New York City Rent Guidelines Board

Changes to the Rent Stabilized Housing Stock in New York City in 2017

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What's New

- ◆ The study finds a net estimated gain of 4,387 rent stabilized units in 2017.
- ◆ Most of the additions to the rent stabilized stock in 2017 were due to the 421-a tax incentive program, accounting for 85% of the additions.
- ◆ The median rent of initially registered rent stabilized apartments in 2017 was $2,685, a 2% decline from the prior year.
- ◆ High Rent/Vacancy Deregulation made up the largest category of subtractions from the stabilized stock, accounting for 53% of the units removed in 2017.
- ◆ Since 1994, New York City's rent stabilized housing stock has seen an approximate net loss of 147,512 units.

Overview

Rent regulation has been a fixture in New York City's housing market for over seven decades, although the laws that govern rent regulated housing have been substantially changed and/or modified over time. The laws governing rent regulation allow for dynamic changes in the regulatory status of a significant portion of the rent regulated housing stock in any given year. Units enter, exit or change status within the regulatory system.

The figures in this study represent additions and subtractions of dwelling units to and from the rent stabilization system in 2017. These statistics are gathered from various City and State agencies.

This report is an update of previous studies done annually since 2003, when an analysis was done of the changes in New York City's rent stabilized housing stock from 1994 to 2002. The total number of additions and subtractions to the rent stabilized housing stock since 1994 is contained in the appendices of this report. These totals are estimates because they do not represent every unit that has been added or subtracted from the rent stabilized stock since 1994, but rather those that have been recorded or registered by various City and State agencies. They represent a 'floor,' or minimum count, of the actual number of newly regulated and deregulated units in these years.

Additions to the Rent Stabilized Housing Stock

Since newly constructed or substantially rehabilitated units are exempt from rent regulation, increases to the regulated housing stock are frequently a result of owners placing these new units under rent stabilization in exchange for tax benefits. These owners choose to place units under rent stabilization because of cost/benefit analyses concluding that short-term regulation with tax benefits is more profitable than free market rents without tax benefits. According to NYS Homes and Community Renewal (HCR), the median legal rent of initially registered rent stabilized apartments in 2017 Citywide was $2,685, a decline of 2% from $2,750 in 2016. (See Appendix 3 for initially registered rents Citywide and by borough.) Events that lead to the addition of stabilized units include:

- Section 421-a Tax Exemption Program
- J-51 Property Tax Exemption and Abatement Program
- Mitchell-Lama buyouts
- Lofts converted to rent stabilized units
- Rent controlled apartments converting to rent stabilization
- Other Additions

Section 421-a and J-51 Programs

The NYC Department of Housing Preservation and Development (HPD) administers programs to increase the supply of rental housing. Two of these programs have an impact on the inventory of stabilized housing: The Section 421-a Program and the J-51 Program. Under Section 421-a of the Real Property Tax Law, newly constructed dwellings in New York City could elect to receive real estate tax exemptions in exchange for placing units in rent stabilization for a specified period (10-25 years). In 2017, an estimated total of 9,376 units were added to the rent stabilized stock through the 421-a program, 91% more than the 4,921 units added in 2016.[1] The largest number of units was in Brooklyn (5,309); followed by Manhattan (1,996); Queens (1,561); the Bronx (504); and Staten Island (6). According to HCR, the median legal rent of currently registered rent stabilized apartments receiving 421-a tax abatements in 2017 was $3,300, a 1% increase from $3,270 in 2016.

The J-51 Program provides real estate tax exemptions and abatements to existing residential buildings that are renovated or rehabilitated. This program also provides these benefits to residential buildings converted from commercial structures. In exchange for these benefits, owners of these buildings agree to place under rent stabilization those apartments that otherwise would not be subject to regulation. The apartments remain stabilized, at a minimum, until the benefits expire. In 2017, no units were converted from non-residential to residential under the J-51 program, the same as in 2016 and 2015. (See Appendices 1 and 2.)

Mitchell-Lama Buyouts

Mitchell-Lama developments were constructed under the provisions of Article 2 of the Private Housing Finance Law (PHFL). This program was primarily designed to increase the supply of housing affordable to middle-income households. Approximately 75,000 rental apartments and 50,000 cooperative units were constructed under the program from the 1950's through the 1970's. For these units to be affordable, the State or City provided low interest mortgages and real estate tax abatements, and the owners agreed to limit their return on equity.

While the State and City mortgages are generally for a term of 40 or 50 years, the PHFL allows owners to buy out of the program after 20 years. If an owner of a rental development buys out of the program and the development was occupied prior to January 1, 1974, the apartments become subject to rent stabilization.

In 2017, 233 Mitchell-Lama rental units became rent stabilized, compared to 716 in 2016. Since 1994, 11,393 rental units have left the Mitchell-Lama system and become a part of the rent stabilized housing stock. (See Appendices 1 and 2.)

Loft Units

The New York City Loft Board, under Article 7-C of the Multiple Dwelling Law, regulates rents in buildings originally intended as commercial loft space that have been converted to residential housing. When the units are brought up to code standard, they become stabilized. A total of 10 units entered the rent stabilization system in 2017, compared to 5 added in 2016. (See Appendices 1 and 2.)

Changes in Regulatory Status

Chapter 371 of the Laws of 1971 provided for the decontrol of rent controlled units that were voluntarily vacated on or after July 1, 1971. Since the enactment of Vacancy Decontrol, the number of rent controlled units has fallen from over one million to fewer than 22,000.[2] When a rent controlled unit is vacated, it either becomes rent stabilized or leaves the regulatory system. A rent controlled unit becomes rent stabilized when it is contained in a rental building with six or more units and the incoming tenant pays a legal regulated rent less than the Deregulation Rent Threshold (DRT), currently $2,733.75 per month.[3] This process results in a reduction of the rent controlled stock and an increase in the rent stabilized stock. Otherwise, the apartment is subject to deregulation and leaves the rent regulatory system entirely.

According to rent registration filings with NYS Homes and Community Renewal (HCR), 142 units were decontrolled and became rent stabilized in 2017, down 62% from the prior year. By borough, 44% of the units were in Manhattan; 21% were in Queens and another 21% were in Brooklyn; 14% were in the Bronx; and there were none on Staten Island. (See Appendices 1 and 2.)

Other Additions to the Stabilized Housing Stock

Additionally, several other events can increase the rent stabilized housing stock: tax incentive programs (other than the 421-a and J-51 programs), "deconversion," returned losses, and the sub-division of large units into two or more smaller units. The 420-c program, a tax exemption program for low-income housing projects developed in conjunction with the Low-Income Housing Tax Credit Program, produces affordable housing with rents that are regulated, but not necessarily rent stabilized.[4] The RGB is unable to determine the number of these units that became rent stabilized.

However, there are other tax incentive programs, which as part of their regulatory agreements may require their rental units to be rent stabilized, and whose stabilization status could be determined. These tax incentive programs include Articles 11, 14 and 15 of the Private Housing Finance Law (PHFL), which together added 1,283 units Citywide.[5] Among these tax incentive programs, the majority of units were in Brooklyn (824 units); followed by Staten Island (276 units); and Manhattan (183 units). There were no units added in Queens or the Bronx.

Deconversion occurs when a building converted to cooperative status reverts to rental status because of financial difficulties. Returned losses include abandoned buildings that are returned to habitable status without being substantially rehabilitated, or City-owned *in rem* buildings being returned to private ownership. These latter events, as well as sub-division of large units, do not generally add a significant number of units to the rent stabilized stock and cannot be quantified for this study.

Subtractions from the Rent Regulated Housing Stock

Deregulation of rent controlled and stabilized units occurs because of statutory requirements or because of physical changes to the residential dwellings. Events that lead to the removal of stabilized units include the following:

- High-Rent High-Income Deregulation
- High-Rent Vacancy Deregulation
- Cooperative/Condominium Conversions
- Expiration of 421-a Benefits
- Expiration of J-51 Benefits
- Substantial Rehabilitation
- Conversion to Commercial or Professional Status
- Other Losses to the Housing Stock – Demolitions, Condemnations, Mergers, etc.

High-Rent High-Income Deregulation

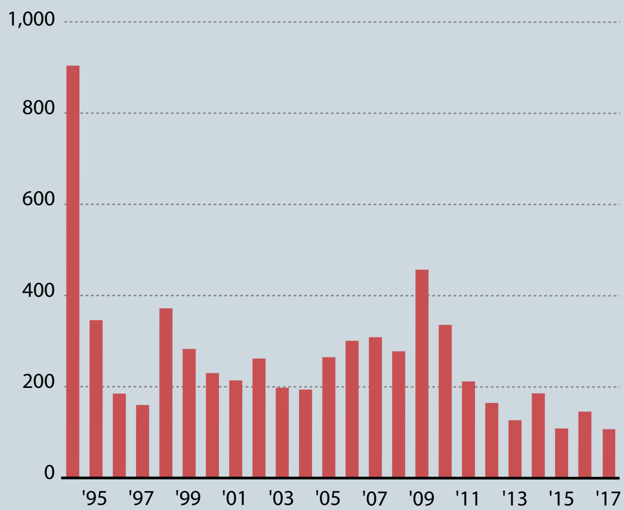
Since enactment of the Rent Regulation Reform Act (RRRA) of 1993, occupied apartments may be deregulated under certain circumstances. Beginning with the RRRA of 1993, apartments renting for $2,000 or more in which the tenants in occupancy had a combined household income more than $250,000 in each of the immediately two preceding calendar years could be deregulated. In 1997, the RRRA reduced the income threshold to $175,000. Four years later, with passage of the Rent Act of 2011, the rent threshold was raised to $2,500 and the income requirement increased to $200,000.

Most recently, the Rent Act of 2015, effective June 15, 2015, maintained the same income requirement but modified the Deregulation Rent Threshold (DRT) for High-Rent High-Income Deregulation. The DRT was increased to $2,700 and is adjusted each January 1st thereafter by the one-year renewal lease guideline percentage issued the prior year by the Rent Guidelines Board. Most recently, the DRT rose to $2,733.75, effective January 1, 2018.

Deregulation occurs upon application by the owner and upon the expiration of the rent stabilized lease. This income-based deregulation process, which is administered by HCR, relies upon data furnished to

High-Rent High-Income Deregulation, 1994-2017

Number of Units Deregulated Due to High-Rent High-Income Deregulation Decrease



Source: NYS Homes and Community Renewal (HCR) annual registration data.

the NYS Department of Taxation and Finance as part of the income verification process. Both the rent level and household income criteria should be met for deregulation to take place. For example, currently, if a household earning at least $200,000 paid less than $2,733.75 per month, rent regulation would remain in effect. In addition, the owner must apply to HCR to deregulate the unit. If the owner does not submit a deregulation application, the occupying tenant remains regulated regardless of rent level and household income. Because HCR must approve the orders of deregulation, an exact accounting exists of units leaving regulation because of High-Rent High-Income Deregulation.

Based on HCR processing records, High-Rent High-Income Deregulation removed a total of 107 apartments from rent regulation in 2017, a 27% decline from the prior year.[6] Of these units, 46% were in Manhattan; 30% in Brooklyn; 19% in Queens; and 6% were in the Bronx. No units were located on Staten Island. Over the last decade, the number of units deregulated under this provision has declined from the prior year in seven of the last ten years.

Since 1994, a total of 6,346 units have been deregulated due to High-Rent High-Income Deregulation, of which 86% have been in Manhattan. (See graph on this page and Appendix 4.)

High-Rent Vacancy Deregulation

In 1993, the New York State legislature instituted High-Rent Vacancy Deregulation, provisions of which have changed several times since its inception.[7] (See the *Changes to the Rent Stabilized Housing Stock in NYC in 2014* report for a detailed discussion of the numerous changes over the years.)

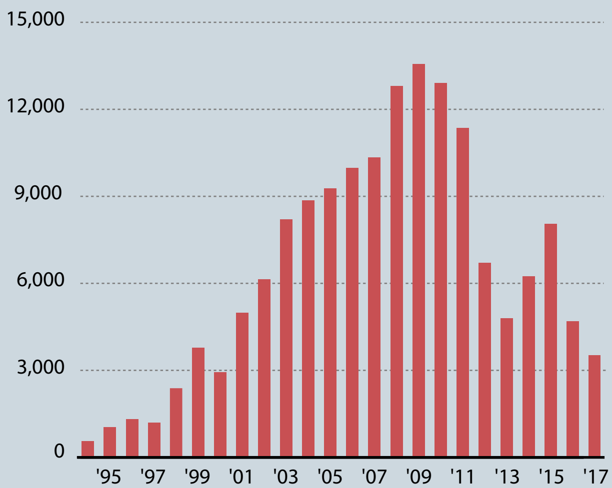
Under the Rent Act of 2015, when a tenant moves into a vacant apartment and the rent has lawfully reached the Deregulation Rent Threshold (DRT), the apartment qualifies for permanent High-Rent Vacancy Deregulation. The DRT is adjusted each January 1st by the one-year renewal lease guideline percentage issued the prior year by the NYC Rent Guidelines Board. Most recently, the DRT rose to $2,733.75, effective January 1, 2018.

Furthermore, HCR's Rent Code Amendments of 2014 require an owner to serve the first deregulated tenant with two documents. The first is a notice created by HCR detailing the previous rent and how the new rent was calculated. The second is HCR annual apartment registration, indicating the apartment status as permanently exempt, which should be filed on the April 1st following the deregulation. These documents notify the tenant of the right to file a formal complaint with HCR challenging the rent and the deregulation status.

According to HCR rent registration records, 3,517 units were deregulated in 2017 due to High-Rent Vacancy Deregulation, a decline of 25% from the number deregulated in 2016. Of these deregulated units, 49% were in Manhattan; 25% were in Brooklyn; 20% were in Queens; 5% were in the Bronx; and 1% were on Staten Island. Since 1994, at least 155,664 units were registered with the HCR as being deregulated due to High-Rent Vacancy Deregulation, 70% of which have been in Manhattan.[8]

High-Rent Vacancy Deregulation, 1994-2017

Decrease in 2017 in Number of Units Deregulated Due to High-Rent Vacancy



Note: Prior to 2014, registration of deregulated units with HCR was voluntary and not required. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years.

Source: NYS Homes and Community Renewal (HCR) annual registration data.

Since 2001, the rate at which registrations have changed over the prior year has varied. From 2001 to 2002, High-Rent Vacancy Deregulation registrations increased by 23%, and from 2002 to 2003, they increased by 34%. From 2004 to 2009, the rate of increase was between 4% and 8% each year, except for 2008, when the number of units registering as deregulated due to High-Rent Vacancy Deregulation increased 24% over the prior year. Since 2010, the number of units subject to High-Rent Vacancy Deregulation declined in all but two years. (See graph on this page and Appendices 5 through 7.)

Co-operative & Condominium Conversions

When rent regulated housing is converted through cooperative or condominium conversion to ownership status, apartments are immediately removed from rent regulation if the occupant chooses to purchase the unit.

For tenants who remain in their apartment and do not purchase their unit, the rent regulatory status depends on the type of conversion plan. In eviction conversion plans, non-purchasing tenants may continue in residence until the expiration of their lease. In non-eviction plans (which are the overwhelming majority of approved plans) the regulated tenants have the right to remain in occupancy until they voluntarily leave their apartments. When a tenant leaves a regulated unit, the apartment in most cases becomes deregulated, whether the incoming tenant purchases or rents.

In 2017, a total of 672 units located in co-ops or condos left the stabilized housing stock, a 1% increase over the number of units that left the system the prior year. By borough, the largest proportion of units leaving rent stabilization and becoming co-op/condo was in Manhattan, with 38% of the units; followed by Queens (34%); Brooklyn (18%); and the Bronx (11%).[9] No units on Staten Island left rent stabilization due to co-op/condo conversion. An estimated total of 49,640 co-op or condo units have left the stabilized stock since 1994. (See Appendices 6 and 7.)

Expiration of Section 421-a and J-51 Benefits

As discussed earlier in this report, rental buildings receiving Section 421-a and J-51 benefits remain stabilized, at least until the benefits expire. Therefore, these units enter the stabilized system for a prescribed period of the benefits and then exit the system.

In 2017, expiration of 421-a benefits resulted in the removal of 1,363 units from the rent stabilization system, 82% more than the number removed the prior year. Most 421-a expirations were in Manhattan (75%), while the remainder were in Brooklyn (14%); Queens (8%); the Bronx (2%); and Staten Island (2%). (See Endnote 9)

The expiration of J-51 benefits in 2017 resulted in the removal of 363 units, 21% fewer than the number in 2016. Among J-51 expirations, the vast majority were in Manhattan, with 89%; followed by Brooklyn

(9%); Queens (2%); and the Bronx (less than 1%). No units were removed on Staten Island.

Since 1994 Citywide, 25,125 421-a units and 16,216 J-51 units have left the rent stabilization system. (See Appendices 6 and 7.)

Substantial Rehabilitation

The Emergency Tenant Protection Act (ETPA) of 1974 exempts apartments from rent regulation in buildings that have been substantially rehabilitated on or after January 1, 1974. HCR processes applications by owners seeking exemption from rent regulation based on the substantial rehabilitation of their properties. Owners must replace at least 75% of building-wide and apartment systems (i.e., plumbing, heating, electrical wiring, windows, floors, kitchens, bathrooms, etc.). In general, buildings that have been substantially rehabilitated and vacated tend to have been stabilized properties. Therefore, when these buildings are substantially rehabilitated, the apartments are no longer subject to regulation and are considered new construction. This counts as a subtraction from the regulated stock. Notably, these properties do not receive J-51 tax incentives for rehabilitation.

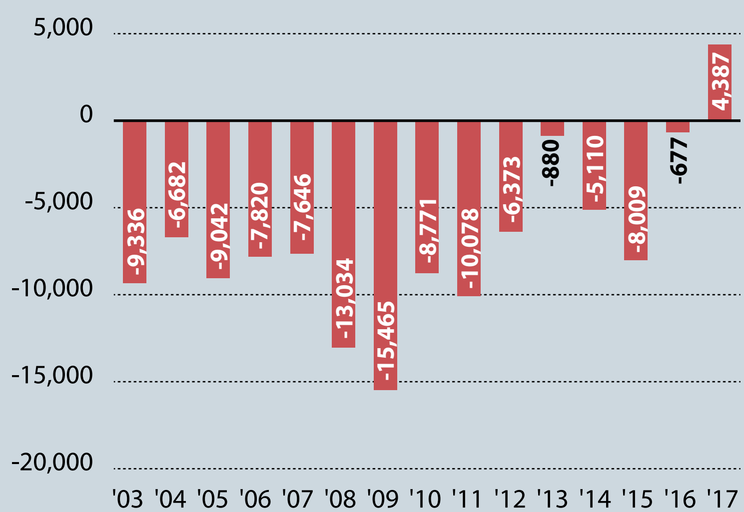
In 2017, 211 units were removed from stabilization through substantial rehabilitation, 2% fewer than the prior year. By borough, the largest proportion of units leaving rent stabilization was in Brooklyn, with 45% of the units; followed by Manhattan (40%); and Queens (15%). No units were subtracted in the Bronx or Staten Island. A total of 9,478 units have been removed from the rent stabilization system through substantial rehabilitation since 1994. (See Appendix 6.)

Conversion to Commercial or Professional Status

Space converted from residential use to commercial or professional use is no longer subject to rent regulation. In 2017, 24 units were converted to nonresidential use, compared to 160 the prior year. Since 1994, 2,472

Annual Net Change of Rent Stabilized Units, 2003-2017

Increase in Units Under Rent Stabilization in 2017



Sources: NYC Department of Housing Preservation and Development (HPD), Tax Incentive Programs and Division of Housing Supervision (Mitchell-Lama Developments); NYS Homes and Community Renewal (HCR), Office of Rent Administration and Office of Housing Operations; and NYC Loft Board.

residential units have been converted to nonresidential use. (See Appendix 6.)

Other Losses to the Housing Stock

Owners may register units as permanently exempt when smaller units are merged into larger ones, or when the building is condemned, demolished or boarded-up/burnt-out. HCR annual registration data shows that 400 units were removed from the stabilized housing stock in 2017 due to these reasons, a 9% decline from the prior year. By borough, the largest proportion of units leaving rent stabilization due to other losses was in Manhattan, with 66% of the units; followed by Brooklyn (16%); Queens (15%); and the Bronx (3%). No units were removed on Staten Island. Since 1994, 26,017 units have been removed from rent stabilization due to these other types of losses. (See Appendix 6.)

Summary

In 2017, at least 6,657 housing units left rent stabilization and approximately 11,044 units initially entered the stabilization system.

The built-in fluidity of the system resulted in a net gain of 4,387 units in the rent stabilized housing stock in 2017, following an estimated net loss of 677 units in 2016. (See graph on previous page and Summary Table on next page.)

By borough, Brooklyn saw the most additions (56%); followed by Manhattan (20%) ; Queens (14%); the Bronx (7%); and Staten Island (3%). Units added to the stabilized stock in 2017 registered median legal rents of $2,685, a 2% decrease from the prior year. The vast majority of units added were the result of the 421-a program, which comprised 85% of the additions, with an initial median rent of $3,300 (See Appendices 1 and 2.)

Meanwhile, 56% of all units leaving rent stabilization were located in Manhattan, a total of 3,738 units. The second largest reduction was in Brooklyn, representing 21% removed; followed by Queens, 17%; the Bronx, 5%; and Staten Island, representing 1% of the total number of units removed from rent stabilization in 2017. High-Rent Vacancy Deregulation was the largest source of measured subtractions from the rent stabilized housing stock in 2017, accounting for 53% of the total decrease. (See Appendix 7.)

Since 1994, the first year for which we have data, a total of at least 143,446 units have been added to the rent stabilization system, while a minimum of 290,958 rent stabilized units have been deregulated, for an estimated net loss of 147,512 units over the last 24 years. ❐

Endnotes

1. The significant increase in the number of buildings added to the rent stabilized stock through the 421-a program may be attributable in part to enforcement, by the NYC Department of Housing Preservation and Development, the NYC Department of Finance, and the NYS Department of Homes and Community Renewal's Tenant Protection Unit, of applicable tax benefit rules, including initial rent stabilization registration requirements.

2. The 2017 Housing and Vacancy Survey reported a total of 21,751 rent controlled units in New York City.

3. The Rent Act of 2015, effective June 15, 2015, raised the Deregulation Rent Threshold for deregulation upon vacancy from $2,500 to $2,700, subsequently increased to $2,733.75 effective January 1, 2018. See "High-Rent High-Income Deregulation" section on page 5 for more information.

4. The 420-c tax incentive program provides a complete exemption from real estate taxes for the term of the regulatory agreement (up to 30 years). While the RGB is unable to quantify the number of units that became rent stabilized since 2003, the previously reported figure for the period 1994-2002, 5,500 rent stabilized units created through the 420-c program, is assumed to be correct. The figure is based upon units identified in rental projects with funding sources that require rent stabilization.

5. Article 11, 14 and 15 tax incentive programs encourage new construction or rehabilitation of affordable housing to be carried out by a Housing Development Fund Corporation (HDFC). The benefit consists of complete or partial exemption from real estate taxes for up to 40 years.

6. The final count for petitions for High-Rent High-Income Deregulation may be slightly reduced as they are subject to appeal or in some cases, to review by a court of competent jurisdiction.

7. Deregulation of certain high rent apartments was instituted in New York City twice before, in 1964 and in 1968.

8. An October 2009 court decision, Roberts v Tishman Speyer Props., L.P., found that about 4,000 apartments in the Stuyvesant Town and Peter Cooper Village complexes in Manhattan were improperly deregulated because the buildings were receiving J-51 tax benefits. This ruling affects other apartments deregulated elsewhere in the City but data on the precise number of units returned to rent stabilization status is unavailable.

9. Numbers may not add up to 100% due to rounding.

Summary Table of Additions and Subtractions to the Rent Stabilized Housing Stock in 2017

Program	Number of Units
ADDITIONS	
421-a	+ 9,376
J-51 conversions	+ 0
Mitchell-Lama buyouts	+ 233
Loft conversions	+ 10
Article 11, 14 or 15	+ 1,283
CHANGES	
Rent control to rent stabilization	+ 142
Subtotal Additions & Changes	**+ 11,044**
SUBTRACTIONS	
Co-op and Condo subtractions	- 672
High-Rent Vacancy Deregulation	- 3,517
High-Rent High-Income Deregulation	- 107
421-a Expiration	- 1,363
J-51 Expiration	- 363
Substantial Rehabilitation	- 211
Commercial/Professional Conversion	- 24
Other Subtractions	- 400
Subtotal Subtractions	**- 6,657**
NET TOTAL	
Net Estimated Gain	***+ 4,387***

Sources: NYC Department of Housing Preservation and Development (HPD), Tax Incentive Programs and Division of Housing Supervision (Mitchell-Lama Developments); NYS Homes and Community Renewal (HCR), Office of Rent Administration and Office of Housing Operations; and NYC Loft Board.

Appendix

1. Additions to the Stabilized Housing Stock, 1994-2017

Year	421-a	J-51	Mitchell-Lama Buyouts State	Mitchell-Lama Buyouts City	Lofts	421-g	420-cΩ	Article 11/14/15	Formerly Controlled	Total†
1994	-	114	0	0	-	-	-	-	-	114
1995	-	88	306	0	-	-	-	-	-	394
1996	-	8	0	0	-	-	-	-	-	8
1997	-	38	323	0	-	-	-	-	-	361
1998	-	135	574	1,263	64	-	-	-	-	2,036
1999	-	33	286	0	71	-	-	-	-	390
2000	-	224	0	0	96	-	-	-	-	320
2001	-	494	0	0	56	-	-	-	-	550
2002	-	260	0	232	16	-	-	-	-	508
1994-2002	20,240	1,394	1,489	1,495	303	865	5,500	-	31,159	62,445
2003	1,929	171	0	279	20	41	0	-	916	3,356†
2004	4,941	142	0	229	129	188	0	-	706	6,335†
2005	3,380	25	251	481	66	79	0	-	721	5,003†
2006	2,264	130	285	2,755	81	5	0	-	634	6,154†
2007	2,838	135	2,227	290	35	441	0	-	592	6,558†
2008	1,856	55	0	101	35	865	0	-	887	3,799†
2009	2,438	18	112	0	36	0	0	-	519	3,123†
2010	7,596	80	0	0	9	0	0	-	451	8,136†
2011	3,155	498	0	0	6	0	0	-	438	4,097†
2012	2,509	108	132	0	17	0	0	-	360	3,126†
2013	5,975	407	0	0	26	0	0	-	309	6,717†
2014	3,110	243	318	0	21	0	0	-	211	3,903†
2015	2,515	0	0	0	18	0	0	-	270	2,803
2016	4,921	0	0	716	5	0	0	828	377	6,847
2017	9,376	0	143	90	10	0	0	1,283	142	11,044
Total	**79,043**	**3,406**	**4,957**	**6,436**	**817**	**2,484**	**5,500Ω**	**2,111**	**38,692**	**143,446†**

Ω Figures for 2003-2014 have been revised from those reported in prior reports, due to the removal of 420-c program units. See *Changes to the Rent Stabilized Housing Stock in NYC in 2015*, for more information: http://www1.nyc.gov/assets/rentguidelinesboard/pdf/changes16.pdf

† Totals have been revised from those reported in prior years due to the removal of 420-c additions. See above note.

421-a Notes: Between 1994-2002, a count of 26,987 421-a units includes co-op and condo units that were created under the 421-a program. Analysis of the Real Property Asset Database (RPAD) shows that on average from 1994 to 2002, 25% of 421-a units were owner units and 75% were rental units. Therefore an estimated 20,240 units were added to the rent stabilized stock. Since 2003, 421-a data is obtained from HCR, which provides 12 months worth of data from April 1 to March 31 of the following year, as shown above.

J-51 Notes: The numbers represent units that were not rent stabilized prior to entering the J-51 Program. Most units participating in the J-51 Program were rent stabilized prior to their J-51 status and therefore are not considered additions to the rent stabilized stock.

Article 11, 14 and 15 Notes: Data prior to 2016 not available.

Loft Notes: Loft conversion counts are not available from 1994 to 1997.

421-g, 420-c and Rent Controlled Notes: Counts for individual years between 1994 and 2002 are not available; only an aggregate is available.

421-g Note: The 421-g tax incentive program provides a 14-year tax exemption and abatement benefits for the conversion of commercial buildings to multiple dwellings in the Lower Manhattan Abatement Zone, generally defined as the area south of the centerline of Murray, Frankfort and Dover Streets, excluding Battery Park City and the piers. All rental units in the project become subject to rent stabilization for the duration of the benefits. No additional units will be added since the program required that building permits be dated on or before June 30, 2006.

Sources: NYC Department of Housing Preservation and Development (HPD), Tax Incentive Programs and Division of Housing Supervision (Mitchell-Lama Developments); NYS Homes and Community Renewal (HCR), Office of Rent Administration, annual registration data, and Office of Housing Operations; and NYC Loft Board.

2. Additions to the Stabilized Housing Stock by Borough, 2017

	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total
421-a	504	5,309	1,996	1,561	6	9,376
420-c	0	0	0	0	0	0
J-51	0	0	0	0	0	0
Mitchell-Lama Buyouts (City & State)	233	0	0	0	0	233
Lofts	0	1	9	0	0	10
Article 11, 14 or 15	0	824	183	0	276	1,283
Formerly Controlled	20	30	62	30	0	142
Total Additions	**757**	**6,164**	**2,250**	**1,591**	**282**	**11,044**

Sources: NYC Department of Housing Preservation and Development (HPD), Tax Incentive Programs and Division of Housing Supervision (Mitchell-Lama Developments); NYS Homes and Community Renewal (HCR), Office of Rent Administration, annual registration data, and Office of Housing Operations; and NYC Loft Board.

3. Average and Median Rent of Initially Registered Rent Stabilized Apartments by Borough, 2017

	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Citywide
Average Rent	$1,592	$3,214	$5,821	$3,304	$1,553	$3,606
Median Rent	$1,553	$2,595	$4,868	$3,000	$1,561	$2,685

Source: NYS Homes and Community Renewal (HCR), Office of Rent Administration, annual registration data.

4. Subtractions from the Stabilized Housing Stock Due to High-Rent High-Income Deregulation by Borough, 1994-2017

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total
1994	0	0	904	0	0	904
1995	0	0	346	0	0	346
1996	1	0	180	4	0	185
1997	1	0	157	2	0	160
1998	3	0	366	3	0	372
1999	2	1	279	1	0	283
2000	2	1	227	0	0	230
2001	3	0	209	2	0	214
2002	1	1	258	2	0	262
2003	2	13	177	6	0	198
2004	0	13	173	8	0	194
2005	4	30	220	11	0	265
2006	8	28	244	21	0	301
2007	9	45	241	14	0	309
2008	10	50	198	20	0	278
2009	16	57	364	20	0	457
2010	9	44	256	27	0	336
2011	6	38	149	19	0	212
2012	5	31	119	10	0	165
2013	3	32	74	18	0	127
2014	4	21	149	12	0	186
2015	13	37	50	9	0	109
2016	1	30	92	23	0	146
2017	6	32	49	20	0	107
Total	**109**	**504**	**5,481**	**252**	**0**	**6,346**

Source: NYS Homes and Community Renewal (HCR), Office of Rent Administration, annual registration data.

5. Subtractions from the Stabilized Housing Stock Due to High-Rent Vacancy Deregulation by Borough, 1994-2017

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total
1994	3	9	544	9	0	565
1995	1	111	927	8	0	1,047
1996	10	106	1,203	6	0	1,325
1997	6	77	1,121	0	0	1,204
1998	7	116	2,247	14	0	2,384
1999	11	151	3,586	37	0	3,785
2000	7	279	2,586	62	0	2,934
2001	53	294	4,490	145	0	4,982
2002	64	391	5,431	251	7	6,144
2003	83	640	7,048	416	17	8,204
2004	101	758	7,271	697	29	8,856
2005	184	852	7,303	904	29	9,272
2006	217	1,408	7,187	1,106	65	9,983
2007	375	1,409	7,114	1,380	64	10,342
2008	447	1,884	8,600	1,787	82	12,800
2009	537	2,013	8,718	2,195	94	13,557
2010	581	2,154	7,807	2,290	79	12,911
2011	654	2,256	6,378	2,032	44	11,364
2012	281	1,189	4,289	922	32	6,713
2013	197	994	2,924	654	32	4,801
2014	309	1,247	3,572	1,056	51	6,235
2015	432	1,773	4,280	1,510	54	8,049
2016	179	1,132	2,522	824	33	4,690
2017	186	870	1,738	695	28	3,517
Total	**4,925**	**22,113**	**108,886**	**19,000**	**740**	**155,664**

Note: Prior to 2014, registration of deregulated units with HCR was voluntary. These totals therefore represent a 'floor' or minimum count of the actual number of deregulated units in these years. Since 2014, the annual apartment registration must indicate that an apartment is permanently exempt. See "High-Rent Vacancy Deregulation" section on page 6 for more information.

Source: NYS Homes and Community Renewal (HCR), Office of Rent Administration, annual registration data.

6. Subtractions from the Stabilized Housing Stock, 1994-2017

Year	High-Rent High-Income Deregulation	High-Rent Vacancy Deregulation	Co-op/Condo Conversion	421-a Expiration	J-51 Expiration	Substantial Rehab	Commercial/ Professional Conversion	Other	Total
1994	904	565	5,584	2,005	1,345	332	139	1,904	12,778
1995	346	1,047	4,784	990	1,440	334	113	1,670	10,724
1996	185	1,325	4,733	693	1,393	601	117	1,341	10,388
1997	160	1,204	3,723	1,483	1,340	368	109	1,365	9,752
1998	372	2,384	3,940	2,150	1,412	713	78	1,916	12,965
1999	283	3,785	2,822	3,514	1,227	760	110	1,335	13,836
2000	230	2,934	3,147	3,030	884	476	729	1,372	12,802
2001	214	4,982	2,153	770	1,066	399	88	1,083	10,755
2002	262	6,144	1,774	653	1,081	508	45	954	11,421
2003	198	8,204	1,474	651	854	340	59	912	12,692
2004	194	8,856	1,564	493	609	268	79	954	13,017
2005	265	9,272	1,692	451	545	692	111	1,017	14,045
2006	301	9,983	1,567	263	236	350	135	1,139	13,974
2007	309	10,342	1,455	161	270	297	66	1,304	14,204
2008	278	12,800	1,405	376	176	421	56	1,321	16,833
2009	457	13,557	1,153	1,075	286	441	62	1,557	18,588
2010	336	12,911	1,130	657	143	274	32	1,424	16,907
2011	212	11,364	1,098	415	230	174	29	653	14,175
2012	165	6,713	924	336	244	481	74	562	9,499
2013	127	4,801	774	757	188	308	31	611	7,597
2014	186	6,235	789	1,011	137	226	13	416	9,013
2015	109	8,049	618	1,079	287	288	13	369	10,812
2016	146	4,690	665	749	460	216	160	438	7,524
2017	107	3,517	672	1,363	363	211	24	400	6,657
Total	**6,346**	**155,664**	**49,640**	**25,125**	**16,216**	**9,478**	**2,472**	**26,017**	**290,958**

Co-op/Condo Note: Subtractions from the stabilized stock in co-ops and condos are due to two factors: (1) stabilized tenants vacating rental units in previously converted buildings and (2) new conversions of stabilized rental units to ownership.

High-Rent Vacancy Deregulation Note: Prior to 2014, registration of deregulated units with HCR was voluntary. These totals therefore represent a ‘floor’ or minimum count of the actual number of deregulated units in these years. Since 2014, the annual apartment registration must indicate that an apartment is permanently exempt. See “High-Rent Vacancy Deregulation” section on page 6 for more information.

Source: NYS Homes and Community Renewal (HCR), Office of Rent Administration, annual registration data.

7. Subtractions from the Stabilized Housing Stock by Borough, 2017

	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total
High Rent/High Income Deregulation	6	32	49	20	0	107
High Rent/Vacancy Deregulation	186	870	1,738	695	28	3,517
Co-op/Condo Conversion	71	118	253	230	0	672
421-a Expirations	23	189	1,017	112	22	1,363
J-51 Expirations	1	33	323	6	0	363
Substantial Rehabilitation	0	95	84	32	0	211
Commercial/Professional Conversion	7	3	10	4	0	24
Other	13	62	264	61	0	400
Total Subtractions	**307**	**1,402**	**3,738**	**1,160**	**50**	**6,657**

Source: NYS Homes and Community Renewal (HCR), Office of Rent Administration, annual registration data.