



2024 Price Index of Operating Costs

NYC RENT GUIDELINES BOARD • APRIL 18, 2024

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PIOC for Rent Stabilized Apartments

Change In Costs for Buildings that Contain Rent Stabilized Apartments, April 2023 to March 2024

Taxes	3.2%
Labor Costs	4.3%
Fuel	-7.1%
Utilities	1.3%
Maintenance	3.5%
Administrative Costs	4.6%
Insurance Costs	21.7%
All Costs	3.9%

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PIOC Cost Weights and Price Relatives

- In the PIOC, we identify prices for various items that are representative of the Operating Costs for Apartment Buildings in New York City.
- The importance of each of those items in calculating the PIOC is its **weight**. This should be based on how much owners have spent in the past for that category of expenses.
- The change in price or cost is referred to as a price relative.

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2024 PIOC Data Sources

Percentage of Data Collected from PIOC Data Sources

Government Agencies	36%
Vendors and Contractors	29%
Unions and Utility Companies	15%
Owners of Rent Stabilized Buildings	20%

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Assessments Increase 0.4% and Exemptions Decline 2.8%

Percentage Change in Assessments and Exemptions by Borough, 2024

	% Change in Assessments	% Change in Exemptions	Total % Change in Taxes
Manhattan	-1.1%	-4.7%	1.3%
Bronx	1.5%	-1.6%	5.5%
Brooklyn	3.2%	0.1%	7.1%
Queens	2.8%	-4.8%	6.2%
Staten Island	0.9%	-4.3%	5.5%
All Apts.	0.4%	-2.8%	3.2%

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Taxes Increase 3.2%

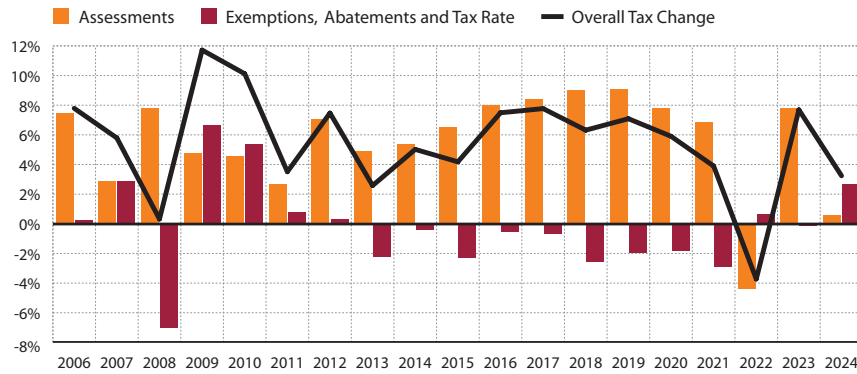
Impact of Assessments, Tax Rate, Exemptions, and Abatements on Total Tax Rate Change, by Borough, 2024

	% Change Due to Assessments	% Change Due to Tax Rate	% Change Due to Exemptions	% Change Due to Abatements	Total % Change
Manhattan	-1.1%	1.5%	0.7%	0.1%	1.3%
Bronx	2.5%	2.1%	0.9%	-0.1%	5.5%
Brooklyn	5.0%	2.0%	0.0%	0.0%	7.1%
Queens	2.9%	2.1%	1.1%	0.1%	6.2%
Staten Island	1.4%	1.9%	2.2%	-0.1%	5.5%
All Apts.	0.6%	2.0%	0.7%	-0.1%	3.2%

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In 2024, the Tax Rate Rose, and the Rise in Assessments Fell

Percent Change in Taxes due to Assessments and Exemptions/Abatements/Tax Rate, 2006-2024



Source: New York City Department of Finance

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Labor Costs Rose 4.3% in 2024

Spec	Description	% Change
201	Payroll, Union Local 32B-J, (Bronx)	2.6%
202	Payroll, Union Local 32B-J, Super	2.9%
203	Payroll, Union Local 32B-J, Other	3.0%
204	Payroll, Other, Non-Union	5.2%
205	Social Security Insurance	4.6%
206	Unemployment Insurance	9.9%
207	Private Health & Welfare	2.3%
	TOTAL LABOR COSTS	4.3%

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Fuel Decreased 7.1%

- ✓ Fuel contains heating costs from fuel oil, natural gas and steam.
- ✓ Gas costs, which make up 69.7% of this component, decreased 9.3%.
- ✓ Fuel oil makes up 29.9% of this component and decreased 2.1%.
- ✓ Steam costs decreased 3.6%.

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Utilities Increased 1.3%

- ✓ The cost of non-heating electricity decreased 3.7%.
- ✓ Non-heating gas costs decreased 18.9%.
- ✓ 4.4% increase in the water and sewer rate.

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Maintenance Increased 3.5%

- ✓ Includes services performed by contractors (e.g., painters and plumbers; hardware and cleaning items (e.g., buckets and pine disinfectant); and appliances that need periodic replacement (e.g., refrigerators and stoves).
- ✓ Painters' rates rose 7.0%, plumbers' rates rose 5.3%, and electrician services flat.
- ✓ Boiler repairs rose 3.0%, floor maintenance fell by 0.1%, and roof repair rose 9.0%.

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Administrative Costs Rose 4.6%

- ✓ Attorney fees increased 7.6% and accounting fees by 9.2%.
- ✓ Communications increased 2.1%.
- ✓ Management fees increased 3.2%

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Insurance Costs Rose 21.7%

- ✓ Policies that cost more than \$11,579 saw an average increase in cost of 22.3% upon renewal.
- ✓ Buildings with policies of \$11,579 or less saw an increase of 16.6%.

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Price Changes by Building Type, Apartments, 2024

Item Description	Pre-1974	Post-1973	Gas Heated	Oil Heated
TAXES	2.4%	10.3%	3.2%	3.2%
LABOR COSTS	4.4%	3.8%	4.3%	4.3%
FUEL	-7.1%	-8.7%	-9.3%	-2.1%
UTILITIES	1.8%	-0.8%	0.1%	-0.7%
MAINTENANCE	3.5%	3.2%	3.4%	3.5%
ADMINISTRATIVE COSTS	4.6%	4.2%	4.6%	4.6%
INSURANCE COSTS	21.7%	21.7%	21.7%	21.7%
ALL ITEMS	3.6%	5.3%	3.8%	3.9%

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PIOC for All Hotels

Change In Costs for All Hotels that Contain Rent Stabilized Units, April 2023 to March 2024

Taxes	3.7%
Labor Costs	4.2%
Fuel	-4.1%
Utilities	-0.4%
Maintenance	1.8%
Administrative Costs	3.5%
Insurance Costs	21.7%
All Costs	3.3%

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Price Changes by Hotel Type, 2024

Item Description	“Traditional” Hotel	Rooming House	SRO
Taxes	4.9%	0.9%	3.4%
Labor Costs	3.9%	4.9%	5.0%
Fuel	-3.8%	-5.7%	-4.0%
Utilities	1.8%	-3.8%	0.6%
Maintenance	1.7%	2.3%	1.7%
Administrative Costs	3.1%	4.5%	4.2%
Insurance Costs	21.7%	21.7%	21.7%
ALL ITEMS	3.9%	2.5%	3.2%

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PIOC for Rent Stabilized Lofts

Change In Costs for Rent Stabilized Lofts, April 2023 to March 2024

Taxes	3.2%
Labor Costs	4.2%
Fuel	0.8%
Utilities	3.0%
Maintenance	3.4%
Admin. Costs - Legal	7.6%
Admin. Costs - Other	3.9%
Insurance Costs	21.7%
All Costs	8.6%

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2024 Core PIOC

- ✓ The Core PIOC rose 4.9%.
- ✓ Does not include fuel costs for heating.
- ✓ The rise in the 2024 Core PIOC was 1.0 percentage points higher than the apartment PIOC (3.9%).
- ✓ Core PIOC rose at faster rate because it excludes the Fuel component decrease of 7.1%.

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2025 PIOC Projection

Projected Change In Costs for Buildings that Contain Rent Stabilized Apartments, April 2024 to March 2025

Taxes	3.6%
Labor Costs	3.8%
Fuel	-6.0%
Utilities	2.4%
Maintenance	7.3%
Administrative Costs	4.8%
Insurance Costs	15.1%
All Costs	4.4%

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Commensurate Rent Adjustment

- Combines various data concerning operating costs, revenues, and inflation into a single measure to determine how much rents would have to change for net operating income (NOI) of rent stabilized apartments to remain constant.
- Provides a set of illustrative one- and two-year rent adjustments that would hypothetically compensate owners for the change in prices measured by the PIOC while keeping NOI constant.

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Commensurate Rent Adjustment

- Commensurate adjustments do NOT constitute staff or Board recommendations for guideline adjustments.
- The various data points presented in the *2024 PIOC*, and other, Rent Guidelines Board annual research reports, supplementary data sources, in addition to public testimony, can all be considered to determine appropriate rent adjustments.

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Commensurate Rent Adjustments

“Net Revenue” Formula

One-Year Lease: 2.75%
Two-Year Lease: 4.75%

“CPI-Adjusted NOI” Formula

One-Year Lease: 4.0%
Two-Year Lease: 7.0%

“Traditional” Formula

One-Year Lease: 2.5%
Two-Year Lease: 4.0%

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2024 PIOC Summary

- ✓ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings rose 3.9%.
- ✓ The growth in the Consumer Price Index (CPI), which measures inflation in a wide range of consumer goods and services was lower than the PIOC, rising 3.3% during this same time period.
- ✓ Overall costs in natural-gas heated buildings increased 3.8%, while overall costs in fuel-oil heated buildings increased 3.9%.

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2024 PIOC Summary

- ✓ The PIOC for Pre-1974 buildings rose 3.6%, and Post-1973 buildings rose 5.3%.
- ✓ The Core PIOC rose by 4.9% this year.
- ✓ The PIOC for buildings that contain rent stabilized apartments is projected to increase 4.4% next year.

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