



2026 Price Index of Operating Costs

NYC RENT GUIDELINES BOARD • APRIL 9, 2026

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2026 PIOC Summary

- ✓ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings rose 5.3%.
- ✓ Five of the seven operating costs components experienced slower growth than in the prior year, while Fuel and Maintenance costs increased at a faster pace.
- ✓ The Core PIOC rose by 4.8% this year.
- ✓ The growth in the Consumer Price Index (CPI), was lower than the PIOC, rising 3.3% during this same time period. Excluding the cost of shelter, the CPI rose 2.7%.

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2026 PIOC Summary

- ✓ Overall costs in natural-gas heated buildings increased 5.3%, while overall costs in fuel-oil heated buildings increased 5.5%.
- ✓ The PIOC for Pre-1974 buildings rose 5.3%, and Post-1973 buildings rose 5.9%.
- ✓ The PIOC for buildings that contain rent stabilized apartments is projected to increase 4.1% next year.

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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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2026 PIOC Data Sources

Percentage of Data Collected from PIOC Data Sources

Government Agencies	35%
Vendors and Contractors	30%
Unions and Utility Companies	14%
Owners of Rent Stabilized Buildings	21%

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PIOC for Rent Stabilized Apartments

Change In Costs and Component Weights for Buildings that Contain Rent Stabilized Apartments, April 2025 to March 2026

	<u>Cost Change</u>	<u>Weight</u>
Taxes	2.6%	27.9%
Labor Costs	3.0%	11.9%
Fuel	11.0%	7.9%
Utilities	5.6%	10.9%
Maintenance	6.0%	18.5%
Admin Costs	4.8%	13.5%
Insurance Costs	10.5%	9.5%
All Costs	5.3%	100.0%

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Taxes Increase 2.6%

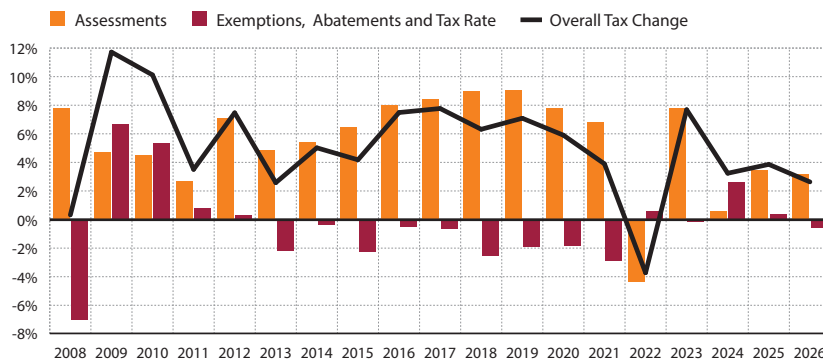
Impact of Assessments, Tax Rate, Exemptions, and Abatements on Total Tax Rate Change, by Borough, 2026

	% Change Due to Assessments	% Change Due to Tax Rate	% Change Due to Exemptions	% Change Due to Abatements	Total % Change
Manhattan	2.3%	-0.5%	0.1%	0.0%	1.9%
Bronx	3.8%	-0.5%	-0.9%	0.0%	2.5%
Brooklyn	6.5%	-0.5%	-0.6%	0.1%	5.4%
Queens	2.7%	-0.5%	0.1%	0.2%	2.5%
Staten Island	1.8%	-0.5%	0.9%	0.2%	2.4%
All Apts.	3.2%	-0.5%	-0.1%	0.1%	2.6%

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In 2026, the Tax Rate Declined, but Assessments Rose

Percent Change in Taxes due to Assessments and Exemptions/Abatements/Tax Rate, 2008-2026



Source: New York City Department of Finance

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Labor Costs Rose 3.0% in 2026

Spec	Description	% Change
201	Payroll, Union Local 32B-J, (Bronx)	3.1%
202	Payroll, Union Local 32B-J, Super	3.2%
203	Payroll, Union Local 32B-J, Other	3.4%
204	Payroll, Other, Non-Union	3.5%
205	Social Security Insurance	3.4%
206	Unemployment Insurance	-5.3%
207	Private Health & Welfare	0.5%
	TOTAL LABOR COSTS	3.0%

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Fuel Increased 11.0%

- ✓ Considers both the change in weather and prices for fuel oil, natural gas and steam.
- ✓ Gas costs, which make up 68% of this component, increased 11.5%.
- ✓ Fuel oil makes up 32% of this component and increased 9.9%.
- ✓ Steam costs increased 24.5%.

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Utilities Increased 5.6%

- ✓ The cost of non-heating electricity increased 9.1%.
- ✓ Non-heating gas costs increased 12.9%.
- ✓ 3.7% increase in the water and sewer rate.

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Maintenance Increased 6.0%

- ✓ 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 5.7%, plumbers' rates rose 4.0%, and electrician services rose 12.9%.
- ✓ Boiler repairs rose 4.8%, floor maintenance rose by 0.3%, and roof repair rose 12.4%.

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Administrative Costs Rose 4.8%

- ✓ Attorney fees increased 3.4% and accounting fees by 8.8%.
- ✓ Communications decreased 0.5%.
- ✓ Management fees increased 4.7%.

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Changes to the Administrative Costs Item Weights

- ✓ Expenditure survey of administrative costs was included in last year's owner survey.
- ✓ More weight to Accounting Fees and Communications items, less to Management Fees and Attorney Fees.

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Insurance Costs Rose 10.5%

- ✓ Policies that cost more than \$11,382 saw an average increase in cost of 10.6% upon renewal.
- ✓ Buildings with policies of \$11,382 or less saw an increase of 10.0%.
- ✓ Buildings built prior to 1974 saw an increase of 11.6%.
- ✓ Buildings built after 1973 rose by 5.4%.

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Insurance Costs Contributed the Most to the Cumulative Growth in the PIOC Over the Past Five Years

Component	5-Year Cumulative Growth	Contribution to 5-Year Cumulative Change	Proportion of 5-Year Cumulative Change
TAXES	14.1%	3.9%	12.7%
LABOR COSTS	19.2%	4.5%	14.4%
FUEL	63.0%	3.0%	9.7%
UTILITIES	33.2%	4.4%	14.3%
MAINTENANCE	36.7%	6.2%	20.1%
ADMINISTRATIVE COSTS	26.9%	2.1%	6.8%
INSURANCE COSTS	99.9%	6.8%	22.0%
ALL ITEMS	31.0%	31.0%	100%

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Price Changes by Building Type, Apartments, 2026

Component	Pre- 1974	Post- 1973	Gas Heated	Oil Heated
TAXES	2.1%	7.1%	2.6%	2.6%
LABOR COSTS	3.0%	2.9%	3.0%	3.0%
FUEL	11.0%	13.0%	11.5%	9.9%
UTILITIES	5.3%	6.7%	6.3%	6.8%
MAINTENANCE	6.0%	6.4%	6.1%	6.0%
ADMINISTRATIVE COSTS	4.9%	4.3%	4.8%	4.8%
INSURANCE COSTS	11.6%	5.4%	10.5%	10.5%
ALL ITEMS	5.3%	5.9%	5.3%	5.5%

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2026 Core PIOC

- ✓ The Core PIOC rose 4.8%.
- ✓ Does not include fuel costs for heating.
- ✓ The rise in the 2026 Core PIOC was 0.5 percentage points lower than the apartment PIOC (5.3%).
- ✓ Core PIOC rose at a slower rate because it excludes the Fuel component increase of 11.0%.

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2027 PIOC Projection

- ✓ Section 26-510 of the Rent Stabilization Law requires the Board to consider the projected operating and maintenance costs for buildings containing rent stabilized units.
- ✓ The PIOC Projections are estimated by using data from federal, state, and local agencies; estimates from industry experts; and trend forecasting using three-year or long-term averages.
- ✓ Energy prices and taxes have become harder to project.

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2027 PIOC Projection

*Projected Change In Costs for Buildings that
Contain Rent Stabilized Apartments,
April 2026 to March 2027*

Taxes	4.7%
Labor Costs	3.9%
Fuel	-7.5%
Utilities	-1.7%
Maintenance	4.6%
Administrative Costs	4.8%
Insurance Costs	16.9%
All Costs	4.1%

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PIOC for All Hotels

*Change In Costs and Component Weights for All
Hotels that Contain Rent Stabilized Units,
April 2025 to March 2026*

	<u>Cost Change</u>	<u>Weight</u>
Taxes	0.1%	34.9%
Labor Costs	3.3%	14.6%
Fuel	9.6%	16.2%
Utilities	6.0%	4.6%
Maintenance	6.2%	12.0%
Admin Costs	3.5%	8.3%
Insurance Costs	10.5%	9.4%
All Costs	4.4%	100.0%

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Price Changes by Hotel Type, 2026

Component	"Traditional" Hotel	Rooming House	SRO
Taxes	-0.1%	2.1%	-0.3%
Labor Costs	3.5%	3.5%	3.4%
Fuel	9.9%	8.8%	9.4%
Utilities	5.0%	7.5%	5.8%
Maintenance	6.8%	4.7%	5.9%
Administrative Costs	3.2%	4.6%	4.1%
Insurance Costs	10.5%	10.5%	10.5%
ALL ITEMS	3.5%	5.6%	5.4%

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PIOC for Rent Stabilized Lofts

Change In Costs and Component Weights for Rent Stabilized Lofts, April 2025 to March 2026

	<u>Cost Change</u>	<u>Weight</u>
Taxes	2.6%	26.1%
Labor Costs	2.9%	7.0%
Fuel	11.5%	7.2%
Utilities	4.4%	5.0%
Maintenance	6.0%	8.1%
Admin. Costs - Legal	3.4%	6.7%
Admin. Costs - Other	5.4%	6.0%
Insurance Costs	10.5%	33.9%
All Costs	6.5%	100.0%

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Commensurate Rent Adjustment Formulas

- 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.

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Commensurate Rent Adjustment Formulas

- Commensurate adjustments do NOT constitute staff or Board recommendations for guideline adjustments.
- They are illustrative measures of operating cost changes and do not reflect the full range of considerations in the Board's statutory mandate.
- The various data points presented in the 2026 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 Adjustment Formulas

"Net Revenue" Formula

One-Year Lease: 3.75%
Two-Year Lease: 6.25%

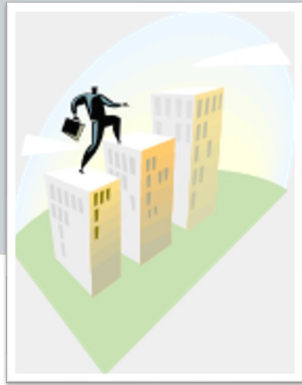
"CPI-Adjusted NOI" Formula

One-Year Lease: 4.5%
Two-Year Lease: 8.5%

"Traditional" Formula

One-Year Lease: 3.4%
Two-Year Lease: 4.8%

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