

NYC Rent Guidelines Board

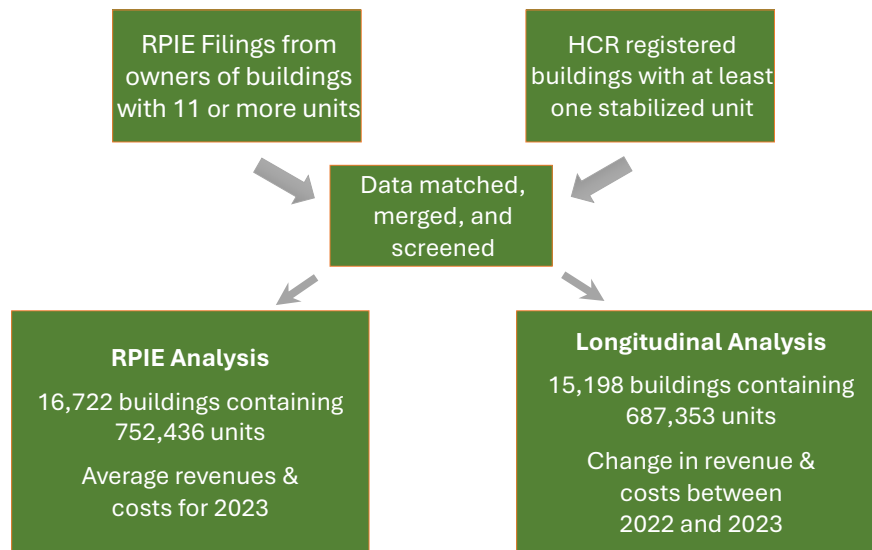
2025 Income and Expense Study

March 27, 2025

Introduction to I&E Study

- Report examines the conditions that existed in New York's rent stabilized housing market in 2023 and the extent to which these conditions changed from 2022
- Stratifies buildings based on whether they were constructed pre-1974 or post-1973
- Analyzes data based on the proportion of stabilized units in buildings.

Methodology



Summary

- Longitudinal change from 2022 to 2023:
 - Net Operating Income (NOI) increased 12.1% Citywide
 - Up from 10.4% the prior year
 - Core Manhattan: up 23.1%
 - Upper Manhattan: up 10.7%
 - Bronx: up 0.8%
 - Brooklyn: up 10.1%
 - Queens: up 11.4%
 - Staten Island: down 5.8%

Summary

- NOI increased in 83% of NYC's neighborhoods:
 - NOI increased the most in eight Manhattan neighborhoods
 - Largest NOI increase in the Bronx was in Hunts Point/Longwood, rising 19.8%
 - Largest increase in Brooklyn was in North Crown Heights/Prospect Heights, up 15.4%;
 - Largest increase in Queens was in Astoria, up 13.9%.

Summary

- NOI decreased in seven neighborhoods:
 - Jamaica, Queens, **down 15.4%**
 - Three Bronx neighborhoods:
 - Soundview/Parkchester, **down 10.6%**
 - University Heights/Fordham, **down 4.7%**
 - Highbridge/ South Concourse, **down 3.9%**
 - Two Brooklyn neighborhoods:
 - Coney Island, **down 2.7%**
 - East New York/Starett City, **down 2.5%**
 - Staten Island's North Shore, **down 1.7%**

Summary

- Variation in NOI among buildings with differing proportions of stabilized units Citywide
 - Buildings with at least one stabilized unit: up 12.1%
 - 50%+ stabilized buildings: up 7.3%
 - 80%+ stabilized buildings: up 5.1%
 - 100% stabilized buildings: up 4.6%
- Between 2022 and 2023, NOI increased 12.1% for all buildings containing rent stabilized units.
- After adjusting for inflation, NOI rose 8.0%.

Summary

- Citywide rental income grew 6.9%
- Citywide total income increased 6.6%
- Citywide expenses rose 3.8%
- Proportion of distressed properties
 - Citywide, declined 0.5 percentage points, to 9.3%, compared to prior year's 9.8%
 - Core Manhattan distress proportion: 7.1%
 - NYC outside Core: 10.1%
 - First decrease in proportion of distressed properties was first since 2016 (from 2018 I&E Study)

RPIE Analysis

Collected Rents in 2023

- Citywide average collected rent: \$1,599 per unit per month
 - Median monthly rent: \$1,384
 - By building age:
 - \$1,477 in pre-1974 buildings
 - \$2,219 in post-1973 buildings
 - By borough:
 - \$2,167 in Manhattan
 - \$2,787 in Core Manhattan
 - \$1,472 in Upper Manhattan
 - \$1,579 in Brooklyn
 - \$1,540 in Queens
 - \$1,145 in the Bronx
 - \$1,039 in Staten Island
 - \$1,406 NYC excluding Core Manhattan

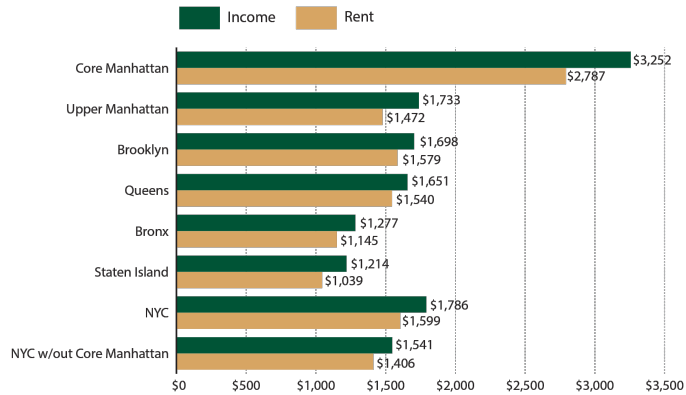
RPIE Analysis

Income in 2023

- Citywide average gross income: \$1,786 per unit per month
 - Median monthly income: \$1,501
 - By building age:
 - \$1,642 in pre-1974 buildings
 - \$2,517 in post-1973 buildings
 - By borough:
 - \$2,536 in Manhattan
 - \$3,252 in Core Manhattan
 - \$1,733 in Upper Manhattan
 - \$1,698 in Brooklyn
 - \$1,651 in Queens
 - \$1,277 in the Bronx
 - \$1,214 in Staten Island
 - \$1,541 NYC excluding Core Manhattan

Average Monthly Collected Income/Rent per Dwelling Unit by Borough

Income and Rent Highest in Manhattan in 2023



Source: NYC Department of Finance, 2023 RPIE Data

RPIE Analysis

Income in 2023

- Sale of services and commercial income: 10.5% of total income
 - Down from 10.8% in prior year
 - 14.5% in Manhattan
 - 15.0% in Upper Manhattan
 - 14.3% in Core Manhattan
 - 14.5% in Staten Island
 - 10.3% in the Bronx
 - 7.0% in Brooklyn
 - 6.7% in Queens
 - 8.7% in City excluding Core Manhattan

RPIE Analysis

Expenses in 2023

- Citywide average operating costs: \$1,160 per unit per month
 - Median monthly costs : \$1,053
- By age:
 - \$1,155 in pre-1974 buildings
 - \$1,187 in post-1973 buildings
- By borough:
 - \$1,610 in Manhattan
 - \$1,963 in Core Manhattan
 - \$1,214 in Upper Manhattan
 - \$1,085 in Queens
 - \$1,015 in Brooklyn
 - \$938 in the Bronx
 - \$897 in Staten Island
 - \$1,031 in NYC excluding Core Manhattan

RPIE Analysis

Expenses in 2023

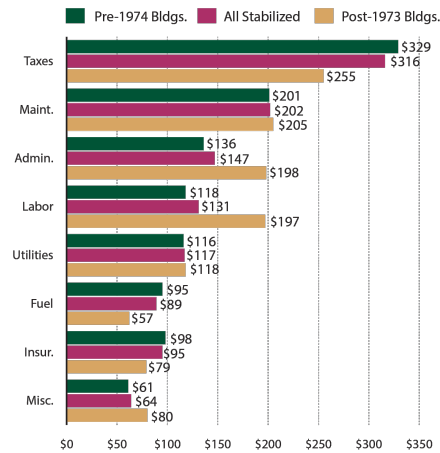
- I&E cost adjustments reduces expenses by 4.25% in 2023
 - Cost-adjusted average O&M costs: \$1,111 per month
 - Average cost-adjusted O&M costs in residential-only buildings: \$1,011 per month
 - Residential-only buildings have average adjusted costs 9.0% lower than all buildings

Average Monthly Expense per Dwelling Unit per Month

Taxes Remain Largest Expense in 2023

Breakdown of operating cost components by building age

Source: NYC Dept. of Finance, 2023 RPIE Data



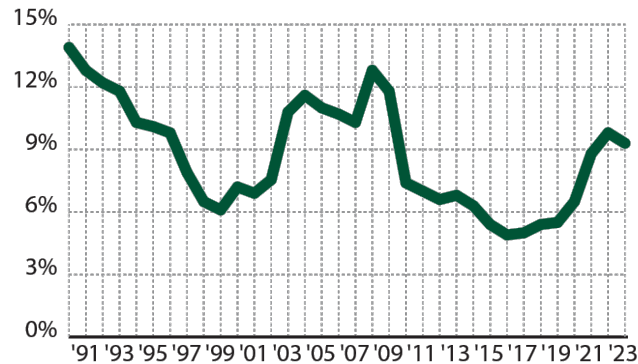
RPIE Analysis

Distressed Properties in 2023

- 9.3% of buildings in survey are distressed
 - Half a percentage point decrease from last year's 9.8%
- Comparing proportion of distressed properties:
 - Core Manhattan: 7.1%
 - City excluding Core Manhattan: 10.1%
- By Borough, distressed properties are in:
 - Manhattan: 40.4%
 - Bronx: 30.5%
 - Brooklyn: 18.9%
 - Queens: 9.5%
 - Staten Island: 0.8%

Percent of Distressed Properties in RPIE Analysis, 1990-2023

Share of Distressed Properties Decreases in 2023, First Decline in 6 Years



Source: NYC Dept. of Finance, 1990-2023 RPIE Data

RPIE Analysis

Net Operating Income in 2023

- Net Operating Income (NOI) equals the amount of income remaining after O&M expenses
- Citywide, apartments averaged \$626 of net NOI per unit per month
 - \$1,330 in post-1973 units
 - \$488 in pre-1974 units
- NOI in residential-only buildings was \$546
 - 12.7% lower than for all buildings

RPIE Analysis

Net Operating Income in 2023

- NOI by Borough

- Highest in Manhattan: \$926 per unit per month
 - \$1,290 in Core Manhattan
 - \$519 in Upper Manhattan
- \$683 in Brooklyn
- \$566 in Queens
- \$339 in the Bronx
- \$318 in Staten Island
- \$509 in City excluding Core Manhattan

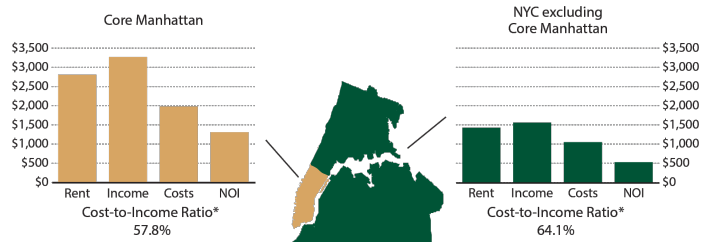
RPIE Analysis

Operating Cost Ratios in 2023

- Expense-adjusted operating costs were 62.2% of gross income Citywide
- Unadjusted operating expenses were 64.9% of gross income Citywide

Average Monthly Rent, Income, Operating Costs, NOI, and Cost-to-Income Ratios, Core Manhattan vs. Rest of the City, 2023

Cost-to-Income Ratio Higher in Core Manhattan

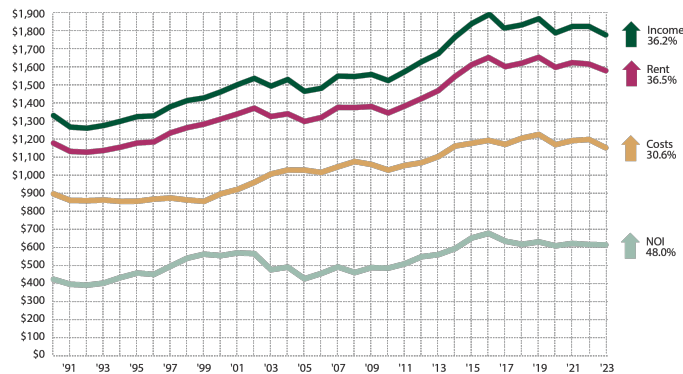


Source: NYC Dept. of Finance, 2023 RPIE Data

*Note: Ratios use adjusted costs

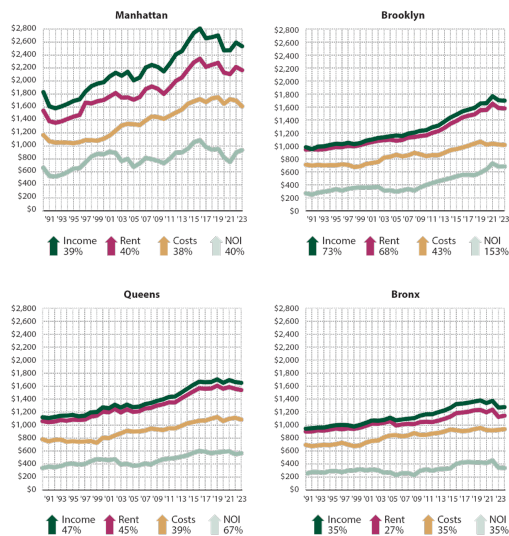
Citywide Income, Rents, Costs, and NOI After Inflation, 1990-2023

Inflation-Adjusted Net Operating Income Up 48.0% Since 1990 (Average Monthly Income, Rent, Operating Costs, and NOI per Dwelling Unit, in Constant 2023 Dollars)



Source: NYC Dept. of Finance, 1990-2023 RPIE Data

Income, Rents, Costs, and NOI After Inflation per Borough, 1990-2023



Since 1990, Inflation-Adjusted NOI Rises Citywide and in Each Borough (Average Monthly Income, Rent, Operating Costs, and Net Operating Income per Dwelling Unit in Constant 2023 Dollars)

Source: NYC Dept. of Finance, 1990-2023 RPIE Data

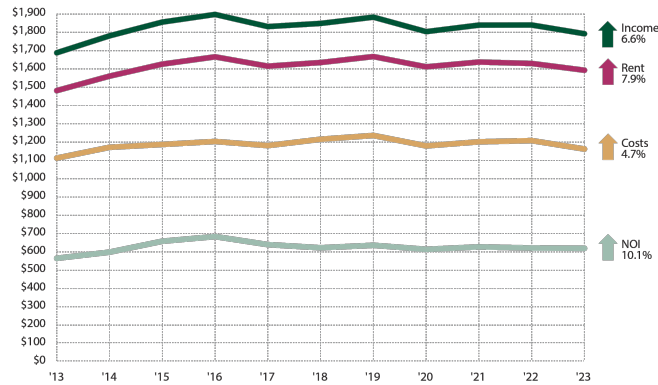
RPIE Analysis

Inflation-Adjusted Rent, Income, Costs and NOI Over Last Decade

- Citywide, from 2013 to 2023, adjusted for inflation:
 - Rent increased 7.9%
 - Income increased 6.6%
 - Costs increased 4.7%
 - NOI increased 10.1%

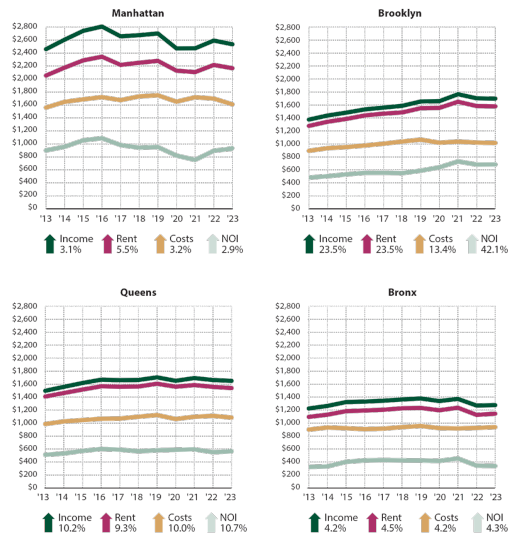
Citywide Income, Rents, Costs, and NOI After Inflation, 2013-2023

Inflation-Adjusted Net Operating Income Up 10.1% Since 2013
 (Average Monthly Income, Rent, Operating Costs, and NOI per Dwelling Unit, in Constant 2023 Dollars)



Source: NYC Dept. of Finance, 2013-2023 RPIE Data

Income, Rents, Costs, and NOI After Inflation per Borough, 2013-2023



Since 2013, Inflation-Adjusted NOI Rises Citywide and in Each Borough
 (Average Monthly Income, Rent, Operating Costs, and Net Operating Income per Dwelling Unit in Constant 2023 Dollars)

Source: NYC Dept. of Finance, 2013-2023 RPIE Data

Longitudinal Study

Change in Rents from 2022 to 2023

- Longitudinal analysis tracks same set of buildings over two years
- Average monthly rent collections grew by 6.9% Citywide
 - Post-1973 rents rose by 10.0%
 - Pre-1974 rents rose by 6.1%
- Rent collection change by building size
 - Large (100+ unit) buildings: up 8.2%
 - Small (11-19 unit) buildings: up 7.9%
 - Medium (20-99 unit) buildings: up 6.0%

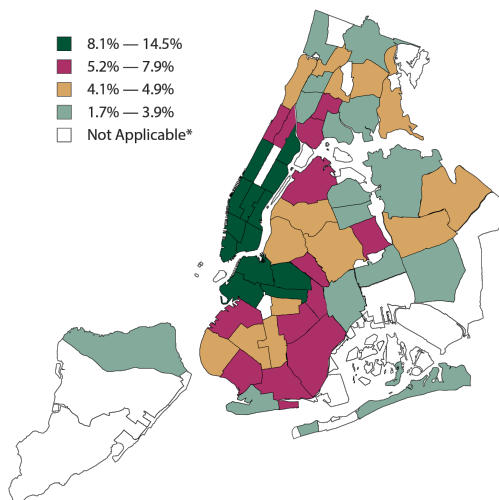
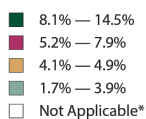
Longitudinal Study

Change in Collected Rents from 2022 to 2023

- Average rent increased by 6.9% Citywide
- Rent growth by borough:
 - Manhattan: up 9.6%
 - Core Manhattan: up 11.3%
 - Upper Manhattan: up 6.0%
 - Brooklyn: up 6.6%
 - Queens: up 5.7%
 - Bronx: up 4.1%
 - Staten Island: up 1.2%
 - City excluding Core Manhattan: up 5.6%
- Median rent increased 5.3% Citywide

Change in Rent Collections by Community District, 2022-2023

Collected Rents Increase in All Community Districts



*Community Districts with not enough buildings for reliable data.

Source: NYC Dept. of Finance, 2022-23 RPIE Data

Longitudinal Study

Change in Income from 2022 to 2023

- Average gross income grew by 6.6% Citywide
 - 9.6% increase in post-1973 buildings
 - 5.7% increase in pre-1974 buildings
- Income growth by borough:
 - Manhattan: up 8.7%
 - Core Manhattan: up 10.2%
 - Upper Manhattan: up 5.7%
 - Brooklyn: up 6.6%
 - Queens: up 5.8%
 - Bronx: up 3.7%
 - Staten Island: up 1.6%
 - City excluding Core Manhattan: up 5.5%
- Median income rose 5.2% Citywide

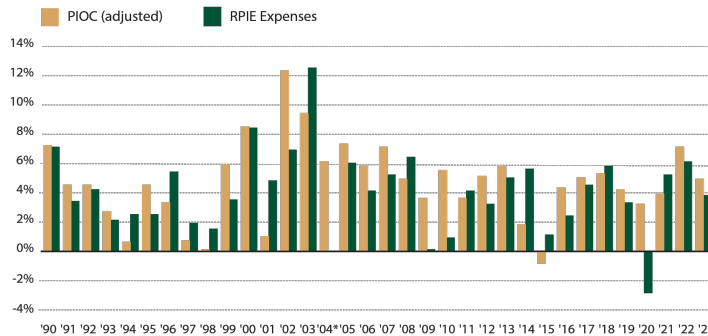
Longitudinal Study

Change in Expenses from 2022 to 2023

- Monthly expenses increased 3.8% Citywide
 - 5.0% increase in post-1973 buildings
 - 3.6% increase in pre-1974 buildings
- By borough:
 - Bronx: 4.8% increase
 - Staten Island: 4.7% increase
 - Brooklyn: 4.3% increase
 - Manhattan: 3.2% increase
 - Upper Manhattan: 3.6% increase
 - Core Manhattan: 3.0% increase
 - Queens: 3.0% increase
 - City excluding Core Manhattan: 4.0% increase
- Median costs rose 3.8% Citywide

Change in Operating & Maintenance Costs, RPIE and the PIOC, 1990 to 2023

In 2023, PIOC Costs Grew More Than Owner-Reported RPIE Expenses



*Note: Longitudinal I&E Data for 2003-04 unavailable.

Source: NYC Dept. of Finance, 1990-2023 RPIE Data; NYC Rent Guidelines Board PIOC 1990-2023

Longitudinal Study

Change in NOI from 2022 to 2023

- Average NOI grew by 12.1% Citywide
 - Greater than prior year's 10.4% increase
 - Up 13.9% in post-1973 buildings
 - Up 11.2% in pre-1974 buildings

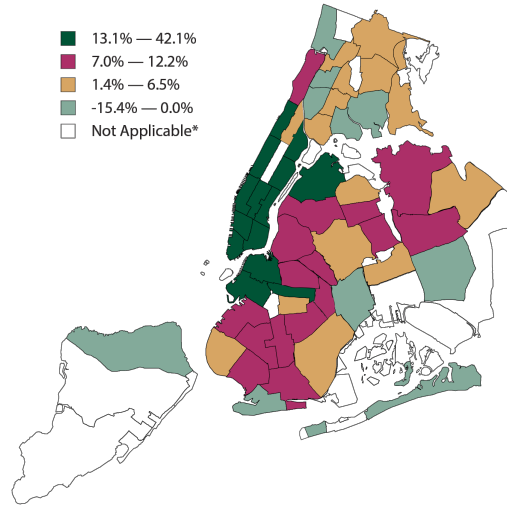
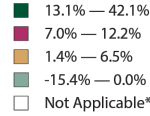
Longitudinal Study

Change in NOI from 2022 to 2023

- Change in NOI around NYC:
 - Manhattan: up 19.6%
 - Core Manhattan: up 23.1%
 - Upper Manhattan: up 10.7%
 - Queens: up 11.4%
 - Brooklyn: up 10.1%
 - Bronx: up 0.8%
 - Staten Island: down 5.8%
 - City excluding Core Manhattan: up 8.3%

Change in NOI by Community District, 2022-2023

Net Operating Income Increases in 83% of Community Districts



*Community Districts with not enough buildings for reliable data.

Source: NYC Dept. of Finance, 2022-23 RPIE Data

Changes in Average Net Operating Income, 2013-2023, After Inflation

NOI Grew More in Core Manhattan than in NYC outside Core Manhattan

	Citywide		Core Manhattan		NYC excluding Core Manhattan	
	Nominal Avg. NOI Change	Real Avg. NOI Change	Nominal Avg. NOI Change	Real Avg. NOI Change	Nominal Avg. NOI Change	Real Avg. NOI Change
2013-14	3.5%	2.2%	3.3%	1.9%	3.7%	2.3%
2014-15	10.8%	10.7%	7.8%	7.7%	12.7%	12.6%
2015-16	4.4%	3.3%	1.8%	0.7%	6.0%	4.8%
2016-17	0.4%	-1.5%	-3.1%	-5.0%	2.1%	0.2%
2017-18	-0.6%	-2.4%	-1.4%	-3.3%	-0.2%	-2.1%
2018-19	2.9%	1.3%	3.9%	2.2%	2.5%	1.1%
2019-20	-7.8%	-9.4%	-22.0%	-23.3%	-1.5%	-3.3%
2020-21	-9.1%	-12.1%	-21.0%	-23.5%	-5.1%	-8.2%
2021-22	10.4%	4.1%	42.3%	34.1%	0.3%	-5.4%
2022-23	12.1%	8.0%	23.1%	18.6%	8.3%	4.4%

Source: NYC Department of Finance, 2013-2023 RPIE Data

Proportional Stabilized Unit Analysis

- Location of buildings by stabilized proportion
 - Half of buildings with at least one stabilized unit are 100% stabilized
 - In the City outside Core Manhattan, 61% of buildings are 100% stabilized
 - In Core Manhattan, 16% are 100% stabilized

Proportional Stabilized Unit Analysis

- Average Rent, Income, Costs and NOI:
Citywide and by Borough
 - NOI in 100% stabilized buildings in Core Manhattan
 - Pre-1974 buildings: \$851
 - Post-1973 buildings: \$1,444
 - NOI in 100% stabilized buildings in the rest of the City
 - Pre-1974 buildings: \$352
 - Post-1973 buildings: \$1,131

Proportional Stabilized Unit Analysis

Adjusted Cost-to Income Ratios						
	All Buildings (All Years)	Pre-74 All Buildings	Pre-74 50%+ Stabilized	Pre-74 80%+ Stabilized	Pre-74 100% Stabilized	100% Stabilized (All Years)
Citywide	62.2%	67.3%	68.7%	69.0%	69.7%	64.2%
Core Manhattan	57.8%	60.6%	60.5%	57.1%	58.8%	55.8%
Cityw/o Core Manhattan	64.1%	70.0%	70.4%	70.4%	70.5%	64.9%

Source: NYC Department of Finance, 2023 RPIE Data

Proportional Stabilized Unit Analysis

- Longitudinal change in NOI among 100% stabilized buildings of all ages
 - NOI up 4.6% Citywide
 - NOI up 10.9% in Core Manhattan
 - NOI up 4.0% in City excluding Core
- Longitudinal change in NOI among pre-1974 100% stabilized buildings
 - NOI up 3.1% Citywide
 - NOI up 11.0% in Core Manhattan
 - NOI up 2.4% in City excluding Core

Proportional Stabilized Unit Analysis

- Distressed proportion among pre-1974 buildings
 - 50%+ Stabilized
 - 9.2% in Core Manhattan
 - 10.9% in City excluding Core
 - 80%+ Stabilized
 - 10.8% in Core Manhattan
 - 11.3% in City excluding Core
 - 100% Stabilized
 - 11.4% in Core Manhattan
 - 11.3% in City excluding Core

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