to none last year
  - Among these lenders, represents about 0.2% of their portfolios

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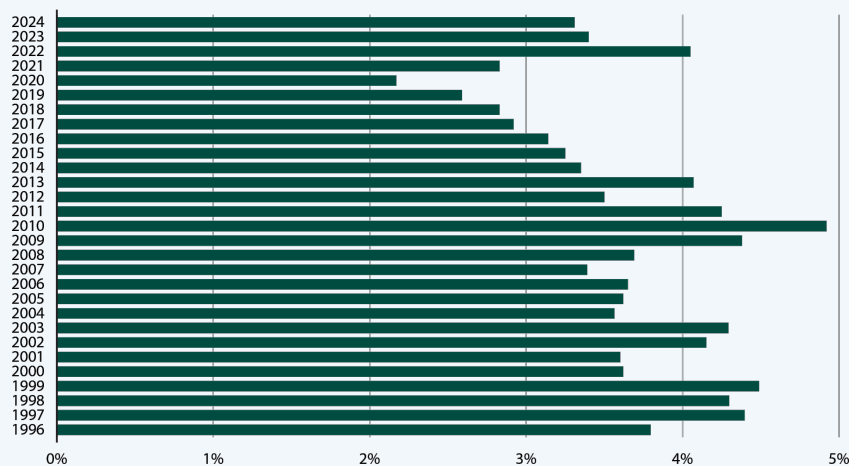
## Characteristics of stabilized buildings in lenders' portfolios

- Average building size in lenders' portfolios:
  - 100+ units: 3 lenders
  - 50-99 units: 2 lenders
  - Under 11 units: 1 lender
  - 11-19 units: 1 lender
  - 20-49 units: 1 lender

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## Average Vacancy and Collection Losses, 1996-2024

Vacancy and Collection Losses Decrease This Year



Source: NYC Rent Guidelines Board, Annual Mortgage Surveys

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## Longitudinal Analysis Summary

- All eight of this year's lenders responded to our survey both this and last year
- Average rate for new originations rose to 7.00%, up from 6.10% in prior year
- Average points rose, from 0.35 last year to 0.37 this year

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## Longitudinal Analysis Summary

- Maximum LTV ratio fell from 72.5% last year to 71.8% this year
- Debt service ratio rose slightly, from 1.24 last year to 1.26 this year
- V&C losses increased from 3.00% last year to 3.31% this year

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## Analysis of Sales of Buildings Containing Stabilized Units

- 583 buildings sold in 2023, a 34% decline from the prior year
- Change in sales volume varied by building size:
  - Sales among 6-10 unit buildings fell 38%
  - Sales of 11-19 unit buildings down 21%
  - Sales of 20-99 unit buildings down 33%
  - Sales of 100+ unit buildings fell from 27 in 2022 to 11 in 2023

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### Comparison of Building Sales in 2022 vs. 2023

Sales Volume Fell Citywide

	2022	2023	Change
Bronx	134	75	-44%
Brooklyn	316	164	-48%
Manhattan	280	231	-18%
Queens	159	113	-29%
<b>Citywide</b>	<b>889</b>	<b>583</b>	<b>-34%</b>

Note: Citywide figures exclude Staten Island.  
Source: NYC Department of Finance

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### Sales of Buildings Containing Rent Stabilized Units, 2003-2023

Citywide Building Sales Decrease This Year



Note: Figures exclude Staten Island.  
Source: NYC Department of Finance

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## Analysis of Sales Prices of Buildings Containing Stabilized Units

- In 2023, Citywide median sale price of buildings containing stabilized units: \$3.4 million
  - Manhattan: \$6.5 million
  - Bronx: \$4.4 million
  - Brooklyn: \$2.0 million
  - Queens: \$1.8 million

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## Analysis of Sales Prices of Buildings Containing Stabilized Units

- In 2023, median Citywide sales prices by building size:
  - 6-10 unit buildings: \$1.7 million
  - 11-19 unit buildings: \$3.9 million
  - 20-99 unit buildings: \$6.2 million
  - 100+ unit buildings: Too few buildings

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## Analysis of Sales Prices of Buildings Containing Stabilized Units

- Average sales price per residential unit in 2023: \$343,217
  - Inflation-adjusted 24.3% decrease from prior year
- Average price per unit and inflation-adjusted change by borough:
  - Manhattan: \$484,474, down 26.6%
  - Brooklyn: \$259,505, down 26.5%
  - Bronx: \$208,136, down 21.2%
  - Queens: \$180,491, down 48.2%

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## Buildings Sales by Proportion of Stabilized Units

Of the 583 buildings containing stabilized units sold in 2023:

- 50%+ stabilized
  - 395 buildings
  - Median price of \$2,613,000
- 80%+ stabilized
  - 330 buildings
  - Median price of \$2,550,000
- 100% stabilized
  - 174 buildings
  - Median price of \$1,750,000

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## Buildings Sales by Proportion of Stabilized Units

Average sales price per unit:

- 50%+ stabilized
  - \$240,174 in 2023
  - 42.4% inflation-adjusted decline from prior year
- 80%+ stabilized
  - \$237,857 in 2023
  - 38.3% inflation-adjusted decline from prior year
- 100% stabilized
  - \$270,492 in 2023
  - 38.2% inflation-adjusted decline from prior year

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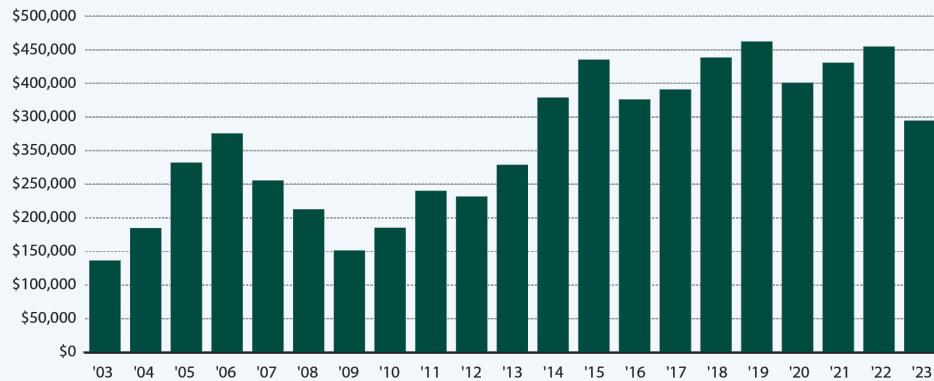
## Building Sales by Building Age

- Post-1973 buildings
  - 36 buildings sold (6% of all buildings)
  - Median sales price: \$5,377,500
  - Average per unit sales price of \$621,754
    - Inflation-adjusted decline of 21.6%
- Pre-1974 buildings
  - 547 buildings sold
  - Median sales price: \$3,250,000
  - Average per unit sales price of \$292,452
    - Inflation-adjusted decline of 19.4%

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### Average Sales Price per Residential Unit in Buildings Containing Rent Stabilized Units, Adjusted for Inflation, 2003-2023 (In 2023 dollars)

Average Sales Price per Residential Unit Decreases This Year



Notes: Figures exclude Staten Island. Average prices based on total number of residential units in a building. Inflation adjustment based on Consumer Price Index for All Urban Consumers, NY-Northeastern NJ.

Source: NYC Department of Finance

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## 2024 Mortgage Survey Report Summary

- Average interest rates increased
- Maximum LTV ratios decreased
- Points charged increased
- Vacancy & collection losses decreased
- Building sales volume decreased
- Average per-unit sales price decreased

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