



# New York City Rent Guidelines Board

1 Centre Street, Suite 2210 • New York, NY 10007  
(212) 669-7480 • Web: [nyc.gov/rgb](http://nyc.gov/rgb)

*Chair*  
Chantella Mitchell

*Executive Director*  
Andrew McLaughlin

## **Statement by Chantella Mitchell, Chair of the New York City Rent Guidelines Board Released at the June 25, 2026 Public Meeting of the Board**

The New York City Rent Stabilization Law of 1969 (RSL) and the New York State Emergency Tenant Protection Act of 1974 (ETPA) each made findings of “a serious public emergency” in housing, an emergency that unfortunately continues to this day. These laws accordingly enacted a legislative scheme with the purpose of “prevent[ing] speculative, unwarranted and abnormal increases in rents,” “prevent[ing] exaction of unjust, unreasonable, and oppressive rents and rental agreements,” and “forestall[ing] profiteering, speculation and other disruptive practices.” ETPA § 2; RSL § 26-501.

To achieve these goals, the law tasks the Board with setting annual guidelines for the “adjustment of the level of fair rents,” RSL § 26-510(h). In doing so, the law directs the Board to review and consider:

- (1) the economic condition of the residential real estate industry in New York City including such factors as the prevailing and projected (i) real estate taxes and sewer and water rates, (ii) gross operating maintenance costs, (iii) cost and availability of financing and interest rates and (iv) supply of housing and vacancy rates;
- (2) relevant data from the current and projected cost of living indices for New York City; and
- (3) such other data as has been made available to us—including the impact of any rent adjustment on tenant affordability.

The comprehensive data before the board this year reflect an economic environment in which most tenants in rent-stabilized housing struggle to meet basic affordability thresholds as housing costs continue to rise. At the same time, the data show that most owners of rent-stabilized properties continue to meet rising costs, with overall financial indicators remaining stable, while a small segment faces measurable financial strain. I recognize these two concurrent realities, as well as the connection between them. As a majority of tenants face persistent and widening affordability constraints that limit their ability to absorb additional rent increases or secure alternative housing options, the subset of owners experiencing financial pressure often operate in environments where tenant incomes place actual limits on their ability to pay rent, constraining the extent to which rising expenses can be offset through higher rents. These conditions create localized stress within the sector that require swift and specific capital and expense interventions from the city and state, as well as an increase in the supply of affordable housing.

The Rent Guidelines Board (RGB) *2026 Income and Affordability Study* reported that wage growth has not kept pace with rising housing costs, which continue to drive overall inflation. The Consumer Price Index (CPI), which rose by 3.4% in the NYC metropolitan area during 2025, was accelerated by an increase of 4.7% in the rent index portion of the CPI and dampened by the increase in the CPI for “all costs less shelter,” which increased by 2.7%. Per data in the *Income and Affordability Study*, wages and incomes increased modestly overall in New York City during the most recent period available. Average wages rose by 2.3% after adjusting for inflation, and median renter income also increased slightly. Most boroughs saw gains, although income declined in the Bronx. However, for renter households with the lowest incomes, earnings went down after accounting for inflation. Income fell for renters in the bottom two quintiles, meaning that income growth was concentrated among higher-income households.

According to the *2026 Income and Affordability Study*, over half of renter households in New York City are rent burdened (spending at least 30% of their income on rent), and nearly 30% are severely rent burdened (spending at least 50%). The report’s historical data on rent burden reflect a sustained level of affordability pressure for tenants in recent years. Eviction data from the New York City Department of Investigation as well as emergency rental assistance data from the New York City Human Resource Administration also highlighted persistent and growing challenges for tenants. Evictions continued to rise in 2025 for the fourth consecutive year, increasing by 9.7% overall, with faster growth in buildings containing rent-stabilized units than in other buildings. Nearly two-thirds (62%) of evictions occurred in buildings with rent-stabilized units. At the same time, demand for emergency rent assistance has surged: one-shot deal payments for rent arrears more than doubled between FY2022 and FY2024, rising from about \$102 million to over \$540 million, alongside a sharp increase in approved applications, and remained elevated at \$555.8 million in FY2025, indicating persistently high levels of tenant distress and reliance on emergency rental assistance to avoid eviction.

The RGB’s *2026 Price Index of Operating Costs* found that operating costs have risen across the rent-stabilized housing stock (5.3% total). This includes large proportional increases in insurance and fuel, as well as more moderate increases in maintenance, utilities, and labor costs. Taxes remain the largest component of operating costs, though the rate of growth declined compared to the prior year. Although costs rose at slightly different rates depending on building age and heating system, the overall pattern of rising expenses was consistent across the housing stock. The RGB’s *2026 Income and Expense Study* found that net operating income (NOI) for rent-stabilized buildings increased 6.2% from 2023 to 2024, reflecting a third consecutive year of growth. Financial conditions in the rent-stabilized stock improved modestly overall, as the share of financially distressed buildings (buildings with negative NOI) declined slightly to 9.2%. However, outcomes varied across the city, with stronger NOI growth in Manhattan and a slight decline in NOI (0.1%) in the Bronx. The unadjusted cost-to-income ratio Citywide among all buildings was 63.6%; and 66.3% for 100% rent-stabilized buildings.

The RGB’s *2026 Mortgage Survey Report* also indicates that the rent-stabilized housing stock remains broadly financially stable, in aggregate. Key indicators, including debt service coverage ratios and loan performance, show that most properties continue to meet their financial obligations. Sales activity for buildings with rent-stabilized units increased in 2025, with 730

buildings sold (up 33% from 2024), alongside rising per-unit prices, including among 100% rent-stabilized buildings. At the same time, lending conditions reflect a more cautious underwriting environment; for example, lenders reported higher vacancy and collection loss assumptions (rising from 3.14% to 5.00%) and increased loan costs, such as higher points charged on new mortgages.

Taken together, the Board's *Price Index of Operating Costs, Income and Expense Study*, and *Income and Affordability* studies from 2026 show that owners' ability to absorb rising costs is uneven and closely tied to building income and tenant characteristics. In lower-income parts of the city, most notably the Bronx, owners face the greatest financial pressure, as revenue has grown but has been insufficient to offset rising costs. These same buildings are more likely to house lower-income tenants, whose wages have not kept pace with rising costs, limiting the ability to raise rents without increasing displacement risk. The data point to concentrated financial strain in low-rent, high-stabilization buildings, where owners have the least capacity to absorb ongoing cost increases and tenants have the least ability to pay.

Collections data for 2026 further demonstrates constrained tenant capacity. Based on the *Income and Expense Study*, the *Mortgage Survey Report*, and portfolio data reported to the Board by a large lender to rent-stabilized housing, multiple indicators suggest that rent collections have not fully returned to pre-pandemic levels. The *Income and Expense Study* documents a persistent gap between collected and legal rents, the *Mortgage Survey Report* shows lenders increasing vacancy and collection loss assumptions, and portfolio-level data indicate that collection rates have not returned to pre-2020 levels, with ongoing shortfalls despite stable occupancy. This data, coupled with the rise in one-shot deals, shows that higher asking-rents do not correspond to improved realized income for many buildings and that tenant ability to pay is a binding constraint.

The RGB's *2026 Housing Supply Report* and the *Changes to the Rent Stabilized Housing Stock in NYC in 2025 (Changes)* report, along with the NYC Department of Housing, Preservation and Development's (HPD) presented data further underscore that there are very limited alternatives for the average family currently residing in rent-stabilized housing should they be evicted or priced-out. Vacancy rates remain near historic lows, with a Citywide rate of just 1.41% and an even tighter 0.98% vacancy rate within the stabilized stock, reflecting a persistently constrained housing market with little available supply.

While new housing production has increased in recent years, the data make clear that new development is not yet delivering units at the scale or affordability levels needed to meaningfully relieve this pressure. HPD testified before the board that the median income of renter households is \$70,000, meaning they can afford rents at or below \$1,750 without being rent-burdened. Over the past 30 years, New York City has lost roughly 600,000 units renting at or below \$1,500 (in inflation-adjusted terms), with about three-quarters of those losses occurring in pre-1974 rent-stabilized buildings, while higher-rent units, especially those above \$5,000, have grown significantly. According to the *Changes* report, the median rent of initially registered new rent-stabilized apartments in 2025 was \$2,146. Even with the ambitious proposed housing development plans, recently passed zoning and regulatory reforms, and pipeline expansions, as described in the *2026 Housing Supply Report*, it is expected to take years for new supply to come online at a scale sufficient to meet current need, particularly for median- and lower-income

households. In the interim, the data make clear that there are few viable options for tenants to relocate without facing significantly higher rent burdens and nonpayment risk.

In addition to the staff reports, we received expert testimony from over 20 housing, budget, and economics professionals. Notably, we heard from the NYU Furman Center, Center on Poverty and Social Policy at Columbia University, the Community Preservation Corporation, the Community Service Society, the Local Initiatives Support Corporation, the Independent Budget Office, and the Fiscal Policy Institute. We also heard over 300 in-person testimonies from, or on behalf, of rent-stabilized tenants (including 12 from public officials); and over 30 in-person testimonies from, or on behalf, of rent-stabilized owners (including one public official). We also received and reviewed over 500 written, video, and audio testimonies from, or on behalf, of rent-stabilized tenants (including 6 from public officials); and over 100 written, video, and audio testimonies from, or on behalf, of rent-stabilized owners.

In weighing this year's guidelines, I consider the full evidentiary record and its implications. The data make clear that current economic conditions place meaningful constraints on tenants, while also showing that, in aggregate, most owners remain able to meet rising costs without experiencing comparable levels of financial distress. At the same time, it is important to acknowledge that a small subset of owners are facing severe financial pressure. Despite clear evidence that tenants concentrated in those buildings cannot absorb additional rent increases, these owners' need for relief is real and, in some cases, urgent.

As their testimonies made clear, they are navigating significant and compounding cost pressures, including rising property taxes, increasing insurance costs, and unfunded or underfunded legislative mandates. While the Department of Housing Preservation and Development outlined efforts to address these challenges in their testimony to the Board, the effectiveness of those efforts will depend on whether relief is timely and accessible to the owners most in need.

Taken together, these findings reinforce that preserving affordability within the existing rent-stabilized stock is important for current tenants and essential to maintaining broader housing stability across New York City. I believe this year's guidelines are consistent with the full 2026 record and that the Board's determination reflects the current economic conditions, cost structures, and housing market constraints.