

NYC Rent Guidelines Board

Changes to the Rent Stabilized Housing Stock in NYC in 2023

May 23, 2024

1

Changes Report

- Rent regulation laws allow for shift in regulatory status of units
 - HSTPA of 2019 eliminated certain methods of deregulation
 - Units enter, exit or change status
 - Report examines changes to rent stabilized housing stock
 - Totals represent a 'floor' or minimum count of actual number of newly regulated & deregulated units

2

Additions to the Stock in 2023

- ▶ Programs and events that lead to addition of stabilized units:
 - ▶ Section 421-a program
 - ▶ J-51 program
 - ▶ Articles 11, 14, & 15 of PHFL programs
 - ▶ Mitchell-Lama Buyouts
 - ▶ Lofts converted to stabilized units
 - ▶ Rent controlled apartments converting to rent stabilization
 - ▶ Other Additions

3

Additions to the Stock in 2023

- ▶ 421-a Tax Exemption Program added 5,194 units Citywide, up 38% from prior year
- ▶ Proportion by borough:
 - ▶ Bronx: 49%
 - ▶ Brooklyn: 27%
 - ▶ Queens: 15%
 - ▶ Manhattan: 9%
 - ▶ Staten Island: 9 units
- ▶ Median legal rent of all 421-a stabilized units: \$3,043, down 8% from prior year
- ▶ J-51 Program added 45 units, down from 119 added the prior year

4

Additions to the Stock in 2023

► Other Additions:

- Rent controlled apartments converted to rent stabilization: 183 units, down 19% from prior year
- Lofts converted to stabilized: 14 units, up from 3 the prior year
- Mitchell-Lama buyout additions: none, same as last year
- Articles 11, 14, and 15 of PHFL additions: 88 units, down from 273 added the prior year

5

Additions to the Stock in 2023

- Overall, 5,524 units added to the rent stabilized housing stock in 2023
 - 26% increase from the prior year
- Median legal rent of these initially registered rent stabilized apartments in 2023: \$3,059
 - 28% increase from prior year

6

Additions to the Stock in 2023

► Additions by Borough:

- Bronx: 48%
- Brooklyn: 27%
- Queens: 16%
- Manhattan: 9%
- Staten Island: 9 units

7

Subtractions from the Stock in 2023

► Events and programs that have led to the subtraction of stabilized units:

- Co-op/Condo Conversions
- Expiration of 421-a benefits
- Expiration of J-51 benefits
- Substantial rehabilitation
- Conversion to commercial or professional status
- Other Types of Losses

8

Subtractions from the Stock in 2023

- ▶ Co-op/Condo conversions: 653 units, a 23% increase over the prior year
- ▶ 421-a expirations: 3,548 units, double the number of prior year (1,763)
- ▶ J-51 expirations: 231 units, down 37% from prior year
- ▶ Substantial Rehabilitation: 554 units, a 72% increase over prior year
- ▶ Conversions: 8 units, up from 3 in prior year

9

Subtractions from the Stock in 2023

- ▶ “Other” losses to the stabilized housing stock: 4,700 units removed, a 18% increase over the prior year
- ▶ “Other” losses category has increased 1311% since 2018, when 333 units were removed
- ▶ Includes:
 - ▶ 421-a units upon vacancy reach the Market Rate Threshold Exemption (MRTE)
 - ▶ Two or more apartments merged into one larger one
 - ▶ Building is condemned or demolished

10

Subtractions from the Stock in 2023

- At least 9,694 units left stabilization in 2023
 - 39% increase from the prior year
- Subtractions by Borough:
 - Manhattan: 47%
 - Brooklyn: 28%
 - Queens: 19%
 - Bronx: 6%
 - Staten Island: 1%

11

Summary Table of Additions & Subtractions to the Rent Stabilized Housing Stock in 2023

Program/Event	Number of Units
ADDITIONS	
421-a	+ 5,194
J-51	+ 45
Mitchell-Lama buyouts	+ 0
Loft conversions	+ 14
Article 11, 14 or 15	+ 88
CHANGES	
Rent control to rent stabilization	+ 183
Subtotal Additions & Changes	+ 5,524
SUBTRACTIONS	
Co-op and Condo subtractions	- 653
421-a Expiration	- 3,548
J-51 Expiration	- 231
Substantial Rehabilitation	- 554
Commercial/Professional Conversion	- 8
Other Subtractions	- 4,700
Subtotal Subtractions	- 9,694
NET TOTAL	
Net Estimated Loss	- 4,170

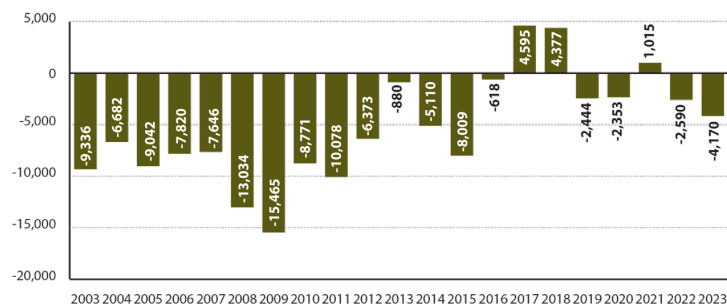
12

Summary of Changes in 2023

- The study finds an estimated net loss of 4,170 rent stabilized units in 2023
- Majority of additions to rent stabilized stock were from 421-a tax incentive program: 94%
- About 48% of units remove from rent stabilization occurred due to changes in the "Other" category
- 421-a expirations accounted for an additional 37% of subtractions

13

Annual Net Change of Rent Stabilized Units 2003-2023



14

Summary of Changes Since 1994

- Change in Rent Stabilized Stock over last three decades:
 - 184,998 units added
 - 338,408 units removed
 - Estimated cumulative net loss of at least 153,410 units over last 30 years

15

NYC Rent Guidelines Board

Changes to the Rent Stabilized Housing Stock in NYC in 2023

May 23, 2024

16