



2025 Price Index of Operating Costs

NYC RENT GUIDELINES BOARD • APRIL 17, 2025

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.

2025 PIOC Data Sources

Percentage of Data Collected from PIOC Data Sources

Government Agencies	36%
Vendors and Contractors	29%
Unions and Utility Companies	14%
Owners of Rent Stabilized Buildings	21%

PIOC for Rent Stabilized Apartments

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

	<u>Cost Change</u>	<u>Weight</u>
Taxes	3.9%	28.8%
Labor Costs	3.7%	12.0%
Fuel	10.3%	8.1%
Utilities	8.2%	10.6%
Maintenance	4.3%	18.4%
Admin Costs	5.1%	13.4%
Insurance Costs	18.7%	8.6%
All Costs	6.3%	100.0%

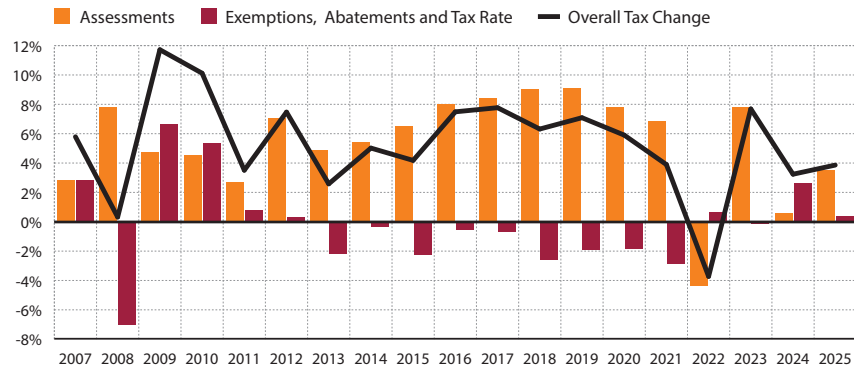
Taxes Increase 3.9%

Impact of Assessments, Tax Rate, Exemptions, and Abatements on Total Tax Rate Change, by Borough, 2025

	% Change Due to Assessments	% Change Due to Tax Rate	% Change Due to Exemptions	% Change Due to Abatements	Total % Change
Manhattan	3.8%	0.0%	0.3%	-0.2%	3.9%
Bronx	3.1%	0.0%	0.4%	0.0%	3.4%
Brooklyn	5.6%	0.0%	-0.4%	0.2%	5.4%
Queens	1.6%	0.0%	0.5%	0.2%	2.2%
Staten Island	1.9%	0.0%	0.7%	-0.2%	2.5%
All Apts.	3.5%	0.0%	0.2%	0.2%	3.9%

In 2025, the Tax Rate was Steady, but Assessments Rose

Percent Change in Taxes due to Assessments and Exemptions/Abatements/Tax Rate, 2007-2025



Source: New York City Department of Finance

Labor Costs Rose 3.7% in 2025

Spec	Description	% Change
201	Payroll, Union Local 32B-J, (Bronx)	3.0%
202	Payroll, Union Local 32B-J, Super	2.8%
203	Payroll, Union Local 32B-J, Other	2.9%
204	Payroll, Other, Non-Union	4.0%
205	Social Security Insurance	3.7%
206	Unemployment Insurance	11.0%
207	Private Health & Welfare	2.9%
	TOTAL LABOR COSTS	3.7%

Fuel Increased 10.3%

- ✓ Fuel contains heating costs from fuel oil, natural gas and steam.
- ✓ Gas costs, which make up 68% of this component, increased 9.6%.
- ✓ Fuel oil makes up 32% of this component and increased 11.7%.
- ✓ Steam costs increased 19.0%.

Utilities Increased 8.2%

- ✓ 8.5% increase in the water and sewer rate.
- ✓ The cost of non-heating electricity increased 7.6%.
- ✓ Non-heating gas costs increased 7.9%.

Maintenance Increased 4.3%

- ✓ 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 5.8%, plumbers' rates rose 1.6%, and electrician services rose 5.2%.
- ✓ Boiler repairs rose 1.4%, floor maintenance rose by 2.2%, and roof repair rose 9.6%.

Administrative Costs Rose 5.1%

- ✓ Attorney fees increased 6.7% and accounting fees by 3.8%.
- ✓ Communications increased 1.0%.
- ✓ Management fees increased 5.1%.

Insurance Costs Rose 18.7%

- ✓ Policies that cost more than \$10,720 saw an average increase in cost of 18.4% upon renewal.
- ✓ Buildings with policies of \$10,720 or less saw an increase of 20.7%.
- ✓ Buildings built prior to 1974 saw an increase of 20.7%.
- ✓ Buildings built after 1973 rose by 9.1%.

Price Changes by Building Type, Apartments, 2025

Item Description	Pre-1974	Post-1973	Gas Heated	Oil Heated
TAXES	3.1%	10.0%	3.9%	3.9%
LABOR COSTS	3.7%	3.4%	3.7%	3.7%
FUEL	10.3%	10.6%	9.6%	11.7%
UTILITIES	8.5%	6.7%	8.0%	7.9%
MAINTENANCE	4.3%	4.3%	4.3%	4.2%
ADMINISTRATIVE COSTS	5.1%	5.2%	5.1%	5.1%
INSURANCE COSTS	20.7%	9.1%	18.7%	18.7%
ALL ITEMS	6.4%	6.5%	6.2%	6.6%

2025 Core PIOC

- ✓ The Core PIOC rose 6.0%.
- ✓ Does not include fuel costs for heating.
- ✓ The rise in the 2025 Core PIOC was 0.3 percentage points lower than the apartment PIOC (6.3%).
- ✓ Core PIOC rose at a slower rate because it excludes the Fuel component increase of 10.3%.

2026 PIOC Projection

*Projected Change In Costs for Buildings that
Contain Rent Stabilized Apartments,
April 2025 to March 2026*

Taxes	3.2%
Labor Costs	4.1%
Fuel	-4.4%
Utilities	5.0%
Maintenance	5.7%
Administrative Costs	4.3%
Insurance Costs	17.7%
All Costs	4.8%

PIOC for All Hotels

*Change In Costs and Component Weights for All
Hotels that Contain Rent Stabilized Units,
April 2024 to March 2025*

	<u>Cost Change</u>	<u>Weight</u>
Taxes	6.0%	35.3%
Labor Costs	3.7%	15.1%
Fuel	10.1%	15.8%
Utilities	8.2%	4.6%
Maintenance	3.9%	12.4%
Admin Costs	7.1%	8.3%
Insurance Costs	18.7%	8.5%
All Costs	7.3%	100.0%

Price Changes by Hotel Type, 2025

Item Description	"Traditional" Hotel	Rooming House	SRO
Taxes	7.2%	3.9%	4.1%
Labor Costs	3.7%	4.3%	4.1%
Fuel	10.1%	10.9%	9.7%
Utilities	7.5%	9.5%	7.7%
Maintenance	4.1%	3.3%	3.3%
Administrative Costs	7.2%	7.0%	7.0%
Insurance Costs	18.7%	18.7%	18.7%
ALL ITEMS	7.5%	7.7%	7.1%

PIOC for Rent Stabilized Lofts

*Change In Costs and Component Weights
for Rent Stabilized Lofts, April 2024 to March 2025*

	<u>Cost Change</u>	<u>Weight</u>
Taxes	3.9%	27.6%
Labor Costs	3.6%	7.4%
Fuel	12.5%	7.0%
Utilities	8.0%	5.1%
Maintenance	4.4%	8.5%
Admin. Costs - Legal	6.7%	6.9%
Admin. Costs - Other	5.0%	6.3%
Insurance Costs	18.7%	31.3%
All Costs	9.6%	100.0%

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 adjustments for one- and two-year leases that would hypothetically compensate owners for the change in prices measured by the PIOC while keeping NOI constant.

Commensurate Rent Adjustment

- Commensurate adjustments do NOT constitute staff or Board recommendations for guideline adjustments.
- The various data points presented in the *2025 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.

Commensurate Rent Adjustments

“Net Revenue” Formula

One-Year Lease: 4.5%
Two-Year Lease: 7.75%

“CPI-Adjusted NOI” Formula

One-Year Lease: 6.25%
Two-Year Lease: 9.75%

“Traditional” Formula

One-Year Lease: 4.1%
Two-Year Lease: 5.8%

2025 PIOC Summary

- ✓ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings rose 6.3%.
- ✓ 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 4.0% during this same time period.
- ✓ Overall costs in natural-gas heated buildings increased 6.2%, while overall costs in fuel-oil heated buildings increased 6.6%.

2025 PIOC Summary

- ✓ The PIOC for Pre-1974 buildings rose 6.4%, and Post-1973 buildings rose 6.5%.
- ✓ The Core PIOC rose by 6.0% this year.
- ✓ The PIOC for buildings that contain rent stabilized apartments is projected to increase 4.8% next year.



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