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# 2018 Housing Supply Report

May 24, 2018

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# 2018 Housing Supply Report

## What's New

- ◆ The Citywide rental vacancy rate was 3.63% in 2017.
- ◆ Permits for 22,131 new dwelling units were issued in NYC in 2017, a 36.0% increase over the prior year.
- ◆ There was a 3.6% decrease in the number of co-op or condo units accepted in 2017, to 279 plans containing 8,358 units.
- ◆ The number of housing units newly receiving 421-a exemptions increased 363.0% in 2017, to 20,804.
- ◆ The number of housing units newly receiving J-51 abatements and exemptions decreased 33.3% in 2017, to 22,877.
- ◆ The number of new housing units completed in 2017 increased 11.1% over the prior year, to 25,839.
- ◆ Demolitions were down in 2017, decreasing by 6.9%, to 1,722 buildings.
- ◆ City-sponsored programs spurred 24,293 new housing starts in FY 2017, 32% of which were newly constructed units.
- ◆ The City-owned *in rem* housing stock increased from 125 units in June of 2016 to 323 units in March of 2018. Since 1994, the number of units has declined 99.3%.

## Introduction

Section 26-510(b) of the Rent Stabilization Law requires the Rent Guidelines Board (RGB) to consider the “over-all supply of housing accommodations and over-all vacancy rates” and “such other data as may be made available to it.” To assist the Board in meeting this obligation, the RGB research staff produces an annual *Housing Supply Report*, which reports on current conditions in the housing market, including vacancy and overcrowding rates, new housing production, co-op and condo conversions, demolitions, housing created through tax incentives, and government-sponsored housing starts.

## Overview

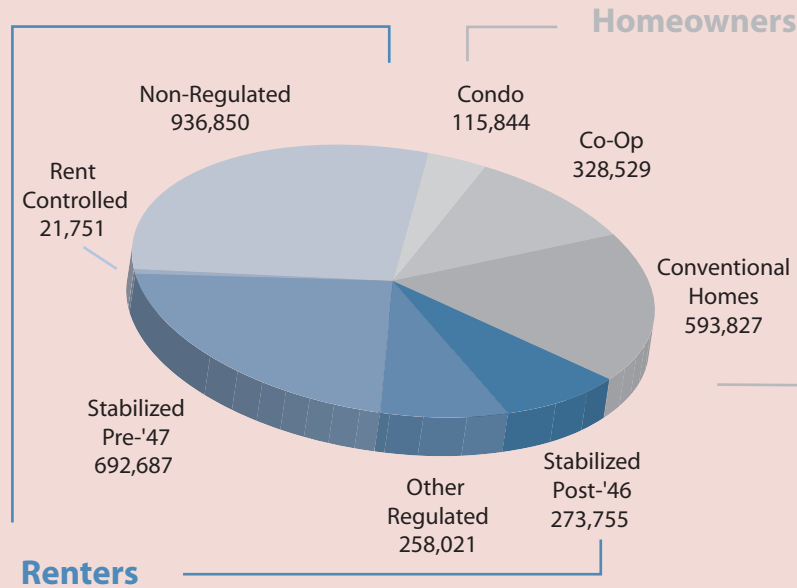
Between 2016 and 2017 there was a 36.0% increase in the number of permits issued for new housing units, rising to 22,131, following a large decrease in the prior year. Following five consecutive years of decrease, the number of units newly receiving 421-a benefits rose dramatically, increasing 363.0% from 2016 levels. The number of units newly accepted in co-op and condo plans fell slightly, by 3.6%, with the number of plans falling by 1.1%. Rehabilitation of housing units under the J-51 tax abatement and exemption program also declined during 2017, down 33.3%. The number of completed housing units rose during 2017, increasing 11.1% to 25,839 units, while the number of demolitions fell by 6.9% during 2017. As of 2017, a tight housing market also remains in New York City (NYC), with a Citywide rental vacancy rate of 3.63% and 11.5% of all rental housing considered overcrowded.

## New York City's Housing Inventory

Most New Yorkers live in multi-family rental housing rather than owning homes. According to the *2017 Housing and Vacancy Survey (HVS)*,<sup>1</sup> rental units comprise 62.9% of NYC's available housing stock, a far greater share than the nationwide average of 36.9%.<sup>2</sup> NYC in 2017 had a total of 3,469,240 housing units, the largest housing stock since the first *HVS* was conducted in 1965. NYC's housing is not only distinguished by the size of its rental housing stock, but unlike most cities, the bulk of rental units are rent regulated. Of the 2,183,064 occupied and vacant rental units reported in the most recent *HVS*, 42.9% were unregulated, or “free market.” The remaining units were rent regulated, including pre-war (pre-47) rent stabilized (31.7%), post-war (post-46) rent stabilized (12.5%), rent controlled (1.0%), or regulated under various other<sup>3</sup> types of programs (11.8%). (See pie chart on the following page.)

## Number of Renter and Owner Units

### New York City's Housing Stock Is Predominantly Renter-Occupied



Source: U.S. Bureau of the Census, 2017 New York City Housing and Vacancy Survey  
Note: Above figures exclude 247,977 vacant units that are not available for sale or rent.

The *HVS* also indicated that NYC's housing market remains tight, finding a Citywide rental vacancy rate of 3.63% in 2017, below the 5% threshold required for rent regulation to continue under State law. This translates into the availability of just 79,190 vacant units out of almost 2.2 million rental units Citywide. The vacancy rate ranged from a low of 2.71% in the Bronx to a high of 4.73% in Manhattan. The Brooklyn vacancy rate was 3.28%, and the Queens rate was 3.50%. The sample size in Staten Island was too small to permit calculation of an accurate vacancy rate.<sup>4</sup>

Vacancy rates also varied by rent regulation status. Both post-war and pre-war stabilized units had low vacancy rates, at 1.21% and 2.40%, respectively. Stabilized vacancy rates on the whole were 2.06%, while private, non-regulated units were vacant at a 6.07% rate.

The frequency of crowding also varied by rent regulation status. Overall, 11.5% of all rental housing in NYC in 2017 was overcrowded (defined as more than one person per room, on average) and 4.5% was severely overcrowded (defined as an average of more than 1.5 persons per room). Post-war stabilized

housing was more crowded than pre-war, with 13.4% of units overcrowded and 6.6% severely overcrowded, while 12.9% of pre-war units were overcrowded, and 5.1% were severely overcrowded. Overall, 13.1% of rent stabilized housing was overcrowded and 5.5% was severely overcrowded. By comparison, in non-regulated housing, 11.3% was overcrowded and 4.2% severely overcrowded.

## Changes in the Housing Inventory

### Housing Permits

Housing supply grows in a variety of ways: new construction, substantial rehabilitation of deteriorated buildings, and conversions from non-residential buildings into residential use. The number of permits authorized for new construction is a measure of how many new housing units will be completed and ready for occupancy, typically within three years, depending on the type of housing structure.

In 2017, permits newly issued for housing units rose for the seventh time in the past eight years.

Following a large decrease of 71.2% in 2016 (to 16,269 units), permits were issued in 2017 for 22,131 units of new housing, an increase of 36.0% from 2016.<sup>5</sup> (See graph on this page.)

Permits rose by double digits in every borough except Staten Island, where they fell 24.0%, to 685 units. (See Appendix 1 and the map on the following page.) Permits in Queens rose by the greatest proportion, increasing 79.8%, to 5,104 units. Newly issued permits also rose in Brooklyn, by 36.1% (to 6,130 units); in the Bronx, by 34.9% (to 5,401 units); and by 19.6% in Manhattan (to 4,811 units).

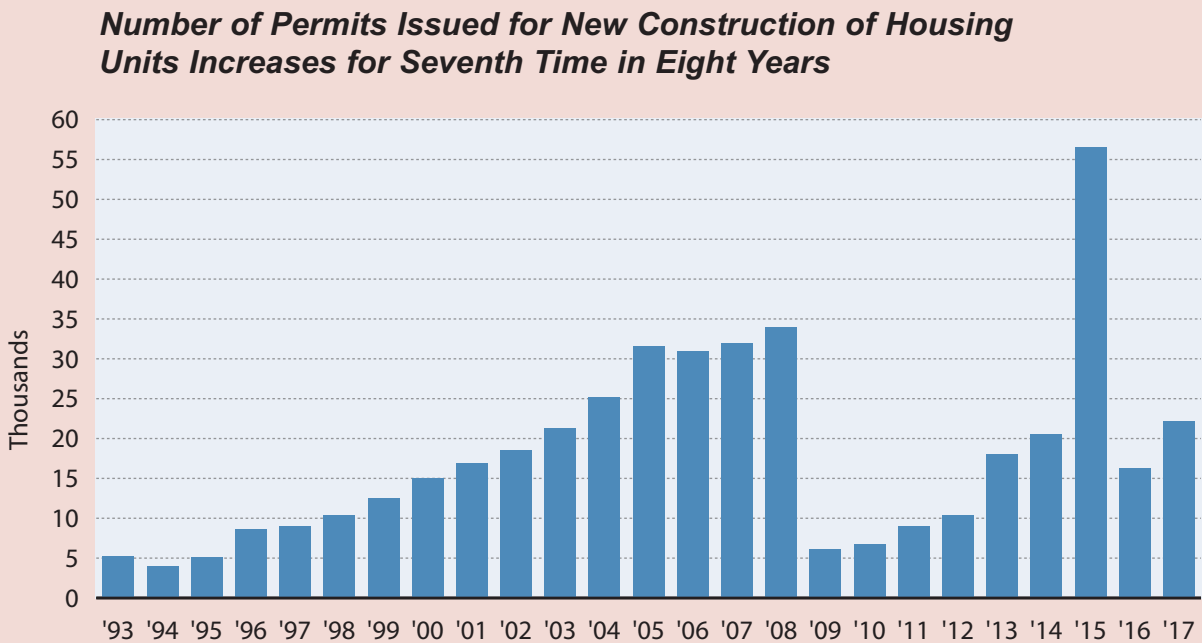
On a quarterly basis, permits rose in three of the four quarters of 2017, as compared to the same quarters of the prior year. While permits fell by 16.0% in the third quarter of 2017, they rose by 193.9% in the first quarter, 49.2% in the second quarter, and 13.0% in the fourth quarter.

Permits for new housing units rose not only because the number of buildings being newly constructed rose, but because the size of these buildings also rose. While the number of buildings receiving permits rose 7.8% between 2016 and 2017,

the average building size rose from 10.5 units in 2016, to 13.2 in 2017, a 26.2% increase. In the first quarter of 2017, a quarter in which the number of permits issued nearly tripled, average building size rose from 7.3 units to 15.8 units, a 116.2% increase. For historical permit information by quarter, see Appendix 3.

The most recently available data, from the first quarter of 2018, showed that newly issued permits were down as compared to the same period of the prior year, with decreases in every borough but the Bronx. The number of permits issued in NYC decreased from 6,343 in the first quarter of 2017 to 5,170 during the first quarter of 2018, an 18.5% decrease. While permits rose 5.1% in the Bronx, they fell by 10.8% in Manhattan; 17.2% in Brooklyn; 34.7% in Staten Island; and 44.6% in Queens. In addition to a decrease of 9.2% in the number of buildings newly permitted during this quarter, the average size of the buildings newly permitted fell by 10.2%, decreasing from 15.8 units to 14.2 units. Average building size fell in every borough except Staten Island (where it rose just 0.1%), falling by the greatest proportion in Queens, where the

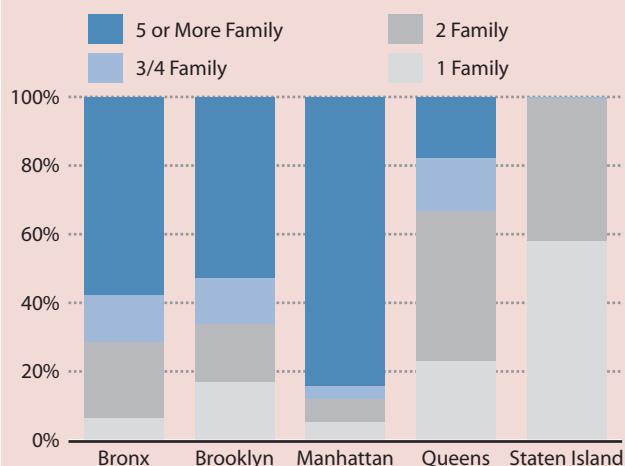
### Units Issued New Housing Permits, 1993-2017, in Thousands



Source: U.S. Bureau of the Census, Manufacturing and Construction Division Building Permits Branch

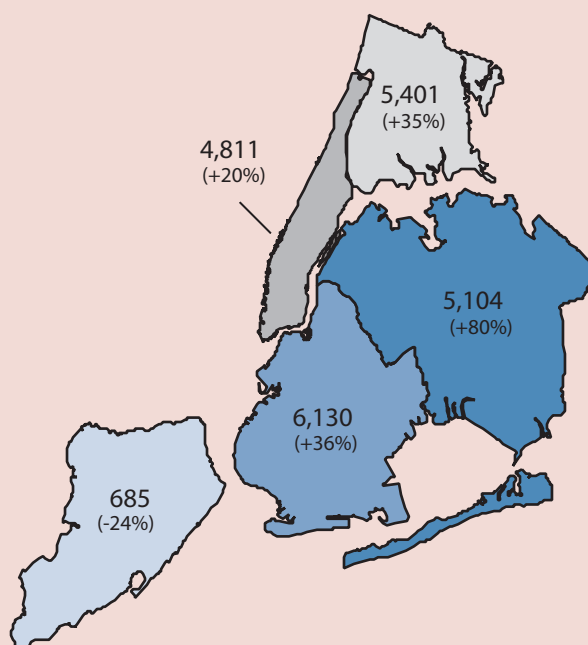
## Residential Building Permits, 2017

**Permits by Building Size:**  
**Most New Buildings in Manhattan are Five Family or More, in Staten Island One- and Two-Family Homes Predominate**



Source: U.S. Bureau of the Census, Manufacturing and Construction Division - Building Permits Branch

**Total Number of Permits Issued in 2017 and Percentage Change From 2016 by Borough**



Source: U.S. Bureau of the Census, Manufacturing and Construction Division - Building Permits Branch

average building size fell from 15.4 units in the first quarter of 2017 to 7.5 units in the first quarter of 2018. For historical permit information by quarter, see Appendix 3.

Permit data can also be analyzed more deeply by looking at the reported size of the buildings receiving permits. In 2017, a total of 1,673 buildings received permits (containing a total of 22,131 housing units). Citywide, 28.9% of these buildings were single-family, 31.7% were two-family, 9.9% were three- or four-family structures, and 29.5% were buildings with five-or-more units. In 2017, 90.7% of all permits issued Citywide were for units in five-family or greater buildings (a total of 20,062 units), with the average five-family or greater building containing 41 units for the City as a whole, and 75 units in Manhattan (both slight increases from the prior year). As the graph on this page illustrates, almost all building permits in Manhattan were for the largest buildings, while in Staten Island virtually all permits were for either one- or two-family buildings. Building size was more evenly distributed in the Bronx and Brooklyn (and to a lesser extent in Queens). (See Appendix 2.)

## Housing Completions

This report also examines the number of units completed in the City each year, indicative of what housing actually enters the market in a particular year. In 2017, an estimated 25,839 new housing units were completed, an 11.1% increase from 2016.<sup>6</sup> Completions rose in three of the five boroughs, rising by the greatest proportion in Queens, which rose 46.4% (to 5,041 units). Completions also rose in Brooklyn, up 21.0% (to 11,065 units); and the Bronx, up 5.5% (to 2,672 units); However, completions declined in Staten Island, down 45.1% (to 671 units); and Manhattan, down 7.4% (to 6,390 units). Citywide, 93.3% of the newly completed units were in five-family or greater buildings, up from 91.1% in the prior year. The average size of completed buildings, by borough, ranged from 1.6 units per building in Staten Island; to 13.0 units in Queens; 20.3 units in Brooklyn; 24.7 units in the Bronx; and 75.2 units in Manhattan. (See

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Appendix 4 for a historical breakdown of completions by borough.<sup>7)</sup>

## City-Sponsored Construction

Housing is created and preserved in part through publicly funded sources, including programs sponsored by the NYC Department of Housing Preservation and Development (HPD) and the NYC Housing Development Corporation (HDC). HPD's Office of Development operates a number of programs that develop affordable housing for low- and moderate-income New Yorkers. Programs include the Extremely Low and Low-Income Affordability Program, which is HPD's multi-family new construction housing initiative, financed through both public and private sources; the Affordable Neighborhood Cooperative Program, which provides very low interest loans for the rehabilitation of buildings into affordable cooperatives for low and moderate-income households; and the Multifamily Housing Rehabilitation Loan Program, which provides rehabilitation loans at a maximum 3% interest for the replacement of major building systems. HDC operates some of the same programs as HPD, in addition to programs such as the Mitchell-Lama Preservation Program, which offers loans to Mitchell-Lama owners in order to make needed capital improvements, and the Preservation Program, which provides tax-exempt bond financing to affordable housing developments with at least 50 units.

HPD- and HDC-sponsored programs spurred a total of 24,293 housing starts<sup>8</sup> in Fiscal Year (FY) 2017, a 2.9% increase over the prior FY. Of these starts, 16,588 (68.3%) were preservation, and 7,705 (31.7%) were new construction. A total of 22,500 units are targeted for FY 2018 and 24,000 for FY 2019.<sup>9</sup> During the first nine months of FY 2018 there were 11,441 starts by HPD and HDC, an increase of 11.5% over the same period of the prior FY.<sup>10</sup>

In May of 2014, Mayor Bill de Blasio announced details of his ten-year, \$41 billion plan to build and/or preserve 200,000 units of affordable housing. "Housing New York: A Five-Borough, Ten-Year Plan" projected that 60% of the units would be preservations, and 40% would be new construction. The majority, 58%, were slated for "low-income" residents (defined

at the plan's inception as \$42,000-\$67,000 for a family of four), with 22% geared for residents making more than this amount, and 20% for residents making less than this amount.<sup>11</sup>

That plan has now been modified and expanded. In "Housing New York 2.0," released in November of 2017, the de Blasio administration outlined a plan to complete the promised 200,000 units of housing two years ahead of schedule, and add another 100,000 units to the goal, for a total of 300,000 affordable units by 2026. The new guidelines call for 55.5% to be affordable for "low-income" families making between 51% and 80% of Area Median Income (currently \$42,951-\$68,720 for a family of three), with 19.5% geared for residents making more than this amount, and 25.0% for residents making less than this amount. The plan also creates new programs aimed at increasing affordable housing for seniors, preserving Mitchell-Lama housing, and creating more micro units.<sup>12</sup>

Through March of 2018, the de Blasio administration reports they have financed 89,092 units of affordable housing since the start of the Mayor's tenure, 68% preservation and 32% new construction. By borough, 33.6% of the starts were located in the Bronx, with 28.8% in Manhattan, 25.6% in Brooklyn, 9.6% in Queens, and 2.3% in Staten Island. By affordability level, 15.4% of the starts were aimed at extremely low-income households, 18.3% at very low-income households, 48.1% at low-income households, 6.7% at moderate-income households, and 11.1% at middle-income households.<sup>13</sup> Just over 13,000 of these units were dedicated to special needs populations (the homeless and seniors).

## Tax Incentive Programs

The City offers various tax incentive programs to promote the development of new housing. Various iterations of the 421-a tax exemption program, which began in the early 1970s, have allowed both renter- and owner-occupied multifamily properties to reduce their taxable assessed value for the duration of the benefit period. That is, owners were exempt from paying additional real estate taxes due to the increased value of the property resulting from the new construction. Rental apartments built with 421-a tax

exemptions are currently subject to the provisions of the Rent Stabilization Laws during the exemption period. Initial rents are required to be approved by HPD and are then subject to increases established by the NYC Rent Guidelines Board.

A variety of factors are used to establish the level and period of 421-a benefits, and properties are also subject to construction guidelines. After expiring at the end of 2015, the latest iteration of the 421-a was reinstated in April of 2017 (retroactive to January of 2016) with a new name (Affordable New York Housing Program) and policy changes. Prior to 2016, the program, which is still newly certifying units, allowed eligible buildings to receive an exemption for 10 to 25 years depending on location, the number of units reserved for low- and moderate-income tenants, and whether they were located in a City-designated neighborhood preservation area. Longer exemption periods applied in northern Manhattan and boroughs outside Manhattan, and to projects that received governmental assistance or contained no fewer than 20% low-income units. For buildings within the Geographic Exclusion area (all of Manhattan, and parts of each of the other boroughs), affordable housing must be contained within the newly constructed building.<sup>14</sup>

Per the new Affordable New York program (effective January 1, 2016), rental developments with 300 units or more in Manhattan (south of 96th Street) and the Brooklyn and Queens waterfront will be eligible for a full property tax abatement for 35 years if the development creates one of three options for affordable rental units and meets newly established minimum construction wage requirements. The units must remain affordable for 40 years. For all other rental developments in NYC utilizing the tax benefit, the full tax exemption benefit period is 25 years, with a phasing out of benefits in years 26-35. For developers who use the benefit program to build co-op or condo housing, the building must contain no more than 35 units, be located outside of Manhattan, and have an assessed value of no more than \$65,000 per unit. The benefit lasts for a total of 20 years, with a full exemption for the first 14.<sup>15</sup> The governor estimates that the new program, which expires in 2022, will create 2,500 new units of affordable housing a year.<sup>16</sup>

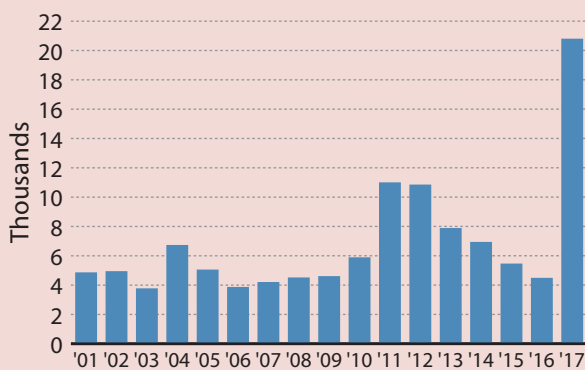
In March of 2017, the NYC Independent Budget Office analyzed the then-proposed Affordable New York program and estimated that it would cost the City a total of \$8.4 billion in lost tax revenue over the next ten years, an estimated \$1.2 billion more than the cost if the now-expired 421-a program continued unchanged.<sup>17</sup>

In 2017, the number of housing units newly receiving a 421-a Final Certificate of Eligibility increased dramatically, following five consecutive years of decrease. Newly certified units rose 363.0% in 2017, to 20,804 units (see graph on this page), including increases in all of the boroughs.<sup>18</sup> Newly certified units increased only slightly in Staten Island, rising from no units in 2016 to 32 in 2017. Units newly certified rose by the greatest proportion in Manhattan, an increase of 787.7% (an almost nine-fold increase). Units also rose dramatically in the Bronx, rising 637.8%; Queens, rising 364.0%; and Brooklyn, rising 206.7%.

Citywide, the largest proportion of units newly certified in 2017 were in buildings located in Brooklyn, with 39.4% of the total units in the City. Manhattan had 35.8% of these units, Queens had 17.2%, the Bronx had 7.4%, and 0.2% of units were in Staten Island. Because buildings in Manhattan are so much

### Units Newly Receiving 421-a Certificates, 2001-2017 in Thousands

**363% Increase in Units Newly Issued 421-a Certificates in 2017**



Source: NYC Department of Housing Preservation and Development



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larger than buildings in the outer boroughs, more than a third of units were in Manhattan, despite having only 67 of the 966 buildings (7%) newly certified for 421-a benefits Citywide. (See Appendices 7 and 8.)

While the overall (both owner- and renter-occupied) number of newly certified 421-a units rose 363.0% between 2016 and 2017, the number of rental units in this program rose by a greater amount, 461.7%. Most notably, newly certified rental units rose 2126.0% in Manhattan during 2017 (from 285 units to 6,344 units), with rental units rising 667.2% in the Bronx, 479.0% in Queens, and 215.8% in Brooklyn. There were no newly certified units in Staten Island during 2017. More than 84% of newly certified units in 2017 were rental units.

In Fiscal Year 2018, the 421-a program will cost the City \$1.4 billion in lost tax revenue for all housing types, including 105,000 rental units, 55,000 co-op and condo units, and 34,000 1-3 family and mixed-use structures.<sup>19</sup>

HPD announced in March of 2018 that they had suspended 421-a benefits, representing \$66 million in tax revenue for 2018, to 1,788 “properties.” The “properties” (individual block and lots comprising approximately 1,300 buildings, including 109 rental buildings with 4,373 units) had received 421-a benefits for at least five years, but had not filed for a Final Certificate of Eligibility with the NYC Department of Finance (DOF). These owners, along with 3,480 others, received previous notice from DOF that they needed to comply within 13 months or their benefits would be suspended. The City will reinstate their benefits if they come into compliance by May 1, 2018.<sup>20</sup>

Another program that has offered affordable housing, the New York State Mitchell-Lama program, has suffered from a loss of housing since “buyouts” from the program began in 1985.<sup>21</sup> Between 1955 and 1978, approximately 140,000 units of low- and middle-income housing were built in NYC through this tax-break and mortgage subsidy program. Since buyouts began in 1985, the City has lost approximately 47,000 units of Mitchell-Lama housing (including 4,000 units of hospital/university staff housing), although some has transitioned to rent stabilization. After averaging an annual loss of more than 5,000 units between 2004 and 2007, the pace has slowed

considerably. Two developments bought out in 2017, with a total of 233 units. Both of these developments were rentals, and converted to rent stabilization.<sup>22</sup> The de Blasio Administration announced in October of 2017 that it would implement a new program aimed at preserving the affordability of units in the Mitchell-Lama program (both rentals and co-ops, but only for those units supervised by the City). An investment of \$250 million will target 15,000 units of housing that have the potential to buyout of the program, by offering them an array of financing tools to restructure existing debt, provide long-term tax benefits, and fund capital repairs. The Administration reports that since the inception of the Housing New York Plan in 2014, 30 Mitchell-Lama developments with 11,000 units of housing have been preserved through similar initiatives.<sup>23</sup>

## Conversions and Subdivisions

New housing units are also brought onto the market through subdivisions and conversions. Subdivisions involve the division of existing residential space into an increased number of units. Non-residential spaces, such as offices or other commercial spaces, can also be converted for residential use. As chronicled in prior *Housing Supply Reports*, during the mid-2000s, with a tight housing market and high demand for luxury apartments, there were an increasing number of conversions in neighborhoods Citywide. Conversions occurred in facilities as diverse as hospitals, recording studios, power plants, office buildings, and churches.

One indicator of conversions is the number of non-residential buildings newly receiving J-51 benefits for conversion to residential use. In 2017, for the second consecutive year, no formerly non-residential buildings received J-51 benefits for conversion to a co-op or condo.<sup>24</sup>

## SRO Housing and Airbnb Rentals

Conversion of single room occupancy (SRO) buildings also continued over the past year. SRO owners may convert SRO housing to other uses after obtaining a “Certificate of No Harassment” from HPD. Following a small decrease of 1.8% in 2016, the number of

approved certificates fell again in 2017, from 162 in 2016 to 92 in 2017, a decrease of 43.2%.<sup>25</sup>

Efforts are also underway to ensure that SROs are used for permanent housing rather than as transient hotels. As of May 1, 2011, laws were newly passed strengthening the City's ability to crack down on housing being used illegally for transient occupancy. Transient occupancy is now clearly defined as stays of fewer than 30 days<sup>26</sup>. Governor Cuomo signed a bill in October of 2016 that further increased the fine for illegally advertising short-term rentals to as much as \$7,500.<sup>27</sup>

Between May of 2011 and April of 2018, 13,087 violations were issued to illegal hotel operators (including private apartments, hostels, and SROs). This includes 3,550 violations issued between May, 2017 and April, 2018), an increase of 99.2% over the same time period of the prior year.<sup>28</sup>

The effect of Airbnb, a company which facilitates short-term and vacation rentals worldwide, continues to be studied by various City agencies and interest groups. A study published in January of 2018 analyzed Airbnb activity in the New York City metro region for the time period of September 2014 through August 2017. Among that report's key finding, the researchers found that just over half of all listings (accounting for two-thirds of all revenue) were likely from illegal listings. The report also found that between 7,000 and 13,500 units of housing have been removed from the New York City permanent rental market and by reducing the housing supply, the median rent in New York City increased by 1.4% more over three years than it would have absent the effect of Airbnb.<sup>29</sup>

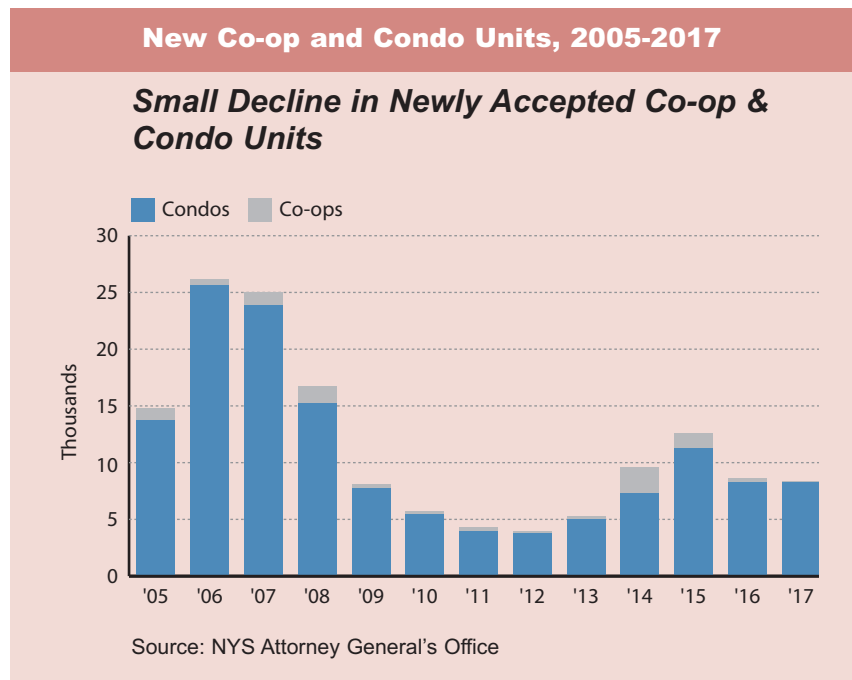
An April 2018 report from the NYC Comptroller's Office analyzed rent data from the Census Bureau's annual American Community Survey from 2009 through 2016 and used a regression analysis to estimate the effect that Airbnb had on rents. While there were Airbnb listings in every neighborhood of NYC, half the listings in 2016 were concentrated in just seven

neighborhoods of Manhattan and Brooklyn. In these seven neighborhoods, the average monthly rent rose from between 21.4% and 62.6% between 2009 and 2016, and anywhere from 10.7% to 21.6% of this increase was attributed to the effect of Airbnb removing units from the permanent rental housing stock. On the whole, the report found that for each one percent of housing units listed on Airbnb, rents in the neighborhood rose 1.58%. The report attributes 9.2% of the citywide increase in rental costs between 2009 and 2016 to Airbnb, or an additional \$616 million in rent.<sup>30</sup>

## Cooperative and Condominium Activity

Developers planning to build new co-op or condo buildings, and owners wishing to convert their rental buildings to co-ops or condos, must file plans with, and receive acceptance from, the New York State Attorney General's Office. In 2017, the Attorney General accepted 279 co-op and condo plans, a 1.1% decrease from the number accepted in 2016.<sup>31</sup> These 279 plans encompassed 8,358 housing units, 3.6% fewer than in 2016 (see graph on this page).

Almost two-thirds of all plans, 180, were accepted for buildings located in Brooklyn; 59 were located in Manhattan; 35 plans were accepted for Queens; three



plans were accepted in the Bronx; and two plans were in Staten Island. Because Manhattan buildings tend to be larger than those in the outer boroughs, more units were located in Manhattan (3,555), with Brooklyn (2,576) and Queens (2,154) trailing, and only 67 units in the Bronx and six in Staten Island. (See Appendices 5 and 6.)

The majority of the plans accepted Citywide in 2017 were for new construction, comprising 228 of 279 plans, and a total of 6,906 of 8,358 units. This is similar to the prior year, when new construction accounted for 210 of the 282 accepted plans. A number of units were located in non-eviction conversions (with 18 plans and 764 units), and 33 plans, with 688 units, were rehabilitations. Of all the newly accepted plans in 2017, 98.4% of the units were in condo plans, and 1.6% were in co-op plans (see graph on this page).

While the conversion of rental housing into co-op and condo units increases the housing inventory for sale, it simultaneously reduces the total number of housing units for rent. Conversions represented 9.1%

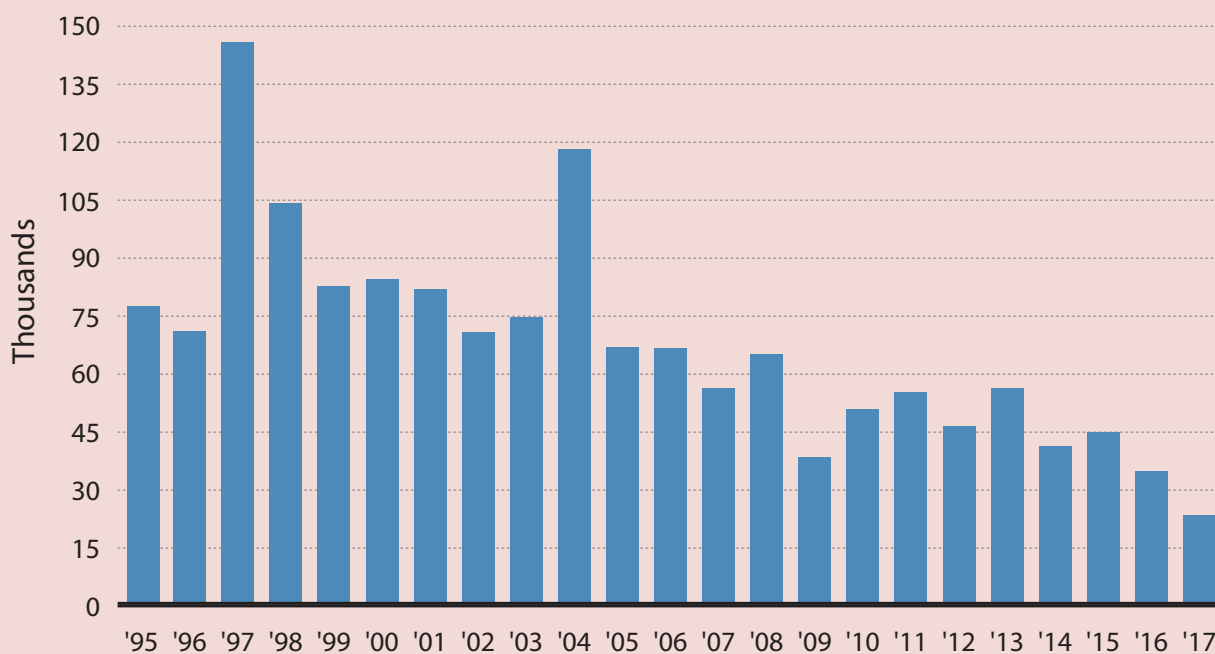
of the total number of units in 2017 co-op and condo plans, a lesser share than the 18.5% share in 2016, and the smallest proportion since 1998. Because most conversion plans are non-eviction plans (including all plans in 2017), only when the original rental tenant moves out, or opts to buy the apartment, does the apartment become owner-occupied and removed from the rental universe.

## Rehabilitation

Another method for adding to or preserving the City’s residential housing stock is through rehabilitation of old buildings. As buildings age, they must undergo renovation and rehabilitation to remain habitable. This is particularly relevant to NYC’s housing stock, where more than 57% of units are in buildings constructed prior to 1947.<sup>32</sup> Through tax abatement and exemption subsidy programs offered by the City for rehabilitation, units are able to remain in, or be readmitted to, the City’s housing stock. The J-51 tax abatement and exemption program is intended to encourage the

**Units Receiving Initial J-51 Benefits, 1995-2017, in Thousands**

**2017 Saw Decrease in Number of Units Newly Receiving J-51 Benefits**



Source: NYC Department of Housing Preservation and Development

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periodic renovation of NYC's stock of both renter- and owner-occupied housing.

The J-51 tax relief program is similar to the 421-a program in that it requires that those rental units not already rent stabilized be subject to rent regulation for the duration of the benefits. Rehabilitation activities that are permitted under J-51 regulations are Major Capital Improvements (MCIs); moderate and gut rehabilitation of both government-assisted and privately-financed multiple dwellings (which requires significant improvement to at least one major building-wide system); as well as improvements to co-ops and condos (subject to certain assessment guidelines if the project does not include substantial governmental assistance). While prior incarnations of the J-51 program allowed for conversion of lofts and non-residential buildings into multiple dwellings, regulations effective January 1, 2012 allow only for conversions if there is substantial governmental assistance.<sup>33</sup>

In 2017, 22,877 units newly received J-51 benefits, a decrease of 33.3% from the previous year (see graph on the previous page and Appendix 8).<sup>34</sup> These units were contained in 1,413 buildings, a decrease of 35.5% from 2016 levels. The location of the units newly receiving benefits ranged from 34.9% located in Queens; to 28.5% in the Bronx; 20.2% in Brooklyn; 16.2% in Manhattan; and 0.2% in Staten Island. Units newly receiving benefits fell by double digits in three of the five boroughs, including decreases of 30.7% in Queens, 39.9% in Brooklyn, and 51.0% in the Bronx. Units newly receiving J-51 benefits rose 108.3% in Manhattan and from two to 38 units in Staten Island. (See Appendices 7 and 8.) The average size of the buildings receiving benefits rose slightly, from 15.7 units in 2016 to 16.2 units in 2017.

In Fiscal Year 2018, the J-51 tax program will cost the City \$294.5 million in lost tax revenue for all housing types, including approximately 267,000 rental units and 221,000 owner units.<sup>35</sup>

Rehabilitation work is also carried out through HPD's "Alternative Enforcement Program (AEP)," now in its eleventh year of identifying the 200-250 "worst" buildings in the City, based on housing code violations. The most recent group of 250 buildings include 3,970 units of housing, with 7,602 non-hazardous A-class

violations, 21,442 hazardous B-class violations, and 4,859 immediately hazardous C-class violations. If building owners in this program do not make repairs to their buildings, the City steps in to do so, and then charges the owners. Through the first nine rounds of the program, the City discharged 1,647 buildings that entered the program, with a combined total of 22,033 units of housing.<sup>36</sup> In the 2017 round of the program, buildings were discharged at a record pace, with 138 of 250 buildings discharged in the first four months of that year's program.<sup>37</sup>

## **Tax-Delinquent Property**

### ***In Rem* Housing and Anti-Abandonment Strategies**

Historically, the City foreclosed on thousands of tax-delinquent residential properties, becoming the owner and manager of these buildings, known as *in rem* properties. By its peak in 1986, the City owned and managed 4,000 occupied buildings containing 40,000 units of housing and almost 6,000 vacant buildings containing 55,000 units of housing.

HPD's Alternative Management Programs began in 1994 with the goal of returning City-owned properties to private owners and reducing its share of *in rem* buildings by identifying buildings at risk and helping owners. HPD has successfully reduced the number of occupied and vacant *in rem* units in HPD central management to 323 through March of 2018, an increase from last year, but a 99.3% decline since FY 1994.<sup>38</sup> Key initiatives to prevent abandonment include tax lien sales; the Third Party Transfer Program, which targets distressed and other buildings with tax arrears;<sup>39</sup> and housing education courses, which teach owners and superintendents basic management, maintenance, and finance skills to improve their properties.<sup>40</sup>

The City no longer forecloses and takes title to properties that are tax delinquent or in arrears for water and sewer charges. Instead, tax liens for properties that are not distressed are sold in bulk to private investors after notice is given to property owners, who are given 90 days to pay the arrears. After the lien is sold, the lien holder is entitled to collect the entire lien amount, plus other interest and charges, from the property

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owner. In addition, the property owner must continue to pay current taxes to the City. If the owner has not paid the lien or entered into a payment plan, the lien holder can file for foreclosure on the property.<sup>41</sup> The Lien Sale Task Force, a task force authorized by law to review and evaluate the Lien Sale Program, reported in September of 2016 that between 2008 and 2016, an average of 25,100 properties were added to the lien sale list annually. But the number of liens actually sold was an average of 4,600, or 18.3% of the liens published in the 90-day notice. Of the 41,400 liens sold during this period, just 354 (0.8%) ultimately went into foreclosure, with less than half of these foreclosed properties being residential.<sup>42</sup>

An additional facet of the City's anti-abandonment strategy is third party transfer. For buildings that are distressed and in tax arrears, the City can initiate an *in rem* tax foreclosure action against property owners. The policy, authorized under Local Law 37 of 1996, transfers the title of *in rem* properties directly to new owners (qualified third parties) without the City ever taking title itself.<sup>43</sup> Since it began in 1996, the NYC Department of Finance has collected at least \$536 million in revenue associated with properties in this program, and 530 buildings have been transferred to for-profit and non-profit owners. No new properties have been transferred since 2013, although Round 10 of this program has identified 139 buildings (comprising 2,132 units) which will be transferred in the near future.<sup>44</sup>

## Demolitions

While in the early 1990s relatively few residential buildings in NYC were demolished, this began to change in 1996, the same year that the number of building permits issued began to increase significantly. In fact, the number of buildings demolished between 2005 and 2007 alone was almost triple the number demolished in all the years from 1990 to 1999 combined. However, for the second consecutive year, demolitions decreased Citywide in 2017. A total of 1,722 buildings were demolished in 2017, a 6.9% decrease over the prior year, following a decrease of 2.0% in 2016. Queens accounted for 33.6% of all the buildings demolished in 2017, Brooklyn had 33.3%,

Staten Island had 18.6%, the Bronx had 7.9%, and Manhattan had the lowest proportion, 6.6%. Demolitions fell in every borough but Staten Island, where they rose by 36.2%. Demolitions fell by the greatest proportion in Manhattan, falling 36.0%, while they fell 11.6% in Queens, 10.7% in Brooklyn, and 2.2% in the Bronx.<sup>45</sup> (See Appendix 9.)

Obtaining a permit for demolition or significant alterations may be harder going forward. A three-year pilot program, in effect starting in the Fall of 2018, will require certain owners to obtain a "Certificate of No Harassment" (CONH) before DOB approval of demolition or significant alteration permits. Among the buildings that will need this approval are those in which either a court or New York State Homes and Community Renewal found at least one case of harassment since September of 2013; distressed buildings in one of 11 Community Districts; buildings that have been the subject of a full vacate order; or those buildings that participated in the AEP program for at least four months since February 1, 2016. Following a hearing to determine whether harassment of tenants has taken place within the previous 60 months, those buildings found not eligible for a CONH have the choice of entering into a "cure agreement," where affordable housing is developed within the Community District in exchange for the permit. Absent a cure agreement, no permits will be issued to those buildings who fail to obtain a CONH for at least 60 months following the denial.<sup>46</sup>

## Summary

In 2017, housing permits rose, rising by 36.0%, while the number of completed housing units increased by 11.1%. The number of units newly receiving 421-a tax benefits rose 363.0% in 2017, while units newly receiving J-51 tax abatements and exemptions decreased by 33.3%. There was a decrease in newly accepted co-op and condo units, with units decreasing 3.6% and plans decreasing by 1.1%. Rental housing availability remains tight, with a Citywide vacancy rate of 3.63% in 2017, and more than 11% of rental units overcrowded. Mayor de Blasio's expanded housing initiative calls for the development and preservation of 300,000 units of housing by 2026, more than 89,000

of which have already been started, to help reduce the affordable housing shortage. □

## Endnotes

1. The NYC Housing and Vacancy Survey is conducted triennially, sponsored by the NYC Department of Housing Preservation and Development (HPD) and conducted by the U.S. Census Bureau. Data is based on "Selected Initial Findings of the 2017 NYC Housing and Vacancy Survey," prepared by HPD.
2. The U.S. housing stock was comprised of 36.9% renter-occupied units, according to the 2016 American Community Survey, conducted by the U.S. Census Bureau. To calculate the ratio of renter-occupied units in NYC, staff did not include vacant units that are not for sale or for rent in the total number of housing units.
3. Other units include public housing, Mitchell-Lama, *In Rem*, HUD-regulated, Article 4 and Loft Board units.
4. Since the number of vacant units available for rent in Staten Island is small, and the HVS is a sample survey, the sampling error of the vacancy rate is likely to be large, and thus, the U.S. Census Bureau could not calculate an accurate vacancy rate.
5. U.S. Census Bureau web site.  
<https://www.census.gov/construction/bps/>
6. NYC Department of City Planning Housing Database 18v1, compilation of NYC DOB Applications and Certificates of Occupancy data. Note that the data is continually updated and is subject to change, including data from prior years.
7. Beginning with the *2006 Housing Supply Report*, the NYC Department of City Planning (DCP) defines a housing completion as any unit receiving either a final or a temporary Certificate of Occupancy in the stated year. DCP provided this information for the 2004 calendar year and beyond, and believes it is a more accurate representation of new housing in NYC than previous methodologies which only counted final Certificates of Occupancy.
8. Starts refer to the number of units beginning construction or rehabilitation in a given period.
9. Preliminary Fiscal 2018 Mayor's Management Report .  
<<http://www1.nyc.gov/site/operations/performance/mmr.page>>
10. Housing New York By the Numbers website: <<http://www1.nyc.gov/site/housing/action/by-the-numbers.page>>; Accessed April 2018, with data through 3/31/2018.
11. "Housing New York: A Five-Borough, Ten-Year Plan," NYC Department of Housing Preservation and Development. May 5, 2014
12. "Housing New York 2.0" NYC Department of Housing Preservation and Development. November 15, 2017
13. Housing New York By the Numbers website: <<http://www1.nyc.gov/site/housing/action/by-the-numbers.page>>; Accessed April 2018, with data through 3/31/2018. Extremely Low-Income is defined as 0-30% of Area Median Income (AMI); Very Low-Income: 31-50% of AMI; Low-Income: 51-80% of AMI; Moderate-Income: 81-120% of AMI; Middle-Income: 121-165% of AMI.
14. Program information available at: <<http://www1.nyc.gov/site/hpd/developers/tax-incentives-421a.page>>
15. "Affordable Housing Program Revived," Greenberg Traurig, April 13, 2017. <<http://www.gtlaw.com/News-Events/Publications/Alerts/203029/Affordable-New-York-Housing>>
16. "Governor Cuomo and Legislative Leaders Announce Agreement on FY 2018 State Budget," *State of New York Press Release*, April 7, 2017.
17. "Estimated Cost to New York City of Governor Cuomo's Proposed Affordable New York Housing Program," NYC Independent Budget Office, March, 2017.
18. NYC Department of Housing Preservation and Development, Tax Incentives Program data. It is possible that part of the large increase in newly issue Final Certificates of Eligibility (FCE) is due to enforcement policies by HPD, requiring owners to file for FCEs or lose their tax benefits. This is explained in more detail at the end of this section.
19. "Annual Report on Tax Expenditures," NYC Department of Finance publication, February, 2018.
20. "City Suspends 421-a Benefits to More Than 1,700 Non-Compliant Owners." *HPD Press Release*. March 9, 2018. Note that the 1,788 properties include condo buildings, with each unit within the building having an individual block and lot designation.
21. Developments are eligible to withdraw from the Mitchell-Lama program, or buyout, after 20 years upon prepayment of the mortgage (or after 35 years in the case of developments aided by loans prior to May 1, 1959).
22. The number of Mitchell-Lama buyouts was provided most recently through the NYC Department of Housing Preservation and Development and the NYS Homes and Community Renewal, and in previous years through other sources, such as the report "Affordable No More: An Update" by the Office of the New York City Comptroller, Office of Policy Management on May 25, 2006.
23. "Mayor de Blasio Announces New Program to Save City's Remaining Affordable Mitchell-Lama Developments." *HPD Press Release*. October 26, 2017.
24. NYC Department of Housing Preservation and Development, Tax Incentives Program data.
25. NYC Department of Housing Preservation and Development.
26. Mayor Bloomberg Announces Results of City's Efforts to Curb Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities." *Mayor's Office Press Release 157-12*. April 27, 2012.
27. "Cuomo signs bill that deals huge blow to Airbnb," *New York Post*, October 21, 2016.
28. Office of the Criminal Justice Coordinator, Mayor's Office of Special Enforcement. Inclusive of data through April 30, 2018.
29. "The High Cost of Short-Term Rentals in New York City." McGill University, January 30, 2018.
30. The Impact of Airbnb on NYC Rents. NYC Comptroller's Office, April 2018.
31. NYS Attorney General's Office, Real Estate Financing Bureau data and the NYC Department of Housing Preservation and

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Development, Sales Unit. Virtually all accepted units reported are from data provided by the NYS Attorney General. For the purposes of this report, "accepted" refers only to those co-op and condo plans that require offering plans. Those that do not, and receive a "no-action" letter from the NYS Attorney General's office, are not included in this data.

32. *2017 NYC Housing and Vacancy Survey*, U.S. Census Bureau.
33. Landlord Information/Tax Incentives: J-51, NYC Department of Housing Preservation and Development web site. <<http://www1.nyc.gov/site/hpd/developers/tax-incentives-j51.page>>.
34. NYC Department of Housing Preservation and Development, Tax Incentives Program data. Note that, similar to the 421-a program, J-51 provides tax abatements and incentives to both renter- and owner-occupied units.
35. "Annual Report on Tax Expenditures," NYC Department of Finance publication, February, 2018.
36. "Mayor de Blasio Announces Comprehensive Enforcement Action Against 250 NYC Apartment Buildings." *HPD Press Release*. February 12, 2018.
37. "Enforcement Update: More than Half of Buildings on the 2017 AEP List Have Been Discharged From the Program." *HPD Press Release*. August 10, 2017.
38. NYC Department of Housing Preservation and Development.
39. NYC Department of Housing Preservation and Development website. <<http://www1.nyc.gov/site/hpd/owners/compliance-property-tax-delinquency.page>>
40. NYC Department of Housing Preservation and Development website. <<http://www1.nyc.gov/site/hpd/community/outreach-and-education.page>>
41. NYC Department of Finance, General Information on the City's Tax Lien Sale Process. <<http://www1.nyc.gov/site/finance/taxes/property-lien-sales.page>>
42. "Report of the Lien Sale Task Force," September 2016.
43. "New York City Case Study: Third Party Transfer Initiative: A Solution To Property Abandonment," by Lisa Mueller, Local Initiative Support Corporation report, January 14, 2003.
44. Most recent figures obtained from NYC Department of Housing Preservation and Development, April, 2018.
45. NYC Department of Buildings (DOB) data. Note that demolition statistics include both residential as well as commercial buildings, as the DOB does not specify the type of building in its data.
46. City of New York Local Law 1 of 2018.

# Appendices

## 1. Permits Issued For Housing Units in New York City, 1962-2018

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total
1962	--	--	--	--	--	70,686
1963	--	--	--	--	--	49,898
1964	--	--	--	--	--	20,594
1965	--	--	--	--	--	25,715
1966	--	--	--	--	--	23,142
1967	--	--	--	--	--	22,174
1968	--	--	--	--	--	22,062
1969	--	--	--	--	--	17,031
1970	--	--	--	--	--	22,365
1971	--	--	--	--	--	32,254
1972	--	--	--	--	--	36,061
1973	--	--	--	--	--	22,417
1974	--	--	--	--	--	15,743
1975	--	--	--	--	--	3,810
1976	--	--	--	--	--	5,435
1977	--	--	--	--	--	7,639
1978	--	--	--	--	--	11,096
1979	--	--	--	--	--	14,524
1980	--	--	--	--	--	7,800
1981	--	--	--	--	--	11,060
1982	--	--	--	--	--	7,649
1983	--	--	--	--	--	11,795
1984	--	--	--	--	--	11,566
1985	1,263	1,068	12,079	2,211	3,711	20,332
1986	920	1,278	1,622	2,180	3,782	9,782
1987	931	1,650	3,811	3,182	4,190	13,764
1988	967	1,629	2,460	2,506	2,335	9,897
1989	1,643	1,775	2,986	2,339	2,803	11,546
1990	1,182	1,634	2,398	704	940	6,858
1991	1,093	1,024	756	602	1,224	4,699
1992	1,257	646	373	351	1,255	3,882
1993	1,293	1,015	1,150	530	1,185	5,173
1994	846	911	428	560	1,265	4,010
1995	853	943	1,129	738	1,472	5,135
1996	885	942	3,369	1,301	2,155	8,652
1997	1,161	1,063	3,762	1,144	1,857	8,987
1998	1,309	1,787	3,823	1,446	2,022	10,387
1999	1,153	2,894	3,791	2,169	2,414	12,421
2000	1,646	2,904	5,110	2,723	2,667	15,050
2001	2,216	2,973	6,109	3,264	2,294	16,856
2002	2,626	5,247	5,407	3,464	1,756	18,500
2003	2,935	6,054	5,232	4,399	2,598	21,218
2004	4,924	6,825	4,555	6,853	2,051	25,208
2005	4,937	9,028	8,493	7,269	1,872	31,599
2006	4,658	9,191	8,790	7,252	1,036	30,927
2007	3,088	10,930	9,520	7,625	739	31,902
2008	2,482	12,744	9,700	7,730	1,255	33,911
2009	1,647	1,003	1,363	1,474	570	6,057
2010	1,064	2,093	704	2,358	508	6,727
2011	1,116	1,522	2,535	3,182	581	8,936
2012	2,552	3,353	2,328	1,428	673	10,334
2013	2,638	6,140	4,856	3,161	1,200	17,995
2014	1,885	7,551	5,435	4,900	712	20,483
2015	4,682	26,026	12,612	12,667	541	56,528
2016	4,003	4,503	4,024	2,838	901	16,269
2017	5,401	6,130	4,811	5,104	685	22,131
2018 (1st Qtr) <sup>Ω</sup>	1,181 (1,124)	1,737 (2,097)	1,326 (1,486)	794 (1,434)	132 (202)	5,170 (6,343)

Ω First three months of 2018. The number of permits issued in the first three months of 2017 is in parenthesis.

Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch.



## 2. Permits Issued by Building Size & Borough (In Percentages), 2009-2017

Year/Borough	1-Family	2-Family	3/4 Family	5 or More-Family	Total Buildings
<b>2009</b>					
Bronx	38.1%	14.4%	20.6%	26.9%	160
Brooklyn	0.8%	28.2%	38.9%	32.1%	131
Manhattan	0.0%	0.0%	11.8%	88.2%	34
Queens	29.7%	43.3%	16.0%	11.0%	418
Staten Island	48.0%	49.8%	0.0%	2.2%	271
<i>Citywide</i>	<i>31.2%</i>	<i>37.1%</i>	<i>15.3%</i>	<i>16.5%</i>	<i>1,014</i>
<b>2010</b>					
Bronx	9.2%	38.5%	23.1%	29.2%	65
Brooklyn	3.6%	31.4%	27.9%	37.1%	140
Manhattan	0.0%	18.2%	9.1%	72.7%	11
Queens	12.4%	67.2%	11.2%	9.2%	509
Staten Island	71.9%	27.2%	0.6%	0.3%	349
<i>Citywide</i>	<i>30.3%</i>	<i>47.3%</i>	<i>10.6%</i>	<i>11.8%</i>	<i>1,074</i>
<b>2011</b>					
Bronx	1.5%	35.3%	19.1%	44.1%	68
Brooklyn	0.0%	44.3%	30.5%	25.3%	174
Manhattan	3.6%	0.0%	3.6%	92.9%	28
Queens	21.5%	57.0%	11.9%	9.6%	386
Staten Island	52.5%	47.2%	0.0%	0.3%	341
<i>Citywide</i>	<i>26.5%</i>	<i>48.3%</i>	<i>11.3%</i>	<i>13.8%</i>	<i>997</i>
<b>2012</b>					
Bronx	5.9%	39.3%	17.0%	37.8%	135
Brooklyn	0.4%	20.5%	36.9%	42.2%	249
Manhattan	9.5%	4.8%	0.0%	85.7%	42
Queens	26.8%	41.9%	16.9%	14.4%	284
Staten Island	64.1%	34.6%	0.0%	1.3%	298
<i>Citywide</i>	<i>27.8%</i>	<i>32.5%</i>	<i>16.2%</i>	<i>23.5%</i>	<i>1,008</i>
<b>2013</b>					
Bronx	2.4%	41.6%	12.0%	44.0%	125
Brooklyn	0.0%	19.8%	31.6%	48.6%	364
Manhattan	1.6%	7.8%	0.0%	90.6%	64
Queens	39.3%	32.6%	13.3%	14.8%	399
Staten Island	55.9%	42.5%	0.2%	1.4%	431
<i>Citywide</i>	<i>29.1%</i>	<i>32.0%</i>	<i>13.3%</i>	<i>25.7%</i>	<i>1,383</i>
<b>2014</b>					
Bronx	0.0%	33.3%	20.4%	46.3%	108
Brooklyn	0.0%	19.3%	25.8%	55.0%	400
Manhattan	1.3%	9.0%	2.6%	87.2%	78
Queens	47.8%	25.4%	10.5%	16.3%	448
Staten Island	68.1%	31.1%	0.2%	0.6%	479
<i>Citywide</i>	<i>35.8%</i>	<i>25.3%</i>	<i>11.6%</i>	<i>27.4%</i>	<i>1,513</i>
<b>2015</b>					
Bronx	2.9%	26.3%	9.5%	61.3%	137
Brooklyn	5.3%	7.0%	14.7%	73.0%	812
Manhattan	3.8%	1.9%	2.9%	91.4%	105
Queens	31.0%	26.3%	11.6%	31.2%	552
Staten Island	63.0%	36.7%	0.0%	0.3%	392
<i>Citywide</i>	<i>23.5%</i>	<i>19.2%</i>	<i>10.0%</i>	<i>47.3%</i>	<i>1,998</i>
<b>2016</b>					
Bronx	1.8%	25.2%	17.1%	55.9%	111
Brooklyn	30.6%	14.6%	14.0%	40.9%	487
Manhattan	6.3%	3.2%	3.2%	87.3%	63
Queens	39.8%	38.4%	10.3%	11.5%	477
Staten Island	52.2%	46.4%	0.0%	1.4%	414
<i>Citywide</i>	<i>36.1%</i>	<i>30.7%</i>	<i>8.9%</i>	<i>24.3%</i>	<i>1,552</i>
<b>2017</b>					
<b>Bronx</b>	<b>6.4%</b>	<b>22.1%</b>	<b>13.6%</b>	<b>57.9%</b>	<b>140</b>
<b>Brooklyn</b>	<b>16.7%</b>	<b>17.1%</b>	<b>13.2%</b>	<b>53.0%</b>	<b>491</b>
<b>Manhattan</b>	<b>5.3%</b>	<b>6.6%</b>	<b>3.9%</b>	<b>84.2%</b>	<b>76</b>
<b>Queens</b>	<b>23.1%</b>	<b>43.5%</b>	<b>15.7%</b>	<b>17.8%</b>	<b>490</b>
<b>Staten Island</b>	<b>57.8%</b>	<b>41.6%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>476</b>
<b><i>Citywide</i></b>	<b><i>28.9%</i></b>	<b><i>31.7%</i></b>	<b><i>9.9%</i></b>	<b><i>29.5%</i></b>	<b><i>1,673</i></b>

Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch.

### 3. Permits Issued For Housing Units by Quarter, 2007-2017

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total
2007						
Q1	1,037	2,621	1,551	1,864	191	7,264
Q2	901	3,478	1,544	3,255	192	9,370
Q3	794	2,071	3,589	1,086	189	7,729
Q4	356	2,760	2,836	1,420	167	7,539
2008						
Q1	862	1,603	485	705	238	3,893
Q2	701	8,970	7,623	5,497	546	23,337
Q3	695	1,520	880	1,016	397	4,508
Q4	224	651	712	512	74	2,173
2009						
Q1	164	137	151	508	117	1,077
Q2	130	511	716	353	233	1,943
Q3	497	243	336	331	144	1,551
Q4	856	112	160	282	76	1,486
2010						
Q1	56	175	326	249	199	1,005
Q2	490	867	166	612	121	2,256
Q3	231	246	176	394	83	1,130
Q4	287	805	36	1,103	105	2,336
2011						
Q1	205	291	146	411	88	1,141
Q2	508	624	1,199	1,416	228	3,975
Q3	248	303	391	459	178	1,579
Q4	155	304	799	896	87	2,241
2012						
Q1	564	600	556	197	193	2,110
Q2	619	310	1,041	643	134	2,747
Q3	409	1,496	421	378	142	2,846
Q4	960	947	310	210	204	2,631
2013						
Q1	214	1,184	568	428	162	2,556
Q2	1,066	1,117	1,162	730	689	4,764
Q3	336	1,918	1,708	1,006	172	5,140
Q4	1,022	1,921	1,418	997	177	5,535
2014						
Q1	379	1,725	1,809	1,067	121	5,101
Q2	583	1,617	1,041	1,471	140	4,852
Q3	736	2,675	1,506	812	207	5,936
Q4	187	1,534	1,079	1,550	244	4,594
2015						
Q1	561	3,574	1,154	782	112	6,183
Q2	1,269	15,453	9,760	9,182	151	35,815
Q3	1,651	1,163	1,057	250	175	4,296
Q4	1,201	5,836	641	2,453	103	10,234
2016						
Q1	866	482	297	368	145	2,158
Q2	1,060	912	506	854	476	3,808
Q3	764	1,666	1,776	931	145	5,282
Q4	1,313	1,443	1,445	685	135	5,021
2017						
Q1	1,124	2,097	1,486	1,434	202	6,343
Q2	1,267	1,454	1,004	1,801	154	5,680
Q3	1,050	1,000	1,183	1,033	170	4,436
Q4	1,960	1,579	1,138	836	159	5,672

Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch.

## 4. New Housing Units Completed in New York City, 1962-2017

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total
1962	6,458	10,595	12,094	15,480	2,677	47,304
1963	8,780	12,264	19,398	17,166	2,423	60,031
1964	9,503	13,555	15,833	10,846	2,182	51,919
1965	6,247	10,084	14,699	16,103	2,319	49,452
1966	7,174	6,926	8,854	6,935	2,242	32,131
1967	4,038	3,195	7,108	5,626	3,069	23,036
1968	3,138	4,158	2,707	4,209	3,030	17,242
1969	1,313	2,371	6,570	3,447	3,768	17,469
1970	1,652	1,695	3,155	4,230	3,602	14,334
1971	7,169	2,102	4,708	2,576	2,909	19,464
1972	11,923	2,593	1,931	3,021	3,199	22,667
1973	6,294	4,340	2,918	3,415	3,969	20,936
1974	3,380	4,379	6,418	3,406	2,756	20,339
1975	4,469	3,084	9,171	2,146	2,524	21,394
1976	1,373	10,782	6,760	3,364	1,638	23,917
1977	721	3,621	2,547	1,350	1,984	10,223
1978	464	345	3,845	697	1,717	7,068
1979	405	1,566	4,060	1,042	2,642	9,715
1980	1,709	708	3,306	783	2,380	8,886
1981	396	454	4,416	1,152	2,316	8,734
1982	997	332	1,812	2,451	1,657	7,249
1983	757	1,526	2,558	2,926	1,254	9,021
1984	242	1,975	3,500	2,291	2,277	10,285
1985	557	1,301	1,739	1,871	1,939	7,407
1986	968	2,398	4,266	1,776	2,715	12,123
1987	1,177	1,735	4,197	2,347	3,301	12,757
1988	1,248	1,631	5,548	2,100	2,693	13,220
1989	847	2,098	5,979	3,560	2,201	14,685
1990	872	929	7,260	2,327	1,384	12,772
1991	656	764	2,608	1,956	1,627	7,611
1992	802	1,337	3,750	1,498	1,136	8,523
1993	886	616	1,810	801	1,466	5,579
1994	891	1,035	1,927	1,527	1,573	6,953
1995	1,166	1,647	2,798	1,013	1,268	7,892
1996	1,075	1,583	1,582	1,152	1,726	7,118
1997	1,391	1,369	816	1,578	1,791	6,945
1998	575	1,333	5,175	1,263	1,751	10,097
1999	1,228	1,025	2,341	2,119	2,264	8,977
2000	1,385	1,353	6,064	2,096	1,896	12,794
2001	1,617	2,404	6,036	1,225	2,198	13,480
2002	1,220	2,248	8,326	1,981	2,453	16,228
2003	1,473	2,575	3,798	2,344	2,589	12,779
2004 π	3,326	4,512	6,150	3,087	2,291	19,366
2005 π	3,012	5,007	5,006	4,526	1,942	19,493
2006 π	4,311	6,418	5,199	5,940	1,900	23,768
2007 π	4,422	7,109	7,498	5,907	1,446	26,382
2008 π	4,217	7,254	6,118	5,437	1,019	24,045
2009 π	2,964	7,522	8,110	4,969	887	24,452
2010 π	3,948	7,181	7,801	4,401	714	24,045
2011 π	3,417	4,728	2,375	2,852	612	13,984
2012 π	1,413	3,611	1,159	2,632	640	9,455
2013 π	1,272	3,948	3,126	3,854	482	12,682
2014 π	1,660	4,485	2,231	2,961	530	11,867
2015 π	2,396	5,324	2,986	3,110	541	14,357
2016 π	2,532	9,148	6,900	3,444	1,223	23,247
<b>2017π</b>	<b>2,672</b>	<b>11,065</b>	<b>6,390</b>	<b>5,041</b>	<b>671</b>	<b>25,839</b>

Note: Housing unit count is based on the number of Certificates of Occupancy issued by NYC Department of Buildings, or equivalent action by the Empire State Development Corporation or NYS Dormitory Authority. Prior years' data may be adjusted and may not match prior reports.

π Data from 2004-2017 now includes Final Certificates of Occupancy (as with all other years) as well as Temporary Certificates of Occupancy data for the first time. Data will be updated every year to reflect the most current estimates.

Source: NYC Department of City Planning, Housing Database 18v1, compilation of NYC DOB Applications and Certificates of Occupancy data.

## 5. Number of Residential Co-op and Condo Plans Accepted for Filing By the NYS Attorney General's Office, 2012-2017

	2012	2013	2014	2015	2016	2017
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
<b>Private Plans</b>						
New Construction	111 (2,554)	150 (3,658)	211 (5,171)	219 (8,880)	210 (6,653)	228 (6,906)
Rehabilitation	8 (81)	21 (649)	37 (462)	43 (607)	45 (416)	33 (688)
Conversion (Non-Eviction)	24 (1,293)	16 (819)	20 (3,956)	28 (3,065)	27 (1,602)	18 (764)
Conversion (Eviction)	0	0	0	0	0	0
<b>Private Total</b>	<b>143 (3,928)</b>	<b>187 (5,126)</b>	<b>268 (9,589)</b>	<b>290 (12,552)</b>	<b>282 (8,671)</b>	<b>279 (8,358)</b>
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
<b>HPD Sponsored Plans</b>						
New Construction	0	1 (95)	0	0	0	0
Rehabilitation	0	0	0	0	0	0
Conversion (Non-Eviction)	0	0	0	0	0	0
Conversion (Eviction)	3 (97)	0	0	1 (70)	0	0
<b>HPD Total</b>	<b>3 (97)</b>	<b>1 (95)</b>	<b>0</b>	<b>1 (70)</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>146 (4,025)</b>	<b>188 (5,221)</b>	<b>268 (9,589)</b>	<b>291 (12,622)</b>	<b>282 (8,671)</b>	<b>279 (8,358)</b>

Note: Figures exclude "Homeowner," "No Action," and "Commercial" plans/units.

Source: New York State Attorney General's Office, Real Estate Financing Bureau.

## 6. Number of Units in Co-op and Condo Plans Accepted for Filing By the NYS Attorney General's Office, 1989-2017

Year	New Construction	Conversion Eviction	Conversion Non-Eviction	Rehabilitation	Total New Construction Conversion & Rehab	Units in HPD Sponsored Plans
1989	6,153	137	25,459	--	31,749	945
1990	4,203	364	14,640	--	19,207	1,175
1991	1,111	173	1,757	--	3,041	2,459
1992	793	0	566	--	1,359	1,674
1993	775	41	134	--	950	455
1994	393	283	176	807	1,659	901
1995	614	426	201	1,258	2,499	935
1996	83	16	196	284	579	0
1997	1,417	38	131	852	2,438	533
1998	3,225	0	386	826	4,437	190
1999	1,123	343	359	1,029	2,854	295
2000	1,911	203	738	220	3,072	179
2001	3,833	22	1,053	124	5,032	22
2002	2,576	260	1,974	348	5,158	260
2003	4,870	0	639	418	5,927	0
2004	6,018	274	1,550	334	8,176	274
2005	12,210	269	2,356	223	15,058	269
2006	19,870	273	6,331	0	26,474	273
2007	19,511	248	5,441	71	25,271	248
2008	13,998	241	2,582	130	16,951	241
2009	7,270	274	725	73	8,342	274
2010	4,907	59	812	0	5,778	59
2011	3,785	209	457	14	4,465	209
2012	2,554	97	1,293	81	4,025	97
2013	3,753	0	819	649	5,221	95
2014	5,171	0	3,956	462	9,589	0
2015	8,880	73	3,065	607	12,622	70
2016	6,653	0	1,602	416	8,671	0
<b>2017</b>	<b>6,906</b>	<b>0</b>	<b>764</b>	<b>688</b>	<b>8,358</b>	<b>0</b>

Note: Rehabilitated units were tabulated separately beginning in 1994. HPD Plans are a subset of all plans.

Source: New York State Attorney General's Office, Real Estate Financing Bureau.

## 7. Tax Incentive Programs, 2015-2017

### Buildings Newly Receiving Certificates for 421-a Exemptions, 2015-2017

	2015			2016			2017		
	Certificates	Buildings	Units	Certificates	Buildings	Units	Certificates	Buildings	Units
Bronx	11	29	151	8	10	209	273	117	1,542
Brooklyn	80	92	2,107	72	92	2,672	162	442	8,195
Manhattan	22	22	1,804	16	16	839	63	67	7,448
Queens	29	36	1,395	37	38	773	240	338	3,587
Staten Island	1	1	11	0	0	0	2	2	32
<b>TOTAL</b>	<b>143</b>	<b>180</b>	<b>5,468</b>	<b>133</b>	<b>156</b>	<b>4,493</b>	<b>740</b>	<b>966</b>	<b>20,804</b>

### Buildings Newly Receiving J-51 Tax Abatements and Exemptions, 2015-2017

	2015			2016			2017		
	Buildings	Units	Certified Cost (\$1,000s)	Buildings	Units	Certified Cost (\$1,000s)	Buildings	Units	Certified Cost (\$1,000s)
Bronx	173	11,534	\$18,065	346	13,312	\$22,934	180	6,519	\$13,847
Brooklyn	252	11,326	\$22,622	175	7,694	\$18,682	126	4,625	\$12,044
Manhattan	60	2,836	\$9,675	40	1,778	\$9,859	34	3,703	\$12,578
Queens	1,680	17,412	\$16,902	1,630	11,525	\$10,807	1,072	7,992	\$7,511
Staten Island	10	1,151	\$4,177	1	2	\$65	1	38	\$195
<b>TOTAL</b>	<b>2,175</b>	<b>44,259</b>	<b>\$71,441</b>	<b>2,192</b>	<b>34,311</b>	<b>\$62,347</b>	<b>1,413</b>	<b>22,877</b>	<b>\$46,175</b>

Source: NYC Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.

## 8. Tax Incentive Programs – Units Receiving Initial Benefits, 1981-2017

Year	421-a	J-51	Year	421-a	J-51
1981	3,505	--	2000	2,828	83,925
1982	3,620	--	2001	4,870	81,321
1983	2,088	--	2002	4,953	70,145
1984	5,820	--	2003	3,782	74,005
1985	5,478	--	2004	6,738	117,503
1986	8,569	--	2005	5,062	66,370
1987	8,286	--	2006	3,875	66,010
1988	10,079	109,367	2007	4,212	55,681
1989	5,342	64,392	2008	4,521	64,478
1990	980	113,009	2009	4,613	37,867
1991	3,323	115,031	2010	5,895	50,263
1992	2,650	143,593	2011	11,007	54,775
1993	914	122,000	2012	10,856	45,886
1994	627	60,874	2013	7,890	55,659
1995	2,284	77,072	2014	6,945	40,787
1996	1,085	70,431	2015	5,468	44,259
1997	2,099	145,316	2016	4,493	34,311
1998	2,118	103,527	<b>2017</b>	<b>20,804</b>	<b>22,877</b>
1999	6,123	82,121			

Source: NYC Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.

## 9. Building Demolitions in New York City, 1985-2017

Year	Bronx		Brooklyn		Manhattan		Queens		Staten Island		Total	
	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total
1985	81	157	3	101	59	73	3	133	1	31	147	495
1986	48	96	14	197	19	38	3	273	4	67	88	671
1987	14	55	2	130	22	33	1	273	6	83	45	574
1988	3	34	2	169	25	44	2	269	0	160	32	676
1989	6	48	8	160	20	38	3	219	0	109	37	574
1990	4	29	3	133	20	28	5	119	0	71	32	380
1991	10	33	15	95	9	14	1	68	0	32	35	242
1992	12	51	6	63	2	5	1	41	0	33	21	193
1993	0	17	4	94	0	1	3	51	0	5	7	168
1994	3	14	4	83	5	5	2	42	0	8	14	152
1995	2	18	0	81	0	0	2	37	0	17	4	153
1996	-	30	-	123	-	25	-	118	-	84	-	380
1997	-	29	-	127	-	51	-	168	-	119	-	494
1998	-	71	-	226	-	103	-	275	-	164	-	839
1999	-	67	-	211	-	53	-	227	-	159	-	717
2000	-	64	-	499	-	101	-	529	-	307	-	1,500
2001	-	96	-	421	-	160	-	519	-	291	-	1,487
2002	-	126	-	500	-	89	-	600	-	456	-	1,771
2003	-	161	-	560	-	100	-	865	-	564	-	2,250
2004	-	238	-	691	-	141	-	1,128	-	547	-	2,745
2005	-	245	-	1,080	-	145	-	1,545	-	477	-	3,492
2006	-	334	-	1,109	-	259	-	1,485	-	381	-	3,568
2007	-	302	-	984	-	282	-	1,407	-	308	-	3,283
2008	-	206	-	925	-	252	-	1,082	-	215	-	2,680
2009	-	166	-	467	-	153	-	663	-	177	-	1,626
2010	-	121	-	326	-	76	-	464	-	129	-	1,116
2011	-	93	-	308	-	124	-	463	-	141	-	1,129
2012	-	121	-	284	-	144	-	434	-	139	-	1,122
2013	-	105	-	367	-	145	-	453	-	216	-	1,286
2014	-	125	-	454	-	121	-	555	-	258	-	1,513
2015	-	116	-	668	-	225	-	612	-	266	-	1,887
2016	-	139	-	642	-	178	-	655	-	235	-	1,849
<b>2017</b>	-	<b>136</b>	-	<b>573</b>	-	<b>114</b>	-	<b>579</b>	-	<b>320</b>	-	<b>1,722</b>

Note: The Census Bureau discontinued collecting demolition statistics in December, 1995. The New York City Department of Buildings began supplying the total number of buildings demolished from 1996 forward, but does not specify whether buildings are residential or whether they have 5+ units. Demolition statistics from 1985 through 1995 are solely residential buildings.

Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch; New York City Department of Buildings.