

2024 Hotel Report

May 23, 2024

New York City Rent Guidelines Board

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What's New

- ☑ The NYC Department of Housing Preservation and Development issued 64 Certifications of No Harassment for SROs during 2023, a decrease of 30.4% over the prior year.
- ☑ The Mayor's Office of Special Enforcement issued 1,266 violations for illegal hotels in 2023, a 29.7% decrease from 2022.
- ☑ The *2024 Price Index of Operating Costs* found an increase in the cost of operating hotels of 3.3% between April of 2023 and March of 2024.
- ☑ As based on an analysis of 2022/2023 NYS Homes and Community Renewal registration data, the median legal rent for hotels and rooming houses is \$1,068 and the average is \$1,130. The median "rent received" (the legal rent, except where there is preferential rent) for rooming houses and hotels is \$910 and the average is \$1,011.
- ☑ As based on a longitudinal analysis of 2022 and 2023 NYS Homes and Community Renewal registration data, the median legal rent rose by 1.8% between 2022 and 2023, and the average legal rent rose by 1.6%. The median "rent received" fell by 1.2% and the average "rent received" rose by 0.9%.

Introduction

The NYC Rent Guidelines Board (RGB) is charged with setting annual rent adjustments for rent stabilized units in Class A and Class B hotels; rooming and lodging houses; and Single Room Occupancy (SRO) buildings (all referred to generally as “hotels”).¹ While the Board can set separate adjustments for each of these five categories of hotels, only six of the 53 hotel orders have included individual adjustments for the unique classes of hotels, with the last differentiation occurring in 1998.

The Board has historically used information from the RGB’s research reports, including the *Price Index of Operating Costs (PIOC)* and the *Housing Supply Report*, to help determine appropriate hotel guidelines. Periodic memos, beginning in 2007 and related to rent levels in rent stabilized hotel units, have also supplemented these reports. The *2024 Hotel Report* is the third annual report that consolidates research related to hotels into a single report.

This report includes information on Certifications of No Harassment for SROs, illegal hotel violations, and the number of hotel units registered with NYS Homes and Community Renewal (HCR), as well as the average and median rents in these units. Data from the hotel portion of the *PIOC* is also included.

Overview

The NYC Department of Housing Preservation and Development issued 64 Certifications of No Harassment for SROs during 2023, a decrease of 30.4% over the prior year. In 2022, the Mayor’s Office of Special Enforcement issued 1,266 violations for illegal hotels, a 29.7% decrease from 2022. The *2024 PIOC* found an increase in the cost of operating hotels of 3.3% between April 2023 and March 2024.

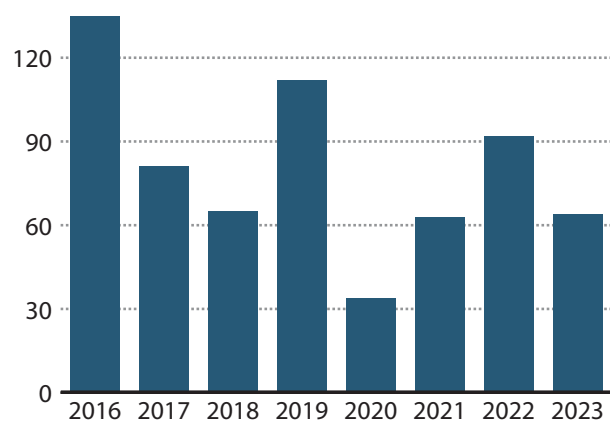
An analysis of 2022/2023 HCR registration data identified registration records for 78 hotels and 226 rooming houses (a total of 304 buildings). These 304 buildings contained 6,201 hotel units and 4,474 rooming house units (a total of 10,675

units). Slightly less than half of these units (5,079) were registered as “rent stabilized,” with most units including corresponding rent data. The balance of the units (5,596) were registered as either vacant or exempt.

For those units where rent data is reported, the median legal rent is \$900 for hotels and \$1,206 for rooming houses (with an overall median of \$1,068). The average legal rent is \$1,111 for hotels and \$1,147 for rooming houses (with an overall average of \$1,130). The median “rent received” (the legal rent, except in cases where there is a preferential rent provided) is \$746 for hotels and \$1,150 for rooming houses (with an overall median of \$910). The average “rent received” is \$947 for hotels and \$1,069 for rooming houses (with an overall average of \$1,011). In addition, a longitudinal analysis of the change in rent in the same set of units in both 2022 and 2023 shows that the median legal rent was unchanged in hotels, rose by 1.5% in rooming houses, and rose by 1.8% overall. The average legal rent in the longitudinal sample rose by 2.1% in hotels, 1.3% in rooming houses, and 1.6% overall. For the “rent received” by owners in the longitudinal sample, the median was unchanged in hotels, rose by 0.4% in rooming houses, and fell by 1.2% overall. The average “rent received” in the longitudinal

Certifications of No Harassment, 2016-2023

Certifications of No Harassment for SROs Decrease 30% in 2023



Source: NYC Department of Housing Preservation and Development

sample rose by 0.1% in hotels, 1.6% in rooming houses, and 0.9% overall.

Certifications of No Harassment

SRO owners may convert SRO housing to other uses after obtaining a “Certification of No Harassment” (CONH) from the NYC Department of Housing Preservation and Development (HPD). For the first time in three years, the number of CONHs granted by HPD fell, by 30.4% (to 64) in 2023.² (See graph on the prior page.)

Illegal Hotel Violations

Efforts are also underway to ensure that units meant to provide permanent housing are not used as transient hotels. As of May 1, 2011, a law was passed clarifying that Class A multiple dwellings were only to be used for occupancy of 30 consecutive days or more,³ while additional legislation in 2012⁴ and 2016⁵ strengthened the law and authorized fines of up to \$7,500.

On January 3, 2021, New York City’s Booking Service data reporting law took effect.⁶ All transactions for listings that have five or more nights booked per quarter are required to be reported to the Mayor’s Office of Special Enforcement (OSE) if the listings offer entire home rentals or home rentals to three or more individuals at the same time. Listings for units in “Class B multiple dwellings” — which are lawfully used for short-term rental — are exempt from the reporting requirements. The reports are required to be submitted quarterly to OSE and include information that allows OSE to ascertain if the listings are legal.

In January 2022, New York City enacted Local Law 18 to help curb the use of permanent housing for short-term rentals.⁷ The law, which took effect on March 6, 2023 and was enforced as of September 2023, requires anyone wishing to operate as a host of a short-term rental (a rental of less than 30 days) to register with OSE and receive a registration number. Registration numbers cannot be issued by OSE unless the unit is verified to be legal for residential occupancy and the permanent residence of the applicant, and the applicant discloses online

listings and agrees to follow all applicable laws. The law also prohibits the registration of rent regulated units, and allows building owners to certify that short-term rentals are not allowed in their buildings and add their buildings to OSE’s prohibited building list, thereby preventing OSE from issuing a registration number to an individual tenant of such a building. In addition, upon receipt of registration applications from renters, OSE will notify the owner of record of the dwelling unit/building. The law also requires that booking services (such as Airbnb, VRBO, Booking.com, and other similar platforms) verify that listings are properly registered with OSE before they can take a fee.

As of mid-May, 2024, almost 13,000 buildings have applied to be on the prohibited buildings list,⁸ and over 6,000 applications for registration numbers have been received by OSE. Of these applications, 2,128 (or 34.5%) have been granted. However, 1,362 (or 22.1%) of the reviewed applications have been denied. One reason for denial is that the building contains rent stabilized or rent controlled units, as was the case with 452 of the denials (33.2%). An additional 2,624 applications (or 42.5%) have been returned to the applicant to provide additional information or correct deficiencies. A total of 58 applications (0.9%) have either not yet been reviewed, or are being reviewed for a second time after corrections were made by the applicant.⁹

Violations of Local Law 18 can lead to fines of up to \$5,000. These violations include failing to conspicuously post and maintain, within a dwelling unit, a copy of the short-term rental registration certificate for such unit; failing to include a short-term rental registration number in an advertisement or other offer for short-term rental of a dwelling unit; and failing to maintain a record of each short-term rental, for at least seven years after such short-term rental occurred.¹⁰

Historically, violations issued by OSE have included both substantive violations (those issued based on inspection and observation of illegal conditions), as well as violations for failure to comply with an order to file a certification of correction with the NYC Department of Buildings (DOB), known as a B263 violation. When OSE finds

a unit of permanent housing being used as an illegal short term rental, it will issue a violation for illegal conversion or occupancy contrary to that allowed by the DOB, and companion violations for missing safety features required for transient use, including sprinklers, adequate means of egress, and fire alarms. These are the most common substantive violations, in addition to exceeding the number of units permitted on the Certificate of Occupancy (which are issued when units are illegally subdivided into multiple rooming units).

In 2023, 1,266 violations were issued by OSE relating to the illegal short-term rental of units (including apartments, private homes, and SROs), a decrease of 29.7% from 2022. As is the case in most years, the vast majority of violations issued by OSE in 2023 were substantive, a total of 1,210 violations, or 95.6% of all violations. A total of only 56 B263 violations were issued in 2023, or 4.4% of all violations issued.¹¹

More than one-third of the violations in 2023, 456 (36.0% of the total), were for dwelling units in Brooklyn, with 361 violations in Queens (28.5% of the total); 353 violations in Manhattan (27.9% of the total); 78 violations in the Bronx (6.2% of the total); and 18 in Staten Island (1.4% of the total). Between

May 2011 and December 2023, approximately 26,000 violations have been issued by OSE as part of its efforts to address illegal short-term rentals. (See the table on this page for violations by borough from 2016-2023.)

Note that violations issued by OSE for the illegal short-term rental of units (as described above) are primarily for units intended to be used for permanent housing. For instance, in 2022, 50% of the 1,801 violations were issued to units in multiple dwellings, while 45% were issued to units in one- and two-family homes, and just 5% issued in commercial and manufacturing locations.¹² The 1,801 violations issued in 2022 were contained in 348 buildings, approximately 20% of which were buildings containing rent stabilized units (with 22% of the violations issued to units in buildings that contain rent stabilized units).¹³

Among OSE’s activities over the past year, three settlements were reached related to illegal short-term rental operations. In October 2023, OSE settled a lawsuit with the owner of three Manhattan rental buildings. Per the lawsuit, the owner permitted multiple apartments in each of the three buildings to be converted into illegal short-term rentals, generating over \$300,000

Illegal Hotel Violations Issued by the Mayor’s Office of Special Enforcement, 2016-2023

In 2023, Violations Decreased by 30%

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total Violations Citywide	Substantive Violations Citywide*
2016	22	491	894	151	22	1,580	N/A
2017	41	803	1,273	397	43	2,557	2,299
2018	12	924	1,913	570	37	3,456	2,719
2019	16	755	2,276	494	24	3,565	3,200
2020	58	409	832	219	9	1,527	1,111
2021	59	716	1,507	472	6	2,760	708
2022	49	857	432	452	11	1,801	1,657
2023	78	456	353	361	18	1,266	1,210

**NOTE: Substantive Violations refer to any violations issued by OSE with the exception of those for failure to comply with an order to file a certification of correction with the NYC Department of Buildings (known as a B263 violation).*

Source: The Mayor’s Office of Special Enforcement

in revenue. The lawsuit also alleges that these illegal operations led to the loss of permanent rent stabilized tenants due to deficient conditions in the buildings, including extensive fire damage; large cracks in exterior walls; broken or defective common area floors; unsafe wiring; inadequate lighting at entranceways; and people breaking in, trespassing, sleeping, urinating, and using narcotics in the buildings. The lawsuit reached a total settlement value of \$1,115,000, including \$990,000 in penalties to resolve the City's claims and \$125,000 in payments on outstanding fines.¹⁴

OSE also announced two settlements in March 2024, totaling more than \$2 million. In the first, a \$1.2 million settlement, OSE used complaint-driven field inspections and transaction records from booking platforms to identify illegal rentals in 67 permanent units across 29 buildings in Manhattan and Brooklyn. These listings generated more than \$3.9 million in payouts for more than 4,300 illegal short-term rentals between March of 2019 and March of 2022.¹⁵ In the second, OSE used the same methods to identify an operation by a real estate firm and licensed broker who converted multiple permanent residential dwelling units in two Manhattan buildings to illegal short-term rentals, generating \$2 million in payouts from Airbnb. Between 2019 and 2022, these units were advertised more than 550 times and housed more than 2,000 guests in short-term rentals at the two buildings. OSE collaborated with the NY Department of State's Division of Licensing Services (DOS) to negotiate compliance and a global settlement, with operators paying \$845,000 in penalties to the City and separately resolving DOS's investigation regarding the broker's real estate license with respect to short-term rental listings.¹⁶

2024 Hotel PIOC

Per the 2024 Price Index of Operating Costs (PIOC), the Hotel Price Index for all hotels that contain rent stabilized units increased by 3.3% this year, compared to the rise of 8.3% in 2023.¹⁷

There were increases in five of the seven Hotel PIOC components. The Insurance component had the highest proportional increase, rising by 21.7%,

but accounts for just 7.2% of the index. More moderate increases were seen in Labor (4.2%), Taxes (3.7%), Administrative Costs (3.5%) and Maintenance (1.8%). In contrast, Fuel declined by 4.1% and Utilities declined by 0.4%.

Among the different categories of Hotels, the index for "Traditional" Hotels increased by 3.9%, Rooming Houses by 2.5%, and SROs by 3.2%. See the appendices of the 2024 PIOC for more details on the change in cost of individual components and items of the PIOC.

Analysis of 2022/2023 HCR Registration Data

Since 2007, periodic memos produced by Rent Guidelines Board staff have analyzed registration data filed with New York State Homes and Community Renewal (HCR) by owners of buildings containing rent stabilized "hotel" units.¹⁸ Owners register their properties annually with HCR, and include such information as the status of the units in their building (i.e., rent stabilized, vacant, or exempt); the type of property (i.e., hotel or rooming house); and rent levels for units registered as "rent stabilized," as of April 1 of each year. If applicable, the registration information also includes actual and preferential rents. Note that while the RGB sets guidelines for five categories of hotels, HCR allows owners of such buildings to register only as either a "hotel" or "rooming house."

Prior to 2017, staff relied on the registration information provided by the owner or managing agent to identify hotels and rooming houses. However, a close analysis of the data showed that there were registration errors, and many apartment buildings were being erroneously registered as hotels or rooming houses.¹⁹ Since 2017, registration data has been analyzed closely to more accurately identify those buildings that were most likely to be hotels or rooming houses.²⁰ Each year, the two most recent HCR registration files are searched for buildings that self-identify as either a "hotel" or "rooming house." For any building that did not previously register as either a hotel or rooming house (in any year since 2015, the first year that HCR files were extensively

researched), the individual building is researched to determine if it is likely to be covered by the RGB’s annual hotel guideline orders.²¹ As of the most recent analysis, the sample frame of rent stabilized “hotels,” which is the maximum number of buildings available for each HCR analysis, now includes 468 buildings, including 108 hotels and 360 rooming houses.

The analysis that follows provides detailed information on buildings registered with HCR in either of the two most recent registration files. Data is provided both for hotels and rooming houses as separate entities, in addition to the combined total of both. Note that HCR provides the RGB with two versions of each annual registration file — an early release in the spring and a more complete file in the fall that includes additional data from those owners who did not file their registrations in a timely manner. To provide as much data as possible in this analysis, staff determines if the sample frame of 468 buildings identified in HCR registration

files since 2015 are present in the most recent registration file (in this case, the early version of the 2023 registration file).²² If not, they are looked for in the previous registration file (in this case, the more complete 2022 file). In all cases, if available, the most recent data is used as the primary data source. In the *2024 Hotel Report*, 304 of the 468 buildings in the sample frame were registered with HCR in either 2022 or 2023.²³ Data from 2023 was utilized for the vast majority of these buildings (256, or 84% of the total). However, almost all of the data from rent stabilized units used to compute median and average rent levels was based on 2023 HCR registration filings (4,475 units, or 91% of the total).

Special Note on Hotel Units

HCR registration files provided to the RGB provide information only for those units that owners register, which may or may not accurately reflect the total number of units in the building. An

Summary Table of HCR Unit Registration Status (2022/2023)			
Number and Proportion of Units in Hotels and Rooming Houses, as Reported in Annual HCR Registration Filings			
HCR-Registered Unit Status	Hotel	Rooming House	Total
Rent Stabilized	2,455 (40%*)	2,624 (59%)	5,079 (48%*)
Permanently Exempt	31 (0%)	37 (1%)	68 (1%)
Vacant	439 (7%)	733 (16%)	1,172 (11%)
Temporarily Exempt	3,276 (53%)	1,080 (24%)	4,356 (41%)
Hotel/SRO (Transient)	2,271 (69%)	685 (63%)	2,956 (68%)
Not-for-Profit	844 (26%)	202 (19%)	1,046 (24%)
Owner/Employee Occupied	44 (1%)	128 (12%)	172 (4%)
Commercial/Professional/Other	117 (4%)	65 (6%)	182 (4%)
Total Number of HCR Registered Units	6,201**	4,474	10,675**

*The reported proportions are based solely on HCR registration records. When utilizing the higher estimate of total units in hotel buildings (as derived from sources outside of HCR registration data), the proportion of rent stabilized units in hotels drops to 15% and the proportion of rent stabilized units in hotels and rooming houses combined drops to 25%. See “Special Note on Hotel Units,” starting on Page 8, for more explanation.

**The estimated number of total units in hotel buildings (as derived from sources outside of HCR registration data) is 16,133. The estimated number of total units in hotels and rooming houses combined, utilizing the higher estimate of hotel units, is 20,607. See “Special Note on Hotel Units,” starting on Page 8, for more explanation.

Source: 2022/2023 HCR Registration Files

undercount of units is particularly common in those buildings registered as hotels, which are often used for commercial purposes (such as transient housing). Therefore, staff researched additional data sources to determine a more accurate count of the number of units in HCR-registered hotels. Note that this analysis was not undertaken for rooming houses, which are less likely to be used for commercial purposes. For each building identified as a hotel, staff researched both registration records from HPD, as well as internet sites, such as Expedia and Hotels.com, and the individual websites of the hotels, when available. While the unit counts were not always consistent across the various sources, an estimate of the actual unit count within the hotels was derived, generally based on the highest number of units across the various sources. Staff found that the 108 buildings identified as hotels in the sample frame contained an estimated total of 22,079 units of housing, far above the approximately 7,929 units registered with HCR in those years. The current analysis shows that of the 78 registered hotel buildings able to be identified in the 2022/2023 data, they contain an estimated total of 16,133 units (as compared to the 6,201 units registered with HCR). For hotels only, both estimated and HCR-registered unit counts will be used to calculate the proportion of units being used as permanently rent stabilized housing.

2022/2023 HCR Registration Status

Owners of buildings containing rent stabilized units are required to register annually with HCR with detailed information about the buildings they own and the units within them, as of April 1 of each year. Among the information that HCR requests is the unit's status, which can be recorded as either "rent stabilized," "vacant," "permanently exempt," or "temporarily exempt" (see table on the previous page). For those units that are registered as exempt, owners can also provide additional information about the reason for the exemption.

The 78 hotels that comprise the *2024 Hotel Report* had a total of 6,201 units of registered housing in 2022/2023.²⁴ Of these registered units, the majority (53%, or 3,276) were registered as "temporarily

exempt," with the primary reason for the exemption given as "Hotel/SRO (Transient)." An additional 470 units (8%) were registered as either "vacant" or "permanently exempt." The remaining hotel units, 2,455 (40%), were registered as "rent stabilized."²⁵

The 226 rooming houses that comprise the *2024 Hotel Report* have a total of 4,474 units of registered housing in 2022/2023.²⁶ Of these registered units, the majority (2,624, or 59%), were registered as "rent stabilized." As with hotels, in the 1,080 (24%) rooming house units that are registered as "temporarily exempt," the most common reason cited is "Hotel/SRO (Transient)." An additional 770 units (17%) were registered as either "vacant" or "permanently exempt."

In total, 10,675 hotel and rooming house units in 304 buildings were registered in 2022/2023. Of these registered units, almost half, 5,079 (48%) were registered as "rent stabilized" and generally include corresponding data on rent levels. For the 4,356 (41%) of overall units that were registered as "temporarily exempt," the most common reason cited is "Hotel/SRO (Transient)." An additional 1,240 units (12%) were registered as either "vacant" or "permanently exempt."

2022/2023 HCR Building Use

The HCR registration data can also be used to determine how many buildings (as opposed to units) are being used primarily for permanently rent stabilized housing (see table on the following page). As based solely on HCR registration data for the 78 hotels identified for the *2024 Hotel Report*, nine of these buildings (12%) consist entirely of exempt or vacant units and have no rent stabilized tenants, while 30 of these buildings (38%) have a proportion of permanently rent stabilized tenants of at least 85%.²⁷ Within the 30 buildings that are at least 85% occupied by rent stabilized tenants, there are 1,651 units (27% of the total), 1,533 of which are currently registered as rent stabilized. However, the number of buildings that are at least 85% occupied by permanently rent stabilized tenants drops when utilizing estimated total unit counts derived from sources outside of HCR data (see "Special Note on Hotel Units," starting on Page 8, and the notes

Summary Table of HCR Building Use (2022/2023)

Analysis of Building Use, as Reported in Annual HCR Registration Filings

HCR-Registered Building Use	Hotel	Rooming House	Total
Buildings With 100% Exempt or Vacant Units	9 (12%)	54 (24%)	63 (21%)
Number of Units in such buildings	602 (10%)	855 (19%)	1,457 (14%)
Buildings With at Least 85% Units Rent Stabilized	30 (38%)*	72 (32%)	102 (34%)*
Number of Units in such buildings	1,651 (27%)**	1,888 (42%)	3,539 (33%)**
<i>Total Number of HCR Registered Buildings</i>	<i>78</i>	<i>226</i>	<i>304</i>
<i>Total Number of HCR Registered Units</i>	<i>6,201**</i>	<i>4,474</i>	<i>10,675**</i>

*The proportions reported in the above table are based solely on HCR registration records. When utilizing the higher estimate of total units in hotel buildings (16,133, as derived from sources outside of HCR registration data), seven hotels (9% of the total) are occupied by a minimum of 85% permanently rent stabilized tenants. In total, 79 hotels and rooming houses combined (26% of the total) are occupied by a minimum of 85% permanently rent stabilized tenants, when utilizing the higher estimate of total hotel units. See “Special Note on Hotel Units”, starting on Page 8, for more explanation.

**The figures reported in the above table are based solely on HCR registration records. When utilizing the higher estimate of total units in hotel buildings (16,133, as derived from sources outside of HCR registration data), 1,193 units in hotels (7% of the estimated total) are in buildings that are occupied by a minimum of 85% permanently rent stabilized tenants. In total, 3,081 units in hotels and rooming houses combined (15% of the estimated total) are in buildings that are occupied by a minimum of 85% permanently rent stabilized tenants, when utilizing the higher estimate of total hotel units. See “Special Note on Hotel Units,” starting on Page 8, for more explanation.

***The estimated number of total units in hotel buildings (as derived from sources outside of HCR registration data) is 16,133. The estimated number of total units in hotels and rooming houses combined, utilizing the higher estimate of hotel units, is 20,607. See “Special Note on Hotel Units,” starting on Page 8, for more explanation.

Source: 2022/2023 HCR Registration Files

accompanying the Summary Table on this page). Based on these estimated unit counts, just seven buildings are at least 85% occupied by rent stabilized tenants. These seven buildings contain 1,193 units of housing, 1,081 of which are rent stabilized.

For the 226 rooming houses identified for the 2024 Hotel Report, 54 (24%) of these buildings consist entirely of exempt or vacant units and have no rent stabilized tenants, while 72 (32%) of these buildings have a proportion of permanently rent stabilized tenants of at least 85%.²⁸ Within the 72 buildings that are at least 85% occupied by rent stabilized tenants, there are 1,888 units (42% of the total), 1,745 of which are currently registered as rent stabilized.

As based solely on HCR registration data for the total of 304 hotels and rooming houses identified for the 2024 Hotel Report, 63 of these buildings (21%) consist entirely of exempt or vacant units and have no rent stabilized tenants, while 102 of these buildings (34%) have a proportion of permanently

rent stabilized tenants of at least 85%.²⁹ Within the 102 buildings that are at least 85% occupied by rent stabilized tenants, there are 3,539 units (33% of the total), 3,278 of which are currently registered as rent stabilized. However, the number of buildings that are at least 85% occupied by permanently rent stabilized tenants drops when utilizing estimated total unit counts for hotels derived from sources outside of HCR registration data (see “Special Note on Hotel Units,” starting on Page 8, and the notes accompanying the Summary Table on this page). Based on these estimated unit counts, a total of 79 buildings (26%) are at least 85% occupied by rent stabilized tenants. These 79 buildings contain 3,081 units of housing, 2,826 of which are rent stabilized.

Types of HCR Rent Stabilized Rents

Owners can register up to three different types of rents with HCR during the annual registration filing (as of April 1 of each year). All rent stabilized

units have a legal rent. Under current law, this is the amount of rent that can be charged to new tenants upon a vacancy, or to current tenants who do not have a registered preferential rent. A preferential rent is defined as a rent that owners charge to tenants that is lower than the registered legal rent. Among the reasons owners utilize preferential rents are market conditions at either the start of the tenancy or subsequent rent adjustment periods; or agreements with governmental agencies subsidizing the rent of the unit. Under current law, future rent increases are based on preferential rents until vacancy, at which time the owner may collect up to, but not more than, the legal rent. Actual rents are the rents that are paid out-of-pocket by subsidized tenants, with the balance being paid by government programs such as Section 8, CityFHEPS, Shelter Plus, or the Senior Citizen Rent Increase Exemption program. The RGB uses the HCR registration data to calculate a fourth type of rent — “rent received.” This is an estimate of the rent actually being received by the owner — generally speaking, the legal rent, unless a preferential rent has been recorded.

Each of these types of rent provides an important source of information — the legal rent illustrates the maximum amount able to be collected by owners either currently or upon vacancy; preferential rents can illustrate the prevalence of a less competitive market or regulatory agreements that may require the owner to charge less than the legal rent; actual rents can provide a more accurate representation of rent burden, where low-income tenants may have rents that are subsidized; and the “rent received” is the best estimate of the revenue owners are currently receiving for each unit. The median and average of each of these rent types will be summarized below for 2022/2023 HCR rent registrations.

2022/2023 HCR Median Rent Stabilized Rent Levels

Per HCR registrations from 2022/2023, the median legal rent for rent stabilized units is \$900 for hotels (2,344 units) and \$1,206 for rooming houses (2,593 units). The median legal rent is \$1,068 for both hotels

and rooming houses combined (4,937 units).³⁰

For hotels, 205 of the 2,344 units (9%) also report preferential rents, with a median preferential rent of \$679. For rooming houses, 708 of the 2,593 units (27%) report preferential rents, with a median preferential rent of \$975. The median preferential rent for both hotels and rooming houses combined (913 units, or 18% of the total) is \$802.

For hotels, 560 of the 2,344 units (24%) also report actual rents, with a median actual rent of \$369. For rooming houses, 999 of the 2,593 units (39%) report actual rents, with a median actual rent of \$269. The median actual rent for both hotels and rooming houses combined (1,559 units, or 32% of the total) is \$276.

The median “rent received” by owners for rent stabilized units is \$746 for hotels and \$1,150 for rooming houses. The median “rent received” is \$910 for both hotels and rooming houses combined. See the table on the following page for a summary of median rents in 2022/2023.

2022/2023 HCR Average Rent Stabilized Rent Levels

Per HCR registrations from 2022/2023, the average legal rent for rent stabilized units is \$1,111 for hotels (2,344 units) and \$1,147 for rooming houses (2,593 units). The average legal rent is \$1,130 for both hotels and rooming houses combined (4,937 units).³¹

For hotels, 205 of the 2,344 units (9%) also report preferential rents, with an average preferential rent of \$635. For rooming houses, 708 of the 2,593 units (27%) report preferential rents, with an average preferential rent of \$1,062. The average preferential rent for both hotels and rooming houses combined (913 units, or 18% of the total) is \$966.

For hotels, 560 of the 2,344 units (24%) also report actual rents, with an average actual rent of \$591. For rooming houses, 999 of the 2,593 units (39%) report actual rents, with an average actual rent of \$509. The average actual rent for both hotels and rooming houses combined (1,559 units, or 32% of the total) is \$538.

The average “rent received” by owners for rent stabilized units was \$947 for hotels and \$1,069 for rooming houses. The average “rent received”

Summary Table of HCR Median Rent Stabilized Rent Levels (2022/2023)

Analysis of Median Rents for Permanently Rent Stabilized Tenants, as Reported in Annual HCR Registration Filings

HCR-Registered Median Rents (Permanently Rent Stabilized Units)	Hotel		Rooming House		Total	
	Median Rent	# of Units with Reported Rent	Median Rent	# of Units with Reported Rent	Median Rent	# of Units with Reported Rent
Legal Rent	\$900	2,344	\$1,206	2,593	\$1,068	4,937
Preferential Rent*	\$679	205	\$975	708	\$802	913
Actual Rent**	\$369	560	\$269	999	\$276	1,559
"Rent Received"	\$746	2,344	\$1,150	2,593	\$910	4,937

*For those units reporting a preferential rent: the median legal rent of the 205 hotel units is \$1,336; the median legal rent of the 708 rooming house units is \$1,424; and the median legal rent of the 913 combined hotel and rooming house units is \$1,408.

**For those units reporting an actual rent: the median legal rent of the 560 hotel units is \$1,336; the median legal rent of the 999 rooming house units is \$1,268; and the median legal rent of the 1,559 combined hotel and rooming house units is \$1,268. In addition, some units report both actual and preferential rents. The median preferential rent of the 54 hotel units with both a recorded actual and preferential rent is \$745; the median preferential rent of the 431 rooming house units is \$1,100; and the median preferential rent of the combined 485 hotel and rooming house units is \$892.

Source: 2022/2023 HCR Registration Files

Summary Table of HCR Average Rent Stabilized Rent Levels (2022/2023)

Analysis of Average Rents for Permanently Rent Stabilized Tenants, as Reported in Annual HCR Registration Filings

HCR-Registered Average Rents (Permanently Rent Stabilized Units)	Hotel		Rooming House		Total	
	Average Rent	# of Units with Reported Rent	Average Rent	# of Units with Reported Rent	Average Rent	# of Units with Reported Rent
Legal Rent	\$1,111	2,344	\$1,147	2,593	\$1,130	4,937
Preferential Rent*	\$635	205	\$1,062	708	\$966	913
Actual Rent**	\$591	560	\$509	999	\$538	1,559
"Rent Received"	\$947	2,344	\$1,069	2,593	\$1,011	4,937

*For those units reporting a preferential rent: the average legal rent of the 205 hotel units is \$2,506; the average legal rent of the 708 rooming house units is \$1,349; and the average legal rent of the 913 combined hotel and rooming house units is \$1,609.

**For those units reporting an actual rent: the average legal rent of the 560 hotel units is \$1,165; the average legal rent of the 999 rooming house units is \$1,336; and the average legal rent of the 1,559 combined hotel and rooming house units is \$1,274. In addition, some units report both actual and preferential rents. The average preferential rent of the 54 hotel units with both a recorded actual and preferential rent is \$743; the average preferential rent of the 431 rooming house units is \$1,156; and the average preferential rent of the combined 485 hotel and rooming house units is \$1,100.

Source: 2022/2023 HCR Registration Files

is \$1,011 for both hotels and rooming houses combined. See the table on the previous page for a summary of average rents in 2022/2023.

2022-2023 HCR Longitudinal Rent Analysis

HCR registration data from 2022 and 2023 can also be analyzed longitudinally, comparing rent levels in the same set of units in each of the two years. Of the 256 hotels and rooming houses identified in the 2023 data, 233 were also registered in 2022.³² However, not every building contains units with registered rents (see “2022/2023 HCR Registration Status” on Page 9). Therefore, the longitudinal

sample includes 54 hotels (containing 2,079 rent stabilized units) and 128 rooming houses (containing 2,240 rent stabilized units), a total of 182 buildings with 4,319 units.

The longitudinal data for median rents shows that between 2022 and 2023, the median legal rent was unchanged in hotels, rose 1.5% in rooming houses, and rose by 1.8% overall. The median preferential rent was unchanged for hotels, rose 0.6% for rooming houses, and was unchanged overall. The median actual rent rose 3.5% in rooming houses.³³ For the “rent received” by owners, the median was unchanged for hotels, rose 0.4% for rooming houses, and fell 1.2% overall.

Summary Table of HCR Median and Average Longitudinal Rent Change (2022-2023)									
Longitudinal Analysis of Median and Average Rent Change (2022-2023) for Permanently Rent Stabilized Tenants, as Reported in Annual HCR Registration Filings									
Change in Rent, Longitudinal Sample (Permanently Rent Stabilized Units)	Hotel			Rooming House			Total		
	% Change Median Rent	% Change Average Rent	# of Units	% Change Median Rent	% Change Average Rent	# of Units	% Change Median Rent	% Change Average Rent	# of Units
Legal Rent	0.0%	2.1%	2,079	1.5%	1.3%	2,240	1.8%	1.6%	4,319
Preferential Rent	0.0%	0.2%	133	0.6%	0.2%	587	0.0%	0.2%	720
Actual Rent ³⁶	N/A	N/A	N/A	3.5%	0.7%	877	N/A	N/A	N/A
“Rent Received”	0.0%	0.1%	2,079	0.4%	1.6%	2,240	-1.2%	0.9%	4,319

Legal Rent Levels:

Hotels: 2022 Median: \$850.00; 2023 Median: \$850.00; 2022 Average: \$1,040.51; 2023 Average: \$1,061.91

Rooming Houses: 2022 Median: \$1,206.36; 2023 Median: \$1,224.46; 2022 Average: \$1,170.01; 2023 Average: \$1,185.38

Total: 2022 Median: \$1,073.44; 2023 Median: \$1,092.42; 2022 Average: \$1,107.67; 2023 Average: \$1,125.9

Preferential Rent Levels:

Hotels: 2022 Median: \$598.43; 2023 Median: \$598.43; 2022 Average: \$602.26; 2023 Average: \$603.5

Rooming Houses: 2022 Median: \$994.00; 2023 Median: \$1,000.00; 2022 Average: \$1,103.33; 2023 Average: \$1,105.64

Total: 2022 Median: \$802.31; 2023 Median: \$802.31; 2022 Average: \$1,010.77; 2023 Average: \$1,012.89

Actual Rent Levels:

Hotels: 2022 Median: N/A; 2023 Median: N/A; 2022 Average: N/A; 2023 Average: N/A

Rooming Houses: 2022 Median: \$260.00; 2023 Median: \$269.00; 2022 Average: \$522.03; 2023 Average: \$525.78

Total: 2022 Median: N/A; 2023 Median: N/A; 2022 Average: N/A; 2023 Average: N/A

“Rent Received” Rent Levels:

Hotels: 2022 Median: \$744.83; 2023 Median: \$744.83; 2022 Average: \$888.04; 2023 Average: \$888.79

Rooming Houses: 2022 Median: \$1,201.00; 2023 Median: \$1,206.36; 2022 Average: \$1,097.24; 2023 Average: \$1,114.57

Total: 2022 Median: \$940.00; 2023 Median: \$929.00; 2022 Average: \$996.54; 2023 Average: \$1,005.89

Source: 2022/2023 HCR Registration Files

The longitudinal data for average rents shows that between 2022 and 2023, the average legal rent rose by 2.1% in hotels, 1.3% in rooming houses, and 1.6% overall. The average preferential rent rose by 0.2% in hotels, rooming houses, and overall. The average actual rent rose by 0.7% in rooming houses.³⁴ For the “rent received” by owners, the average rose by 0.1% in hotels, 1.6% in rooming houses, and 0.9% overall.

See the table on the prior page for a summary of the change in legal, preferential, actual, and “rent received” rents for the same set of units between 2022 and 2023. The notes accompanying the table provide rent figures for each of the two years.³⁵

Also note that an examination of individual records in the longitudinal sample shows that some owners increased legal rents, even though rent increases for hotels and rooming houses were not granted by the RGB during this time frame. For hotels, 90% of the units in the longitudinal sample had no increase in legal rent, while 2% of units had a rent decrease and 8% of units had a rent increase. For rooming houses, 38% of the units in the longitudinal sample had no increase in legal rent, while 9% of units had a rent decrease and 53% of units had a rent increase. In total, 63% of units in the longitudinal sample had no rent increase in legal rent, while 6% of units had a rent decrease and 31% had a rent increase.

Among the 1,343 units in total that registered a legal rent increase (31% of all units), 58.9% increased rent by either exactly 1.5%, 2.5%, 3.25%, or 5.0%. These increases coincide with one- and two-year lease increases granted to rent stabilized *apartments* under either Order #53 (for leases renewing between 10/1/21 and 9/30/22) or Order #54 (for leases renewing between 10/1/22 and 9/30/23). Each of these Orders overlaps with the timeframes in the HCR registration data, which records rents at the static point of April 1 in each year. It is not possible to determine if the increases were taken illegally, or if the unit is registered incorrectly as a hotel or rooming house.

Summary

In summary, the number of Certifications of No

Harassment for SROs decreased 30.4% over the prior year (to 64), while violations for illegal hotels decreased 29.7% (to 1,266). The 2024 PIOC found an increase in the cost of operating hotels of 3.3%. The most recent HCR registration data identified 10,675 hotel and rooming house units, 5,079 of which are registered as rent stabilized. The rent stabilized units have a median legal rent of \$1,068; an average legal rent of \$1,130; a median “rent received” of \$910; and an average “rent received” of \$1,011. Among all the units registered in both 2022 and 2023, the median legal rent rose 1.8% and the median “rent received” fell 1.2%, while the average legal rent rose 1.6% and the average “rent received” rose 0.9%. □

Endnotes

1. The definition of each classification of hotel is as follows: Residential hotels are “apartment hotels” which are designated as Class A multiple dwellings on the Certificate of Occupancy; rooming houses are Class B multiple dwellings having fewer than thirty sleeping rooms as defined in Section 4(13) of the Multiple Dwelling Law; a single room occupancy building is a Class A multiple dwelling which is either used in whole or in part for single room occupancy or as a furnished room house, pursuant to Section 248 of the Multiple Dwelling Law; a Class B hotel is a hotel, which carries a Class B Certificate of Occupancy and contains units subject to rent stabilization; lodging houses are those buildings designated as lodging houses on the Certificate of Occupancy.
2. NYC Department of Housing Preservation and Development (HPD). Per HPD, under local law, if a residential building meets the definition of a single room occupancy multiple dwelling (SRO), the property owner must apply for and receive a Certification of No Harassment (CONH) before applying to the Department of Buildings for a permit to change the use or occupancy of a building, or to demolish a building or any part thereof. Per HPD, an SRO is defined as: a “class A multiple dwelling” used in whole or part as a “rooming house” or “furnished room house,” or for “single room occupancy” pursuant to section 248 of the New York state multiple dwelling law; a “class A multiple dwelling” containing “rooming units”; or a “class B multiple dwelling.”
3. Press Release, Mayor’s Office. “Mayor Bloomberg Announces Results of City’s Efforts to Curb Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities.” April 27, 2012.
4. Local Law No. 45 of 2012 (Council Int No. 404-A of 2010).
5. “Cuomo Signs Bill That Deals Huge Blow to Airbnb.” New York Post. October 21, 2016.
6. <https://www.nyc.gov/site/specialeenforcement/reporting-law/reporting-law.page>.
7. <https://www.nyc.gov/site/specialeenforcement/registration-law/registration-law.page>.
8. Buildings which apply to be on the Prohibited Buildings List are

- automatically approved by OSE, and as of May 14, 2024, 12,807 buildings submitted applications to be on this list. In addition, other entirely rent regulated buildings were proactively added to this list, including Mitchell-Lama buildings, buildings reported by HPD to OSE as being rent regulated, and NYCHA buildings.
9. Per data from the Mayor's Office of Special Enforcement, current as of May 12, 2024.
 10. <https://www.nyc.gov/assets/specialenforcement/downloads/pdfs/FINAL-RULES-GOVERNING-REGISTRATION-AND-REQUIREMENTS-FOR-SHORT-TERM-RENTALS.pdf>.
 11. Office of the Criminal Justice Coordinator, Mayor's Office of Special Enforcement.
 12. Mayor's Office of Special Enforcement, 2022 Annual Report.
 13. The 2022 Annual Report issued by the Mayor's Office of Special Enforcement provides a list of violations, as well as the corresponding BIN number. This BIN number was matched to a list of Multiple Dwelling Registrations (as published by HPD on Open Data), from which the corresponding Borough, Block, and Lot (BBL) was matched to 2022 NYS Homes and Community Renewal annual registration data. Individual violations data for 2023 is not yet available.
 14. Press Release, Mayor's Office. "Mayor Adams Announces City Has Won More Than \$4 Million From Lawsuits Against One Of NYC's Worst Landlords." October 26, 2023.
 15. Press Release, Mayor's Office of Special Enforcement. "Mayor's Office Of Special Enforcement Announces \$1.2 Million Settlement In Lawsuit Against Short-Term Rental Operators." March 5, 2024
 16. Press Release, Mayor's Office of Special Enforcement. "Mayor's Office Of Special Enforcement And The New York Department Of State Announce \$845,000 Settlement Ending Illegal Short-term Rental Operation Run By A Licensed Real Estate Broker." March 20, 2024.
 17. "2024 Price Index of Operating Costs." NYC Rent Guidelines Board. April 18, 2024. <https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2024/04/2024-PIOC.pdf>
 18. Memos were published in 2007, 2009, 2012-2013, 2015, and 2017-2020. Each of these memos can be found in the Hotel Order Explanatory Statements from the same year, with Explanatory Statements from 2012 and forward available on the RGB website (<https://rentguidelinesboard.cityofnewyork.us/rent-guidelines/hotel-orders-explanatory-statements/>) and earlier Explanatory Statements available upon request.
 19. It is important to accurately identify hotels and rooming houses because a Class A rent stabilized apartment building incorrectly registered as a hotel or rooming house, especially one with relatively high rent levels, will skew the average and median rent levels of what are being reported as rents for "hotel" units.
 20. For more information on the methodology used in 2017, refer to the memo published on June 12, 2017 (<https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2019/08/hoteles47.pdf>). Note that while the purpose of the 2017 analysis was to create a methodology that could more accurately identify hotels and rooming houses (and that methodology forms the basis of all subsequent memos and reports), there is no guarantee that every record identified via this methodology fits the legal definition of a "hotel." Similarly, not all rooming houses or hotels are able to be identified. While not necessarily a complete count of rooming houses and hotels, the methodology that is used to identify "hotels" is more representative than would be based solely on owner-reported HCR registration status.
 21. For the memos produced between 2018 and 2021, additional research was not conducted to identify additional hotels and rooming houses. However, in 2022, this research was conducted for both the current HCR files, as well as the HCR files that were analyzed in 2018-2021. See the 2022 Hotel Report (<https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2022/04/2022-Hotel-Report.pdf>) for an in-depth discussion of the additions to the master list of hotels and rooming houses. In 2024, due to prior research, it was only necessary to research the newly registered hotels and rooming houses in the two most current HCR files. In 2024, this research identified an additional eight rooming houses registered in the early 2023 HCR registration filings.
 22. Because the 2023 registration data is not final, two years of registration data were examined to capture buildings that may not appear in the 2023 data due to late registration. Note also that HCR registration filings may not reflect a complete count of hotels and rooming houses, as not all owners register their buildings; owners may register late; or owners may fail to correctly identify a building as a hotel or rooming house.
 23. More specifically, 78 of the 108 hotels in the sample frame were present in either 2022 or 2023 data. A total of 226 of the 360 rooming houses in the sample frame were present in either 2022 or 2023 HCR registration data.
 24. As noted in "Special Note on Hotel Units," which starts on Page 8, while 6,201 hotel units were registered with HCR in 2022/2023, staff calculated that there is actually an estimated total of 16,133 units in these buildings.
 25. While 40% of units in hotels were registered as "rent stabilized" (as based solely on HCR registration data), as a proportion of the estimated number of hotel units in these buildings, as derived from sources other than HCR registration data, 15% of units in these buildings are rent stabilized. See "Special Note on Hotel Units," starting on Page 8, and the notes in the table on Page 8.
 26. Unlike the additional research conducted for buildings registered as "hotels," for "rooming houses," registration records were not checked against other sources in regard to the number of housing units. Note that while some owners may register all their units, regardless of regulation status, others may register only those that are rent stabilized.
 27. The proviso in RGB Hotel Order 41, the last time the Board granted an increase for hotel units, limited permitted increases to only those hotels and rooming houses with at least 85% permanently rent stabilized occupancy. Note that if the owner is only registering their rent stabilized units (as opposed to all units in the building), the proportion of buildings (and the units within those buildings) that are at least 85% occupied by permanently rent stabilized units may be inaccurate.
 28. See Endnote 27.
 29. See Endnote 27.
 30. While 5,079 units in total registered as rent stabilized in 2022/2023, only 4,937 of these units recorded rent levels.
 31. See Endnote 30.
 32. All but 17 of the rooming houses and six of the hotels registered in 2023 were also registered in 2022.
 33. In the current longitudinal analysis, the change in actual rents in the hotels category was greatly impacted by the registration records of a single building, many of which varied greatly between 2022 and 2023. Due to the small number of units within this population, especially those that report actual rents, individual records have the potential to greatly alter overall medians and averages. Due to what seem to be extreme anomalies in the change in median and average actual rents, due in large part to the registration records for

this single building, the change in the median and average actual rent will not be reported for either hotels or hotels and rooming houses combined. Note that the RGB has no method of discerning if the change in actual rents in this, or any other building, is accurate, or the result of possible registration errors. Also note that the RGB did not specifically research other registration records for potential anomalies.

34. See Endnote 33 for an explanation of why the change in actual rents is being solely reported for rooming houses.
35. See Endnote 33 for an explanation of why the change in actual rents is being solely reported for rooming houses.
36. See Endnote 33 for an explanation of why the change in actual rents is being solely reported for rooming houses.