Housing NYC: Rents, Markets and Trends 2004

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Chairman's Acknowledgments

I am proud to present the latest edition of *Housing NYC: Rents, Markets and Trends*, the NYC Rent Guidelines Board's annual compendium of RGB staff research. This research is the foundation of the decision-making process the Board undertakes to determine the annual rent guidelines for rent stabilized apartments, hotels and lofts. In addition, the reports contained within these pages are useful for members of the public seeking data and information on the housing market in New York City, housing income and affordability, NYC's economic status and more.

Without the first-rate work of our research staff, the reports in *Housing NYC* would not be possible. The staff of the Board worked indefatigably to prepare the data presented to you in this book. I am fortunate to have the pleasure of working with such a fine group.

Furthermore, I want to extend my gratitude to every member of the Rent Guidelines Board. They all deserve appreciation for their hard work. I am honored to serve the City of New York as Chairman of such a dedicated group of individuals.

Marvin Markus
Chairman

Executive Director's Acknowledgments

Each year the Rent Guidelines Board (RGB) publishes its primary research reports in one compendium entitled *Housing NYC: Rents, Markets and Trends*. The 2004 edition reflects data collected by the RGB research staff and presented to the Board for consideration during its deliberation of annual renewal lease guidelines for rent stabilized dwelling units in New York City.

The RGB's most extensive and time consuming report is the *Price Index of Operating Costs (PIOC)*. Many exhaustive and tedious hours are spent collecting data regarding the operating and maintenance costs incurred by owners of rent stabilized buildings. This survey would not be possible without the help of our team of temporary survey personnel who collect prices for insurance, non-union labor, contractors, building supplies, and replacement items. Our thanks go to the leader of our team, Shirley Alexander, for her eleventh year of service to the Board. Her vast knowledge of the PIOC along with her integrity and hard work as the PIOC Temporary Survey Manager make her a valuable addition to our staff each year. The survey team consisted of newcomer Ann Sheriff and the RGB's Public Information Officer Charmaine Frank. Both should be commended for their tired less effort and dedication to the project. Finally, the *Price Index* would not be the same without the expertise of Jim Hudson, the RGB's long-time PIOC consultant. His calculation of the PIOC Tax component and review of the PIOC spreadsheets ensures that the numbers we present to the Board are accurate.

In addition to the PIOC, the research staff produced five other reports. Brian Hoberman, completing his fifth year with the Board and first as the Senior Research Associate, was responsible for conducting both the *2004 Income and Expense Study* and *Changes to the Rent Stabilized Housing Stock in NYC in 2003*. Being a neophyte to both reports, Brian did an exemplary job with these challenging projects. Danielle Burger, the newest member of the RGB staff, was the primary researcher for the three remaining reports: the *2004 Mortgage Survey*, the *2004 Income and Affordability Study* and the *2004 Housing Supply Report*. Danielle has proven to be an outstanding addition to our staff and is a pleasure to have in the office.

None of our research would be possible without the support of the administrative staff. Many thanks to Leon Klein, RGB's Office Manager, whose 20 years of institutional knowledge is an invaluable resource for conducting the day-to-day operation of the office. Honest as the day is long, Leon is an integral part of the RGB ensuring that staff gets paid, invoices are processed, supplies are purchased and that the phones do not go unanswered. Charmaine Frank organizes the public meetings and continues to answer the thousands of housing questions received at our offices each year with professionalism and kindness. She is truly the "voice" of the RGB.

I would like to extend my gratitude to the Chair of the RGB, Marvin Markus, for his continued support of the staff and for entrusting to me the position of Executive Director. His vast knowledge of the intricacies of rent stabilized housing issues certainly makes my job much easier and helps to facilitate the guideline setting process.

On a personal note, I would like to thank my friend and colleague Anita Visser, the former Executive Director of the RGB whom I've replaced. Anita lent her expertise to both the *Price Index* and *Income and Expense Study* and her sage advice on staff and research matters has been an invaluable resource in my first year on the job. I consider her a mentor and appreciate all she has done to make my transition to Executive Director a success.

Although RGB reports are produced entirely "in house," our research efforts would not be possible without assistance from many others. For the information they provided, our gratitude goes out to: Warren Liebold of the NYC Department of Environmental Protection for assisting the RGB in obtaining water/sewer rates; Bill Sears at the Department of City Planning, for data on new housing completions; Farid Heydarpour at the NYC Comptroller's Office, who provides labor force data; Richard Bernard at the Department of Buildings for city-wide demolition data; Percy Corcoran at the Bureau of City Marshals for information on evictions and possessions; Nestar Bunbury and Raj Pathani at the NYS Attorney General's Office, for information regarding cooperative and condominium developments; Ernesto Belzaguy at the NYC Civil Court, for data on housing court proceedings; George Sweeting of the Independent Budget Office (IBO) for lending his expertise on real estate taxes; Molly Wasow Park, also from the IBO, for data regarding the types of buildings receiving tax benefits; and Leslie Torres, Executive Director, NYC Loft Board for providing data on rent stabilized loft units. From DHCR we would like to thank Deputy Commissioners Paul Roldan and David Cabrera, as well as Luke O'Brien, Michael Berrios and Tracy Stock for their assistance and expertise regarding owner registration data. In addition, our thanks goes out to the following staff members of HPD: Lisa S.J. Yee, Deputy Director, Tax Incentives Program, who provides data on tax benefit programs; Hank Perlin, Deputy Director, Tax Incentives Program, for his assistance on units created under tax incentive programs; and Julie Walpert, Assistant Commissioner, Office of Housing Operations, who provides information regarding Mitchell-Lama units. Finally, we would like to thank the staff of NYC Department of Finance, in particular Leonard Linder, Director of Operations Research, Property Division, and his staff for providing the data for the real estate tax component of the *2004 PIOC* and Florence Miller and Abe Kleinbardt for producing income and expense data.

Our appreciation is extended to the numerous agencies that provided useful data throughout the year. At the national level: the U.S. Census Bureau, Residential Construction branch; the Bureau of Labor Statistics; and the Department of Housing and Urban Development, Economic and Market Analysis Division. Agencies at the state level include: the Real Estate Financing Bureau of the Attorney General's Office; the Division of Housing and Community Renewal; and the Department of Labor's Research and Statistics Division. Local level sources include: the Department of Finance; the Department of Buildings; the Department of City Planning; the Mayor's Office of Operations; the Comptroller's Office; the Office of Management and Budget; Corporation Counsel; the Bureau of City Marshals; and the Department of Housing Preservation and Development, Office of Development.

From HPD, I would like to thank Commissioner Shaun Donovan, Harold Shultz, Moon Wha Lee, and Sheree West for their work on behalf of the RGB. Their support and expertise on administrative matters went a long way in making this past year a successful one. I look forward to working with them in the years to come. I would also like to thank Stephanie Jacoby and Laurie Tamis, our liaisons to the Office of the Deputy Mayor for Economic Development and Rebuilding, for attending our meetings and delivering our research to City Hall.

Finally, we give special thanks to those who testified at RGB meetings this year: Michael Schill, Director, Furman Center for Real Estate and Urban Policy; from HPD, Harold Shultz, Special Counsel; Mark Levitan, Senior Policy Analyst, Community Service Society; Jessica Leighton, Assistant Commissioner, Environmental Disease Prevention, NYC Department of Health and Mental Hygiene; and from DHCR, Deputy Commissioner for Rent Administration Paul Roldan, General Counsel Marcia Hirsch and Deputy Commissioner for Housing Operations David Cabrera.

Andrew McLaughlin
Executive Director

Income and Expense

2004 Price Index Of Operating Costs

what's new

- ✔ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings (PIOC) increased 6.9% this year.
- ✔ Costs in pre-war buildings increased 6.4% and costs in post-war buildings rose 6.9%.
- ✔ The "core" PIOC, which excludes the erratic changes in fuel oil prices, natural gas, and electricity costs, is useful for analyzing inflationary trends. The core rose by 9.2% this year.
- ✔ Fuel oil costs decreased -2.8%.
- ✔ Real estate taxes rose 16.2%, due to the strong rise in assessments and the increase in the tax rate.
- ✔ Labor Costs rose 4.5%,
- ✔ The Utilities component increased by 0.8% due primarily to increases in water and sewer costs.
- ✔ Insurance Costs grew by 14.7%.
- ✔ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings is projected to increase 3.6% next year.

Introduction

The Price Index of Operating Costs (PIOC) measures the price change in a market basket of goods and services used in the operation and maintenance of rent stabilized apartment buildings in New York City. The goods and services which make up the market basket were originally selected on the basis of the findings of a study of 1969 expenditure patterns by owners of rent stabilized apartment buildings. Minor changes in the specification of some of these goods and services have been carried out over time to maintain the representativeness of the market basket. The relative importance of the various goods and services in the market basket was updated in 1983 by means of a study of expenditure patterns of owners of rent stabilized apartment buildings.

The PIOC was maintained by the Bureau of Labor Statistics (BLS) from 1970 to 1981. From 1982 to 1990, private consulting firms prepared the PIOC. In 1991, the Rent Guidelines Board (RGB) staff's growing expertise and familiarity made it possible to move the PIOC "in house."

The Price Index of Operating Costs for Rent Stabilized Apartment Buildings rose ...

The PIOC measures changes in the cost of purchasing a specified set of goods and services, which must remain constant both in terms of quantity and quality from one year to the next. The need to exclude the effect of any alterations in the quality of services provided requires that very careful specifications of the goods and services priced must be developed and applied. The pricing specifications must permit the measurement of changes in prices paid for carefully defined pricing units with specific terms of sale, such as cash, volume or trade discounts. For certain items, such as real estate taxes, the price paid is determined administratively, through information collected from City records.

Changes in the overall PIOC result from changes in the prices of individual goods and services, each weighted by its relative importance as a percentage of total operating and maintenance (O&M) expenditures. Because the market basket is fixed in the sense that the quantities of goods and services of each kind remain constant, the relative importance of the various goods and services will change when their prices increase either more quickly or more slowly than average. Thus, the relative importance, or weight, attached to each good or service changes from year to year to reflect the different rates of price change among the various index items. The expenditure weights used in the construction of the 2004 Price Index are based upon the 1983 Expenditure Study and revised on the basis of the annually measured price changes from 1982-2003.

terms and definitions

Price Index - the measure of price change in a market basket of goods and services.

Component - categories of goods and services, such as Labor Costs or Taxes, that comprise the market basket of a price index.

Item - representative individual goods and services within a component, such as Pushbroom, Plumbing, Faucet or Roof Repair.

Price Relative - the ratio of current and prior year's prices.

Expenditure Weight - the relative importance of the change in costs of different goods and services.

Specification - defined pricing units with specific terms of sale, such as cash, volume or trade discounts.

The importance of each index component is shown by its "expenditure weight" (see Appendix B.2). The measured 2003-04 price changes in each index component are also presented in this table. The expenditure weights and the 2003-04 price changes are then combined to provide the overall change in the PIOC over the period from 2003-04.

The 1983 Expenditure Study provides a basis for calculating separate sets of expenditure weights for buildings constructed before 1947 and for buildings constructed in 1947 or later (post-1946). Typically, buildings constructed before 1947 incur a lower percentage of operating and maintenance costs for property taxes, but their fuel costs represent a significantly higher percentage of total operating and maintenance costs than do the fuel costs of the post-1946 buildings. The differences between the pre-1947 and post-1946 expenditure patterns for buildings are combined in the construction of the overall PIOC. It is nevertheless possible to develop separate price indices for the pre-1947 and post-1946 buildings. In addition, there are separate price indices for gas-heated, oil-heated and master-metered buildings. Although the expenditure weights for all rent stabilized buildings and for each of the five subcategories of buildings differ, the price changes are the same for each of the six indices. (See Appendices B.2 and B.3)

The PIOC consists of nine cost components, each designed to measure changes in a category of costs such as fuel, insurance, utilities, etc. The methodology for each component is described in the final section of this report.

Summary

apartments

Change In Costs for Rent Stabilized Apartment Buildings, April 2003 to April 2004

Taxes	16.2%
Labor Costs	4.5%
Fuel	-2.8%
Utilities	0.8%
Contractor Services	4.1%
Administrative Costs	4.0%
Insurance Costs	14.7%
Parts and Supplies	1.2%
Replacement Costs	1.0%
All Costs	**6.9%**

This year, the PIOC for rent stabilized apartment buildings increased by 6.9%, ten percentage points below the PIOC percent change from the year before (16.9% in 2003). The PIOC was driven upward by the increase in property taxes (16.2%) and escalating insurance costs (14.7%). These increases were offset by the decrease in the cost of fuel (-2.8%) and low to moderate increases in the remaining six cost components that ranged from 0.8% to 4.5%. See the adjacent table and Appendix 2 for changes in costs and prices for all rent stabilized apartment buildings from 2003-04.

The "core" PIOC, which excludes the erratic changes in fuel oil, natural gas and electricity costs, is useful for analyzing long-term inflationary trends. The core PIOC rose by 9.2% this year, propelled mainly by tax and insurance increases, and outpaced the growth in the Consumer Price Index (CPI) (2.96%), by over 6 percentage points.[1]

Price Index Components

Taxes

The Tax component of the PIOC is based entirely on real estate taxes. The change in tax cost is estimated by comparing aggregate taxes levied on rent stabilized apartment houses in FY 2003 and FY 2004. The tax data was obtained from the New York City Department of Finance.

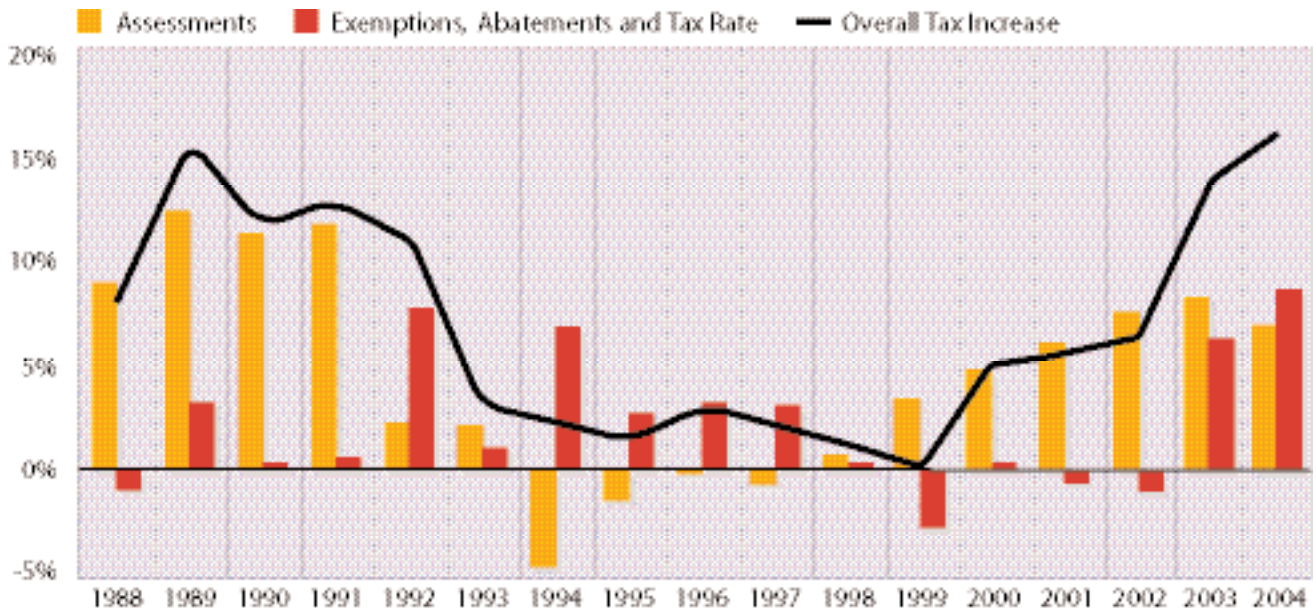
Real estate taxes for rent stabilized buildings rose this year by 16.2%. The change in taxes was driven both by the strong rise in assessments and the increase in the property tax rate. The tax rate for rent stabilized properties rose by 9.6%. This rate change incorporates the second half of the 18.49% increase implemented July (9.25%) of 2003. This increase in the tax rate outpaced the growth in assessments (6.9%) for the first time since 1997 (see graph below). Changes in tax exemptions and abatements had little impact on taxes this year.

Tax Levy — The total tax levy for all properties in the City (commercial and residential) increased by 14.6% from FY 2003 to FY 2004, due both to the property tax increase and rising assessments. The Class Two property levy rose higher than that of the City as a whole, at a rate of 16.7%. The distribution of the levy among property classes tends to shift from year to year. During FY 2002 and FY 2003, the tax burden on Class Two properties remained constant at 34.9%. However, from FY 2003 to FY 2004, the levy share for Class Two properties increased, by 0.7 percentage point, to 35.6% of the total tax burden.

Tax Rate — The FY 2003 Class 2 rate of 11.541 increased by 9.3% (the second half of the 18.49% tax rate increase implemented in FY 2004), resulting in a new annualized rate of 12.620. This increase follows a 9.2% rise in the tax rate levied in January of FY 2003. This year's rise in the tax rate was preceded by an overall increase of 7.3% in FY 2003 and by decreases in the tax rate of 0.5% in FY 2002 and 0.07% in FY 2001.

Percent Change in Taxes due to Assessments and Exemptions/Abatements/Tax Rate 1988-2004

The Growth in the Tax Rate was Greater than the Growth in Assessments in 2004



Source: New York City Department of Finance

Assessments — The change in the assessed valuations of rent stabilized buildings in New York City has fluctuated following the cycles in the real estate market. Assessments rose dramatically from the late 1980s through 1991, increasing 8% or more each year (see graph on the previous page). In FY 1992 and FY 1993, the increase in valuations for stabilized buildings slowed to 2% per year. The impact of the recession was finally reflected in tax bills the following two years—valuations dropped 4.7% in FY 1994 and 1.3% in FY 1995. Smaller decreases occurred in the next two years. From FY 1998 to 2003, assessments increased each year at a higher rate than the previous year.

In FY 2004, assessments rose by 6.9% citywide. This rise in assessments was not as great as last year's increase, the first time in seven years the increase in assessed valuations was not as high as the year before. All five boroughs showed increases in assessments. Assessments in Manhattan rose 8.8%, more than double the average of the four remaining boroughs (3.8%). Assessments rose 4.6% in the Bronx, 3.3% in Brooklyn, 4.3% in Queens and 3.2% in Staten Island.

Abatements and Exemptions — This year, the number of rent stabilized buildings with abatements declined by 4.9%. However, the average benefit value of the typical tax abatement increased by 3.6% from FY 2003 to FY 2004. While the number of properties with tax abatements decreased in every borough, the average value of abatements increased in each borough except Queens. The net impact of the decrease in the number of abatements and the increase in the average abatement value in FY 2004 is a small increase in the tax liability for rent stabilized buildings of approximately 0.04%.

In FY 2004, both the number and value of average tax exemptions increased. Overall, 2.2% more rent stabilized buildings benefited from tax exemptions than in the year before, and the average value of exemptions increased by 7.0% this year. The increase in tax exemptions had a larger impact on the real estate tax component of the PIOC than the change in abatements. For all stabilized properties, the rising number and value of tax exemptions reduced owners' tax bills by about 1.0%. (See Appendices B.5 and B.6)

Labor Costs

The Price Index measure of labor costs includes union and non-union salaries and benefits, in addition to Social Security and unemployment insurance. The cost of unionized labor makes up nearly two-thirds of the Labor Costs component. The entire Labor Costs component comprises 15% of the overall Price Index.

Labor Costs rose 4.5%, one percentage point higher than last year's PIOC (3.5%). Unionized wages as a group increased by 2.8%, offsetting the faster growth in non-union pay (5.8%). This is the eleventh consecutive year in which the growth in non-union labor pay outpaced union labor wages. Primarily due to large increases in the cost of health care insurance, employers saw a significant rise in the cost of union benefit contributions of 8.2%. The cost of unemployment insurance increased sharply, up 14% for the second consecutive year, most likely propelled by the continued rise in the New York City unemployment rate.

Fuel

The change in cost measured in the fuel component considers both the change in weather and the change in prices for the three types of heating oil used to heat multi-family buildings in New York City. First, the PIOC measures fuel prices from May to April and then compares them to the same months from the previous year. Fuel oil prices increased slightly by 0.6%. An increase in prices for #2 fuel oil of 3.7% was offset by decreases in prices for #4 and #6 fuel oil of 2.9% and 4.0% respectively.

Second, along with measuring price, the PIOC also takes into account the effect of weather on the demand for fuel oil, especially during the heating season when the large majority of the fuel is burned. Since this year was warmer than last year (although colder then normal), weather decreased the demand for fuel. The combination of the slight increase in heating oil prices and the decrease in demand lowered the cost owners incurred for heating their buildings with oil by 2.8%.

This moderate decrease in fuel costs in this year's index indicates that the cost of heating multi-family buildings was similar to the cost from the previous year.[2]

Utilities

The Utilities component consists primarily of electricity, natural gas, and water and sewer charges. Telephone and steam costs are a small part of the Utilities component. In the case of most Utilities items, changes in costs are measured using the PIOC specifications (i.e. the quantity of electricity, steam, etc. being purchased) and the changes in rate schedules. Water and sewer costs are based on the rate established by the New York City Water Board.

This year, Utilities increased slightly, rising 0.8%, following last year's increase of 21.7%. Gas and electricity costs account for roughly 48% of the Utilities component. Gas cost increased 5.3%, due mainly to an increase in gas prices, while electricity costs decreased sharply by 18.4%. The double-digit decrease in electricity costs was offset by an increase in water and sewer costs of 5.5%. Water and sewer costs account for about half of the Utilities component. Steam costs that decreased 18.9% and telephone costs that increased 5.4% had little impact on the overall Utilities component.

Contractor Services

The Contractor Services component rose 4.1%, an increase that is 0.7 of a percentage point lower than last year's growth of 4.8%. The most important items in this component by weight are repainting and plumbing rates, which comprise two-thirds of the Contractor Services component.

For the fourth consecutive year, plumbing rates increased more than those for repainting. Plumbers' rates rose by 4.8% while Repainting rates increased by 2.8%. Painters reported that an increase in the cost of labor, materials, insurance and inflation were the factors which led to a higher increase in their services. Plumbers, by contrast, indicated that the increase in their rate was due primarily to the rise in the cost of labor.

Every item in the Contractor Services component experienced some rise in prices or rates for services. Roof Repair showed the highest increase (8.5%) of any item in this component due to a significant rise in the cost of materials. The growth in Range Repair costs had the smallest increase of any item in this component, 1.7%.

Administrative Costs

The Administrative Costs component rose 4.0%. For the first time in six years the rate change in this component increased at a rate lower than the previous year. Fees paid to management companies, accountants, and attorneys make up nearly this entire component.

A large portion of the growth in the Administrative Costs component can be attributed to a rise in management company fees (4.0%) that comprise over two-thirds of this component. Management fees are often tied to apartment buildings' rental income and are affected by changes in rents and vacancies. This year's growth is significantly lower than last year's (6.4%), indicating that management companies continue to see increased rents and fewer vacancies in the buildings they manage, but not at the same rate as last year.

Attorney and accounting fees increased at the same rate in this year's PIOC, 3.7%. Both Attorneys' fees and Accountants' fees rose at a faster rate compared to the prior year's increases of 3.2% and 2.8% respectively. Accountants claimed that increases in their cost of living expenses led to higher rates. Attorneys cited the increase in labor costs as the primary reason for raising their rates.

Insurance Costs

Insurance Costs increased sharply this year by 14.7%, but not nearly as high as last year's dramatic increase in costs of 40.5%. This was a continuation of escalating insurance costs that have risen cumulatively 87% over the past three years. Changes in this component in the fourteen-year period prior to 2002 fluctuated from a decrease of –1.5% to an

increase of 5.2%. In the mid-80s and the post-9/11 years, the Insurance Costs component has been subject to very high double-digit increases and unlike energy-related items, has never shown commensurately large decreases.

Roughly 19%, or one in five building owners responding in this year's survey, reported a change in insurance carriers for the surveyed building in the past year. This percentage is down from 24% seen in 2003 and 21% in 2002. Owners who changed carriers experienced a larger rise in costs (15.3%) than owners who remained with the same insurer (14.5%).

Those owners who changed the amount of coverage on their buildings, such as increasing the insured value or adding terrorism coverage, saw a 19.1% rise in cost compared to a 12.3% increase for owners who had the same coverage from year to year. Of the owners that changed the amount of coverage on their renewal policies, 55% increased the amount that the building was insured for while 13% of these owners increased their maximum liability insurance coverage.

Parts and Supplies

The Parts and Supplies component accounts for roughly two percent of the entire Price Index. The overall increase in the Parts and Supplies component was 1.2%, 0.8 percentage point higher than last year's increase of 0.4% and the highest increase since 2000.

Replacement Costs

The Replacement Costs component is even less significant than the Parts and Supplies component, its weight being less than 1/100th of the PIOC. This year there was an overall increase in Replacement Costs of 1.0%.

Rent Stabilized Hotels

The Hotel Price Index includes separate indices for each of three categories of rent stabilized hotels (due to their dissimilar operating cost profiles) and a general index for all stabilized Hotels. The three categories of hotels are: 1) "traditional" hotels—a multiple dwelling which has amenities such as a front desk, and maid or linen service; 2) Rooming Houses—a multiple dwelling other than a hotel with thirty or fewer sleeping rooms; and, 3) single room occupancy hotels (SROs)—a multiple dwelling in which one or two persons occupy a single room residing separately and independently of other occupants.

The Price Index for all stabilized Hotels increased 6.2% this year, 9.8 percentage points lower than the 16.0% increase found the year before. The Price Index for Hotels was just 0.7 percentage point lower overall than the increase in costs measured in the Apartment Price Index. The primary differences between the increase in the Hotel Index and the Apartment Price Index was in the Tax and Utilities components. The increase in taxes for all types of Hotels was 18.6% overall versus 16.2% in apartment buildings. Utility costs decreased in Hotels by 5.0%, compared to the 0.8% increase for apartments. The difference was due primarily to electricity costs, which decreased in both indexes, but are weighted more heavily in Hotels than in apartments.

Prices in all other components in the Hotel Index had similar changes in rates to the same components in the Apartment Index. Labor Costs increased more rapidly in Hotels (5.2%) versus the 4.5% rise in apartments. Hotels tend to employ more non-union labor than apartment buildings, and non-union labor costs increased at a higher rate than unionized labor costs did this year. Conversely, the rates for Contractor Services did not rise as quickly in Hotels (2.9%) as they did in apartments (4.1%) this year. Because the Contractor Services component is less important in the Hotel Index (accounting for about 9% of the weight) than in the Apartment Index (about 14% of the weight), the lower increase in maintenance rates did not offset the overall Hotel Index significantly. Fuel decreased at a lower rate in the Hotel Index (-2.3%) compared to the 2.8% decrease for apartments.

Changes in these components caused the Price Index for all stabilized Hotels to increase at a similar rate to the Price Index for all stabilized buildings. See the table on the following page for changes in costs and prices for all rent stabilized hotels from 2003-04.

Among the different categories of Hotels, the index for "traditional" hotels increased 7.2%, the index for Rooming Houses increased 5.4%, and SROs increased by 4.4%. The differences between these indices are primarily due to the increased weight placed on the Tax component for "traditional" hotels. (See Appendices B.4 and B.7)

There was diversity among hotel subgroups in tax expense this year, as real estate taxes increased in "traditional" stabilized hotels by 16.9%, by 20.5% in SROs, and by 17.5% in Rooming Houses. The lower increase in tax burden found for "traditional" hotels this year was caused by the lower tax rate for Hotels (7.6% compared to 9.0% and 9.2% for SROs and Rooming Houses), and a discount in tax bills from exemptions (-1.8%), that was larger than the discount found for SROs (-0.1%) and the almost negligible impact of exemptions on Rooming Houses (0.05%). (See Appendix B.5)

hotels

Change In Costs for Rent Stabilized Hotel Buildings, April 2003 to April 2004

Taxes	18.6%
Labor Costs	5.2%
Fuel	-2.3%
Utilities	-5.0%
Contractor Services	2.9%
Administrative Costs	4.3%
Insurance Costs	14.7%
Parts and Supplies	1.2%
Replacement Costs	0.5%
All Costs	**6.2%**

Rent Stabilized Lofts

The increase in the Loft Index this year was 8.2%, 1.3 percentage points higher than the increase for apartments. This difference is explained primarily by the fact that Insurance Costs, which increased by 14.7%, are much more important for lofts than for apartments and placed more upward pressure on the Loft Index. See the adjacent table and Appendix B.8 for changes in costs and prices for all rent stabilized lofts from 2003-04.

lofts

Change In Costs for Rent Stabilized Loft Buildings, April 2003 to April 2004

Taxes	16.2%
Labor Costs	4.3%
Fuel	-4.3%
Utilities	0.3%
Contractor Services	4.1%
Administrative Costs, Legal	3.7%
Administrative Costs, Other	4.0%
Insurance Costs	14.7%
Parts and Supplies	1.2%
Replacement Costs	1.0%
All Costs	**8.2%**

The Core PIOC

The Core PIOC (see graph on the following page), which measures long-term local trends by factoring out shifts in fuel costs, gas, and electricity rates, rose 9.2% in 2004. The 9.2% rise in the 2004 Core was 0.2 percentage point lower than last year's Core PIOC projection of 9.4%. Insurance Costs showed the most variation between the actual (14.7%) and predicted (19.7%) core increases. All of the remaining changes in the core components in the 2004 projection and the actual 2003 core show agreement within 0.9 percentage point.

PIOC Projections for 2005

Section 26-510 of the Rent Stabilization Law requires the Board to consider the prevailing and projected operating and maintenance costs. Projections for the components of the PIOC are performed to provide the Rent Guidelines Board with an estimate of how much costs are expected to rise in the year following the current Price Index. The PIOC Projection is used in correlation with the old 'traditional' commensurate rent adjustment formula only. Before the new commensurate formulas were devised, the projection was used historically to assist the Board in setting guidelines for tenants choosing two- or three-year leases.

It is important to note that changes in costs and prices after April 2004, the last month covered by this study, will be measured in next year's Price Index. The PIOC Projection is not used in the calculation of the 'Net Revenue' and 'CPI-Adjusted

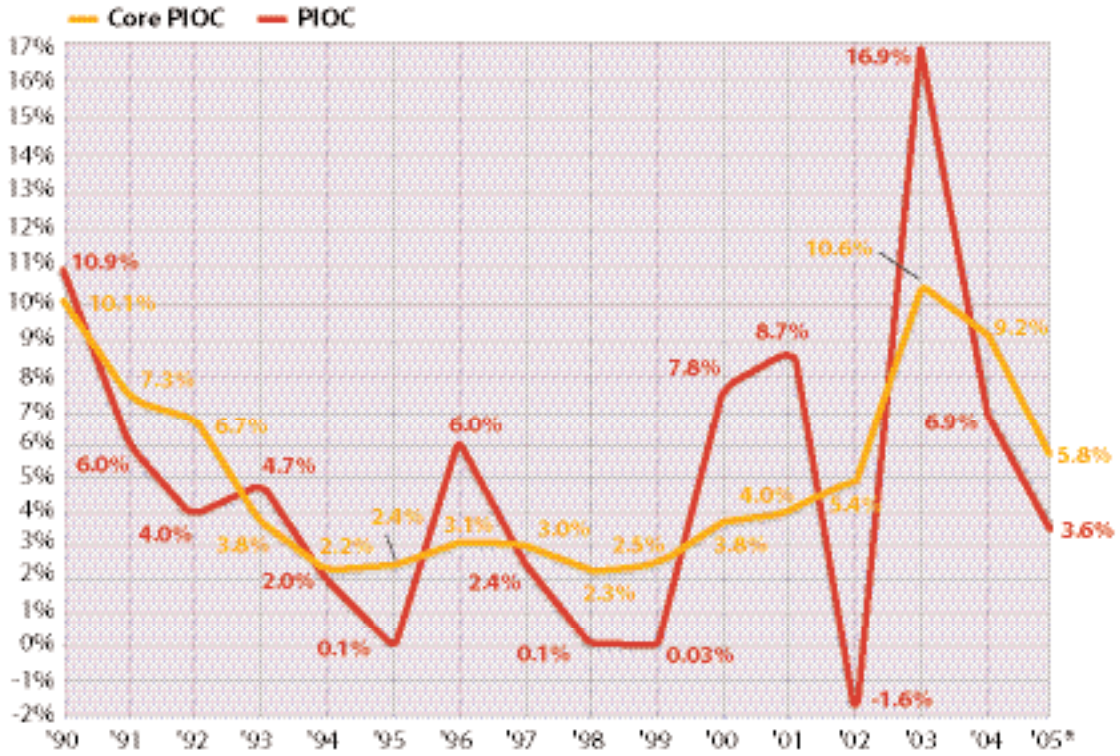
projections

Projected Change In Costs for Rent Stabilized Apartment Buildings, April 2004 to April 2005

Taxes	3.0%
Labor Costs	3.5%
Fuel	-8.1%
Utilities	1.2%
Contractor Services	4.2%
Administrative Costs	4.7%
Insurance Costs	23.4%
Parts and Supplies	1.1%
Replacement Costs	0.9%
All Projected Costs	**3.6%**

Percent Change in the Price Index of Operating Costs and the Core PIOC, 1990-2005

The Increase in the "Core" PIOC was Higher than the Apartment PIOC in 2004



*Note: The percent change for 2005 was estimated.
Source: Price Indices of Operating Costs, 1990-2004, PIOC projection for 2005

NOI' commensurate formulas (see "Commensurate Rent Adjustment" section on the next page), which calculate one- and two-year guidelines that will compensate owners for the most recent change in costs measured by the Price Index. The PIOC Projection should not be considered in combination with these newer formulas in establishing guidelines.

Projecting changes in the PIOC has become more challenging in recent years. Energy prices—which affect about one-fifth of the market basket of operating costs measured in the index—have become increasingly volatile. Unpredictable geo-political events and changing weather patterns are some of the forces behind large changes in fuel-related costs (heating fuel, electricity, gas and steam) that have in turn hindered the accuracy of the PIOC projections in recent studies.

This year, operating costs in rent stabilized apartment buildings increased by 6.9% versus last year's projected PIOC increase of 6.4%. The projected increases in all components of the PIOC except for Fuel and Insurance Costs, were within one percentage point of the actual measured changes, resulting in only a 0.5 percentage point difference between actual changes in this year's apartment index versus the projection from the 2003 PIOC.

The two components that showed the most variance between actual changes in costs versus projected changes, Fuel and Insurance Costs, are historically among the most volatile components of the PIOC making it difficult to predict future changes in costs. Fuel, which had a historically high increase the year before (66.9%), decreased by 2.8% in 2004 versus the

expected decrease of 18.5%, a difference of almost 16 percentage points. The major reason fuel prices are hard to predict is that PIOC projection methodology assumes a return to "normal" weather, but actual weather patterns are generally warmer or colder than "normal" (see Endnote 2). Since the 2004 PIOC year (May-April) was colder than normal, the actual decrease was less than the prediction. Insurance Costs, another increasingly unpredictable component, rose 5.0 percentage points lower than the 19.7% estimate to an increase of 14.7%.

Overall, the PIOC is expected to grow by 3.6% from 2004 to 2005 due to a 3.0% projected increase in Taxes, a 23.4% estimated increase in Insurance Costs, and projected growth in Contractor Services (4.2%) and Administrative Costs (4.7%). Labor Costs are projected to increase by 3.5%. These increases in cost are expected to be offset by decreases in Fuel (-8.1%) and energy-related utility costs. The overall Utilities component is expected to increase by 1.2% in 2005 because water and sewer rates are expected to rise by 5.5% and will offset the anticipated decreases in electricity and gas charges. The table on page 19 shows the predicted changes in the PIOC components for 2005. The core PIOC is projected to rise more rapidly than the overall PIOC, by 5.8%, as the energy-related costs that are predicted to decline are eliminated.

Commensurate Rent Adjustment

Throughout its history, the Rent Guidelines Board has used a formula, known as the commensurate rent adjustment, to help determine annual rent guidelines for rent stabilized apartments. In essence, the "commensurate" combines various data concerning operating costs, revenues, and inflation into a single measure indicating how much rents would have to change for net operating income (NOI) in stabilized buildings to remain constant. The different types of "commensurate" adjustments described below are primarily meant to provide a foundation for discussion concerning prospective guidelines.

In its simplest form, the commensurate rent adjustment is the amount of rent change needed to maintain landlords' current dollar NOI at a constant level. In other words, the formula provides a set of one- and two-year renewal rent increases or guidelines that will compensate owners for the change in prices measured by the PIOC and keep net operating income "whole".

The first commensurate method is called the "Net Revenue" approach. While this formula takes into consideration the types of leases actually signed by tenants, it does not adjust landlords' NOI for inflation. The "Net Revenue" formula is presented in two ways, first adjusting for the mix of lease terms and second, adding an assumption for stabilized apartment turnover and the impact of revenue from vacancy increases. Under the "Net Revenue" formula, a guideline that would preserve NOI in the face of this year's 6.9% increase in the PIOC, is 5.5% for a one-year lease and 9.0% for a two-year lease. Guidelines using this formula and adding assumptions for the impact of vacancy increases on revenues when apartments experience turnover are 2.5% for one-year leases and 4.5% for two-year leases.

The second commensurate method considers the mix of lease terms while adjusting NOI upward to reflect general inflation, keeping both O&M and NOI constant. This is commonly called the "CPI-Adjusted NOI" formula. A guideline that would preserve NOI in the face of the 2.96% increase in the Consumer Price Index (see Endnote 1) and the 6.9% increase in the PIOC is 7.0% for a one-year lease and 11.5% for a two-year lease. Guidelines using this formula and adding the estimated impact of vacancy increases are 4.0% for one-year leases and 7.0% for two-year leases.[3]

The original formula that has been in use since the inception of the Rent Guidelines Board, is called the "traditional" commensurate adjustment. The "traditional" commensurate yields 4.3% for a one-year lease and 5.5% for a two-year lease, given the increase in operating costs of 6.9% found in the 2004 PIOC, and the projection of a 3.6% increase next year.[4]

As a means of compensating for cost changes, this "traditional" commensurate rent adjustment has two major flaws. First, although the formula is supposed to keep landlords' current dollar income constant, the formula does not consider the mix of one- and two-year lease renewals. Since only about three-fifths of leases are renewed in any given year, with a preponderance of leases having a two-year duration, the formula does not necessarily accurately estimate the amount of income needed to compensate landlords for operating and maintenance (O&M) cost changes.

commensurates

"Net Revenue" Commensurate Adjustment

1-Year Lease	2-Year Lease
5.5%	9.0%

"Net Revenue" Commensurate Adjustment with Vacancy Increase

1-Year Lease	2-Year Lease
2.5%	4.5%

"CPI-Adjusted NOI" Commensurate Adjustment

1-Year Lease	2-Year Lease
7.0%	11.5%

"CPI-Adjusted NOI" Commensurate Adjustment with Vacancy Increase

1-Year Lease	2-Year Lease
4.0%	7.0%

"Traditional" Commensurate Adjustment

1-Year Lease	2-Year Lease
4.3%	5.5%

A second flaw of the "traditional" commensurate formula is that it does not consider the erosion of landlords' income by inflation. By maintaining current dollar NOI at a constant level, adherence to the formula may cause profitability to decline over time. However, such degradation is not an inevitable consequence of using the "traditional" commensurate formula.[5]

All of these methods have their limitations. The "traditional" commensurate formula is artificial and does not consider the impact of lease terms or inflation on landlords' income. The "Net Revenue" formula does not attempt to adjust NOI based on changes in interest rates or deflation of landlord profits. The "CPI-Adjusted NOI" formula inflates the debt service portion of NOI, even though interest rates have been generally falling, rather than rising over recent years. Including a consideration of the amount of income owners receive on vacancy assumes both that vacancy increases are charged and collected, and that turnover rates are constant across the City.

Finally, it is important to note that only the "traditional" commensurate formula uses the PIOC projection and that this projection is not used in conjunction with or as part of the "Net Revenue" and "CPI-Adjusted NOI" formulas. As stated previously, all three formulas attempt to compensate owners for the adjustment in their operating and maintenance costs measured each year in the PIOC. The "Net Revenue" and the "CPI-Adjusted NOI" formulas attempt to compensate owners for the adjustment in O&M costs by using only the known PIOC change in costs (6.9%). The traditional method differs from the other formulas in that it uses both the PIOC's actual change in costs as well as the projected change in costs (3.6%). If the change in projected costs, which may not end up being an accurate estimate of owner's costs, is added to the "Net Revenue" and "CPI-Adjusted NOI" formulas, the resulting guidelines will likely over- or under-compensate for the change in costs.

Each of these formulae may be best thought of as a starting point for deliberations. The other Rent Guidelines Board annual research reports (e.g. the *Mortgage Survey* report and the *Income and Expense Study*) and testimony to the Board can be used to modify the various estimates depending on these other considerations.

Methodology

Owner Survey

The Owner Survey gathers information on management fees, insurance, and non-union labor from building managers and owners. Survey questionnaires, accompanied by a letter describing the purpose of the PIOC, were mailed to the owners or managing agents of stabilized buildings.

If the returned questionnaire was not complete, an interviewer contacted the owner/manager and the missing information was gathered. All of the price information given by the owner/managing agent was then confirmed by calling the relevant insurance and management companies and non-union employees.

The sample frame for the Owner Survey included more than 41,000 stabilized buildings registered with the New York State Division of Housing and Community Renewal (DHCR). A random sampling scheme was used to choose 5,100 addresses from this pool for the owner mailing. The number of buildings chosen in each borough was proportional to the share of stabilized buildings in that borough. The "multiple contact" method was used for the sixth consecutive year for the Owner Survey. Three successive mailings were sent at timed intervals to the owner or managing agent of each property selected in the survey sample.

Over 17% of the questionnaires mailed out were returned to the RGB, down from last year's historically high return rate of nearly 20%. A total of 830 returned surveys contained usable information, from which quotes of owners' annual insurance costs (731), non-union labor quotes (198) and management fees (108) were validated. The number of verified prices in 2003 and 2004 for the Owner Survey is shown in Appendix B.1.

Fuel Oil Vendor Survey

Fuel price information is gathered on a monthly basis via a telephone survey. A monthly survey makes it possible to keep in touch with fuel vendors and to gather the data on a consistent basis (i.e. on the same day of the month for each vendor). Vendors are called each month to minimize the likelihood of misreporting and also to reduce the reporting burden for the companies that do not care to look up a year's worth of prices. The number of fuel quotes gathered this year was similar to last year and is contained in Appendix B.1.

To calculate changes in fuel oil costs, monthly price data is weighted using a degree-day formula to account for changes in the weather. The number of Heating Degree Days (see Endnote 2) is a measure of heating requirements.

Real Estate Tax Computations

The sample of buildings used to compute the 2004 tax price relative was drawn by providing a list of rent stabilized properties registered with DHCR to the Department of Finance. Finance "matched" this list against its records to provide data on assessed value, tax exemptions, and tax abatements for more than 36,000 buildings in FY 2003 and FY 2004.

The Department of Finance data was used to compute a tax bill for each stabilized building in FY 2003 and FY 2004. The change computed for the PIOC is simply the percentage increase in aggregate tax bills for these buildings from FY 2003 to FY 2004.

Vendor Survey

The Vendor Survey is used to gather price quotes for Contractor Services (e.g. painting), Administrative Costs (e.g. accountant and attorney fees), Parts and Supplies (e.g. mops), and Replacement Costs (e.g. refrigerators). As in prior years, the vendor database was updated by adding new vendors and by deleting those who no longer carry the products or perform the services outlined in the Vendor Survey item specifications. All vendor quotes were obtained over the telephone. The telephone interview procedures used for gathering price quotes were unchanged from prior years. A total of 766 recorded price quotes were gathered, over 13% more than in the previous PIOC. For a description of the items priced and the number of price quotations obtained for each item, refer to Appendix B.1.

Other Items

In addition to the items previously discussed, a number of other pieces of information are needed to complete the PIOC, including labor union contract and benefit information, Social Security rates, unemployment insurance rates, Heating Degree Days, and telephone and utility rate schedules. These items are used in computing some of the labor components, changes in utility costs for electricity, gas, steam, and telephone, and the cost-weighted change in fuel prices. Finally, to measure the change in water and sewer costs for rent stabilized buildings, staff used the Water Board FY 2004 increase of 5.5%.[6]

Price Index Projections

The PIOC Projections are estimated by using data from Federal, state and local agencies; estimates from related

industry experts and trend forecasting using three-year or long-term averages.

Taxes were projected by using data from the Department of Finance's tentative assessment roll for FY 2005 and the amended and restated City Council tax fixing resolution to estimate (for Class Two properties) the change in class levy share and assessments, the tax rate and the impact of exemptions and abatements in the coming fiscal year. These estimates produce a projected tax cost for the owners of rental properties. Labor costs are projected by analyzing labor contract terms supplied by apartment workers union Local 32-BJ and a ten-year geometric average of all other Labor items.[7] Fuel costs are projected by using data and information from the U.S. Energy Information Administration's (EIA) current "Short-Term Energy Outlook" report, which includes assumptions about changes in usage according to a projected return to the average temperature over the last five years. Utility costs are projected by obtaining rate projections for the coming year from the New York City Water Board and EIA projections. Natural gas rate projections are combined with assumptions about usage if the coming year's weather had the five-year average number of Heating Degree Days.[8]

The other components, — Administrative Costs, Contractor Services, Insurance Costs, Parts and Supplies, and Replacement Costs — are projected by using three-year or ten-year geometric averages of the component price relatives.

Acknowledgments

The Rent Guidelines Board would like to acknowledge the following individuals for their assistance in preparing the Price Index of Operating Costs this year: Dr. James F. Hudson and former RGB Executive Director Anita Visser for technical assistance and methodology and report review; Shirley Alexander for supervising the data collectors for the owner and vendor surveys and Ann Sheriff and Charmaine Frank for collecting owner and vendor information. ❒

Endnotes

1. The average CPI-U for All Urban Consumers, New York-Northeastern New Jersey for the year from April 2002 to March 2003 (193.4) compared to the average for the year from April 2003 to March 2004 (199.2) rose by 2.96%. This is the latest available CPI data and is roughly analogous to the 'PIOC year', which for the majority of components compares the most recent point-to-point figures from April to April, monthly cost-weighted figures from May to April, or the two most recent fiscal year bills.

2. The May 2003 to April 2004 year was 6.7% colder than the most recent 5-year average "normal" year, and 4.5% warmer than the year before. "Normal" weather refers to the typical number of Heating Degree Days measured at Central Park, New York City, over a given period. A Heating Degree Day is defined as, for one day, the number of degrees that the average temperature for that day is below 65 degrees Fahrenheit. The most recent five-year average "normal" temperature refers to the total number of average annual Heating Degree Days from "PIOC" years, May 1999 to April 2004, measured in Central Park by the National Weather Service.

3. The following assumptions were used in the computation of the commensurates: (1) the required change in landlord revenue is 62.5% of the 2004 PIOC increase of 6.9%, or 4.3%. The 62.5% figure is the most recent ratio of average operating costs to average income in stabilized buildings; (2) for the "CPI-Adjusted NOI" commensurate, the increase in revenue due to the impact of inflation on NOI is 37.5% times the latest 12-month increase in the CPI ending March 2004 (2.96%) or 1.1%; (3) these lease terms are only illustrative. Other combinations of one- and two-year guidelines could produce the adjustment in revenue; (4) assumptions regarding lease renewals and turnover were derived from the 1999 Housing and Vacancy Survey; (5) for the commensurate formulae including a vacancy assumption, the 18.0% median increase in vacancy leases found in the rent stabilized apartments that reported a vacancy lease in the 2001 Apartment registration file from the Division of Housing and Community Renewal was used.

4. The collectability of legally authorized adjustments is assumed. Calculating the "traditional" commensurate rent adjustment requires an assumption about next year's PIOC. In this case, the 3.6% PIOC projection for 2005 is used.

5. Whether profits will actually decline depends on the level of inflation, the composition of NOI (i.e. how much is debt service and how much is profit), changes in tax laws, and interest rates.

6. "Public Information Regarding Water and Wastewater Rates," New York City Water Board, April 2004, p. 12.

7. At the time of this report, the contract for Local 32-BJ of the Bronx expired at the end of April 2004. A new contract had not been negotiated; therefore there is no pay increase in place for April 2005. In lieu of a definitive pay increase, a three-year average of pay increases was used for this item of the Labor projection.

8. Source: "Short-Term Energy Outlook," April 2004. U.S. Energy Information Administration, Department of Energy.

2004 Income and Expense Study

what's new

From 2001-02, increases in operating costs outpaced increases in rental income and total income. Since operating cost growth was greater than the increase in income, net operating income (revenue remaining after operating expenses are paid) fell by 0.1%.

In stabilized buildings, from 2001-2002:

- ✔ Rental income increased by **4.0**%.
- ✔ Total income rose by **4.1**%.
- ✔ Operating costs increased by **6.9**%.
- ✔ Net operating income (NOI) declined by **0.1**%.

Introduction

As required by the Rent Stabilization Law, the Rent Guidelines Board (RGB) has analyzed the cost of operating and maintaining rental housing in New York City since 1969, as part of the process of establishing rent adjustments for stabilized apartments. Historically, the Board's primary instrument for measuring changes in prices and costs has been the Price Index of Operating Costs (PIOC), a survey of prices and costs for various goods and services required to operate and maintain rent stabilized apartment buildings.

In 1990, the RGB acquired a new data source that enabled researchers to compare PIOC-measured prices and costs with those reported by owners: Real Property Income and Expense (RPIE) statements from rent stabilized buildings collected by the NYC Department of Finance. These Income and Expense (I&E) statements, filed annually by property owners, provide detailed information on the revenues and costs of "income producing" properties. The addition of I&E statements has greatly expanded the information base used in the rent setting process. I&E statements not only describe conditions in rent stabilized housing in a given year, but also depict changes in conditions over a two-year period. Most importantly, I&E data encompasses both revenues and expenses, allowing the Board to more accurately gauge the overall economic condition of New York City's rent stabilized housing stock.

This I&E Study examines the conditions that existed in New York's rent stabilized housing market in 2002, the year for which the most recent data is available, and also the extent by which these conditions changed from 2001.

Local Law 63

The income and expense data for stabilized properties originates from Local Law 63, enacted by the New York City Council in 1986. This statute requires owners of apartment buildings and other properties to file RPIE statements with the Department of Finance annually. While certain types of properties are exempt from filing RPIE forms (cooperatives, condominiums, buildings with fewer than 11 units or with an assessed value under $80,000), the mandate produces detailed financial records on thousands of rent stabilized buildings. Although information on individual properties is strictly confidential, the Department of Finance is allowed to release summary statistics of the data to the RGB.

Since 1990, the RGB has received data on samples of rent stabilized properties that file RPIE forms. Samples in the first two studies (data for 1988 and 1989) were limited to 500 buildings, because RPIE files were not automated. Upon computerization of I&E filings in 1992 (for cross-sectional data from 1990 and longitudinal data from 1989-90), the size of the samples used in RGB I&E studies has grown to more than 12,000 properties containing 600,000 units.

Cross-Sectional Study

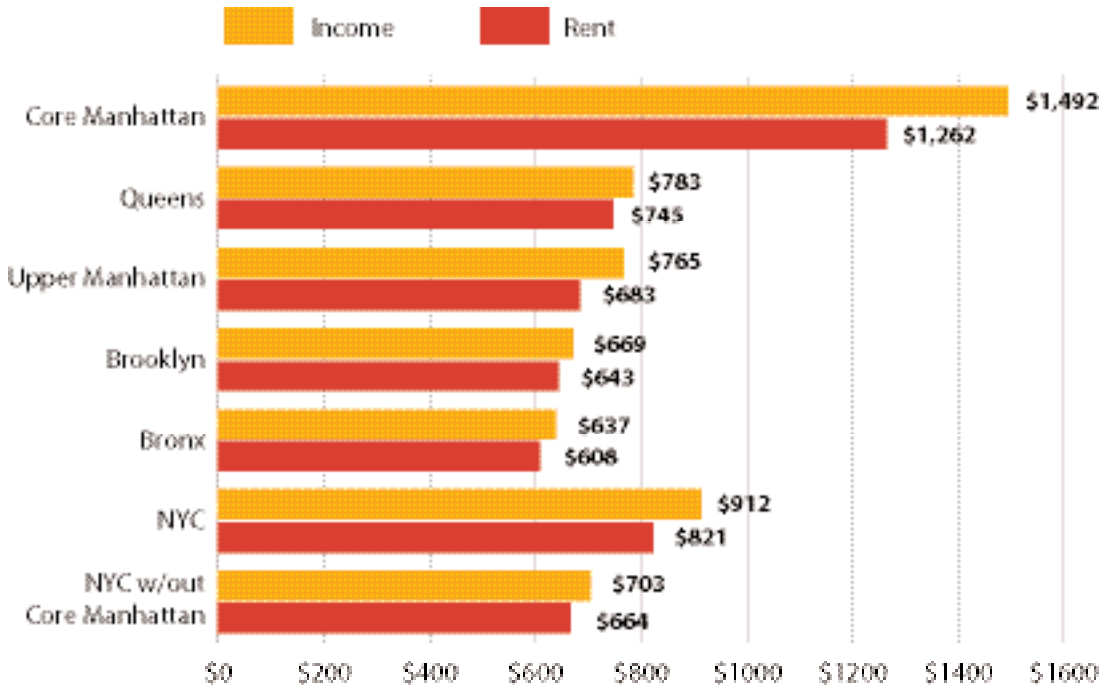
Rents and Income[1]

In 2002, rent stabilized property owners collected monthly rent averaging $821 per unit. As in prior years, units in pre-war buildings rented for less on average ($760 per month) than those in post-war buildings[2] ($990 per month). At the borough level, stabilized monthly rents were $1,081 in Manhattan, $745 in Queens, $643 in Brooklyn and $608 in the Bronx (as noted in the Methodology, figures for Staten Island were not included throughout the analysis due to the small number of buildings in the data sets). In Core Manhattan (the area south of East 96th and West 110th Streets), average monthly rents were $1,262 per unit while rents in Upper Manhattan were $683 per unit. Stabilized property owners in all New York City neighborhoods excluding Core Manhattan averaged rent collections of $664 per unit per month.

Many owners of stabilized buildings augment income from their apartment rents by selling services to their tenants as well as by renting commercial space. Current RPIE filings show an average monthly gross income of $912 per rent stabilized unit in 2002, with pre-war buildings earning $848 per unit and those in post-war properties earning $1,088 per unit. Gross income was highest in Core Manhattan at $1,492 per unit per month and lowest in the Bronx at $637. Monthly income per unit in the City, excluding Core Manhattan, was $703. These gross income figures encompass rent from stabilized apartments as well as the sale of services (e.g. laundry, vending, parking) and commercial income. Such proceeds accounted for a 10% share of the total income earned by building owners in 2002, about the same as the distributions observed in the last five I&E studies. Core Manhattan owners particularly benefit from commercial income, with 15% of their total revenues coming from commercial units and services.

Average Monthly Collected Rent/Income per Dwelling Unit by Borough*

Stabilized Rent and Income Were Highest in Core Manhattan in 2002



* See Endnote 1
Source: NYC Department of Finance, 2001 RPIE Filings

In the other boroughs, property owners did not receive as large a portion of their total income from commercial sources. When Core Manhattan is excluded from the calculation, building owners in the rest of the City received 6% of their total income from commercial sources. The respective figures for the other areas were 5% in Queens and the Bronx, 4% in Brooklyn and 11% in Upper Manhattan. The graph on the previous page shows the average rent and income collected in 2002 by borough, and for the City as a whole. (See Appendix C.3)

Comparing Rent Measurements

Two independent data sources, the triennial NYC Housing and Vacancy Survey (HVS) and the NYS Division of Housing and Community Renewal (DHCR) annual registration data, provide important comparative rent data to the collected rents stated in RPIE filings. A comparison of the collected RPIE rents to the HVS and DHCR rents is a good indicator of the overall rental market and reflects both how well owners are able to collect the rent roll and the prevalence of vacancies.

Rents included in RPIE filings are different than HVS and DHCR figures primarily because of differences in how average rents are computed. RPIE data reflects actual rent collections that account for vacancies or non-payment of rent. HVS data consists of contract rent (the amounts stated on leases, which includes both legal and preferential rents) while DHCR data consists of legal rents registered annually with the agency. Because HVS and DHCR rent data do not include vacancy and collection losses, in most years these rents are generally higher than RPIE rent collections data. Furthermore, RPIE information reflects rents collected over a 12-month period, DHCR data reflects rents registered on April 1, 2002, and 2002 HVS figures are contract rents in effect during the first four months of 2002. Because 2002 was the year in which the HVS was conducted, it is possible to compare rent data from all three sources. In sum, despite the anomalies between the three rent indicators, the difference between RPIE rents and HVS or DHCR rents is a good estimate of vacancy and collection losses incurred by building owners, and the relative change in the gap is one way of estimating the change in such losses from year to year.

Three years ago, for the first time in the history of this survey, the RPIE post-46 mean collected rent exceeded the average contract rent computed by the HVS. Now, for the first time, the latest RPIE and HVS data (2002) shows the RPIE mean collected rent of $821 for all rent regulated apartments exceeds the average contract rent of $785 computed with HVS data, by 5%.[3] In prior years, the HVS figure always exceeded the RPIE mean. For instance, in 1999, the HVS mean for all regulated apartments was 2% greater than the RPIE mean, in 1996, it was 9% greater, 6% in 1993 and 4% in 1991.

Rent by building age also varies between the HVS and RPIE. The HVS mean contract rent in older, pre-war apartments was $768, which was 1% higher than the RPIE average collected rent of $760 (see endnote 2). Furthermore, the HVS average rent for units built after 1946 ($846) was 15% lower than the 2002 RPIE average rent of $990 [see sidebar].

RPIE vs. HVS data

Differences Between Measurement Sources Affect Reported Average Rents

The HVS and the RPIE employ different units of measurement. The HVS measures data in units, while the RPIE measures data on a building-wide basis. If both the HVS and RPIE data measured the same stock, the HVS data, which consists of contract rents, would be higher than the RPIE data, which measures collected rents. Collected rents are always lower than contract rents due to vacancy and collection losses. The fact that the RPIE average monthly rent ($821) was higher than the HVS average monthly rent ($785) this year may be due to a few factors.

Both the RPIE and the HVS rents are mean figures which can be affected by outliers in each sample. The HVS mean rent may be lower than expected because of an exodus of high-rent units due to vacancy and luxury decontrol.

The fact that the HVS average rent falls below the RPIE average indicates possible shortcomings with both data sets. Since the RPIE data is drawn from building by building filings, rent and expense data from apartments which have undergone vacancy or luxury decontrol cannot be excluded, and therefore the higher rents associated with these units are part of the overall average rent. This is seen especially among post-46 Manhattan buildings, where the RPIE average was $550 greater than the HVS mean rent.

In this sense, the $821 RPIE figure may be higher, but it is nonetheless a better reflection of the economic condition of buildings containing such units. Conversely, HVS data on stabilized rents, which does not include what are presumably very high rents in deregulated apartments, does not offer a clear portrait of the economic health of buildings with a mix of regulated and deregulated units.

In comparing annual RPIE and DHCR average rents, the gap between the two has contracted steadily since 1991, when the average RPIE collected rent was 15% lower than the average DHCR registered legal rent. In fact, from 1991-2001, the difference between RPIE and DHCR rents has decreased by almost two-thirds, to 5.6%. Current RPIE returns indicate that the gap between I&E rent ($821) and DHCR's mean stabilized rent ($873) was 5.9% in 2002, a slightly higher rate than was observed in last year's Income and Expense Study. Despite the increase, compared to the early 1990s, a significantly smaller gap between collected and legal rent remains, indicating that building owners continue to collect a greater portion of their legal rent rolls due to a lower rate of vacancies, fewer "preferential rents"[4] or a smaller number of non-paying tenants (see graph below).

At the borough level, the gap between collected and legal rent varies widely. In 2002, Manhattan property owners collected an average rent ($1,081) that was 0.9% below DHCR's average legal rent for the borough ($1,091) while owners in the other boroughs collected average rents that were 9.6% lower than legal rents in Queens and 14.5% lower in both the Bronx and Brooklyn. At least part of this differential in the other boroughs is due to preferential rents, usually offered when the legal stabilized rent exceeds the market rate for the area.

A final benchmark that can help place RPIE rent data in context is the RGB Rent Index, which measures the overall effect of the board's annual rent increases on contract rents each year. As the table above shows, up until last year's study, average rent collection increases were higher than the renewal lease increases allowed by the RGB's guidelines. However, from 2001 to 2002, RPIE rent collections increased by 4.0%, less than the increase in the RGB rent index (4.8%, adjusted for the July-June fiscal year), the first time since 1991-92 that the index increase exceeded RPIE rent increases. There are various factors which may contribute to the RGB index being greater than the RPIE rent growth: 1) owners' inability to increase renewal rents by the

rent comparisons

Slower increase in RPIE Rent Collections in 2002 after growing greater than DHCR Legal Rents and the RGB Rent Index since 1990

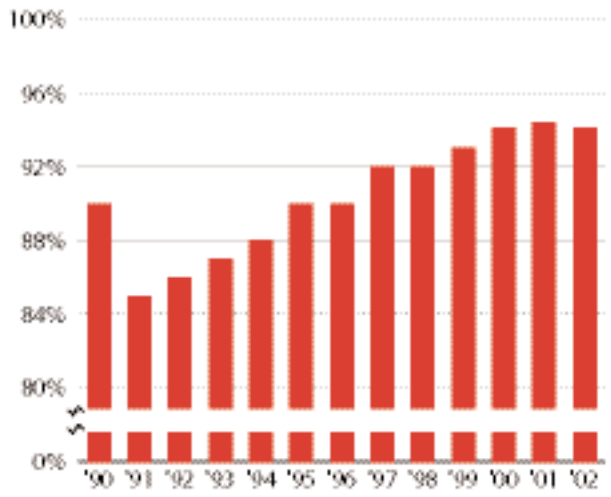
	RPIE Rent Growth	DHCR Rent Growth (Adjusted)	RGB Rent Index (Adjusted)
90-91	3.4%	4.8%	4.7%
91-92	3.5%	3.5%	4.0%
92-93	3.8%	2.9%	3.3%
93-94	4.5%	2.8%	3.0%
94-95	4.3%	2.5%	2.8%
95-96	4.1%	3.6%	3.8%
96-97	5.4%	4.4%	5.3%
97-98	5.5%	4.2%	4.2%
98-99	5.5%	3.1%	3.7%
99-00	6.2%	4.1%	3.9%
00-01	4.9%	4.8%§	4.8%
01-02	4.0%	5.2%	4.8%
1991 to 2002*	71.4%	56.9%	60.3%

*Not adjusted for inflation.
§Revised from prior study due to DHCR update.

Source: DHCR Annual Rent Registrations; NYC Department of Finance, 1990-2002 RPIE Filings

Average Monthly Citywide Collected Rents as a Share of Average Monthly DHCR Legal Registered Rents 1990-2002

Percentage of Legal Rent Collected Decreased Slightly in 2002



Source: DHCR Annual Rent Registrations; NYC Department of Finance, 1990-2002 RPIE Filings

maximum guideline permitted and 2) decline in vacancy and collection losses.

During the recessionary period of the early 1990s, collected RPIE rents did not grow as quickly as DHCR legal rents or the RGB rent guidelines. This indicates that owners during this period either offered more preferential rents or were simply unable to collect the full amount allowed by the guidelines during that period. As the City's real estate market and the general economy began to recover in 1993, rent collections grew more quickly than the guidelines or legal rents, indicating a drop in vacancy and collection losses, fewer preferential rents, and more rent increases due to renovations. A longer view of the three indices shows that overall, collected rents have grown more quickly than the impact of rent guidelines or legal rents from 1991 to 2002. During that period, RPIE collected rents increased 71%, the RGB Rent Index increased 60%, and DHCR adjusted legal rents increased 57% (these figures are not adjusted for inflation; see the table on the previous page).

Operating Costs

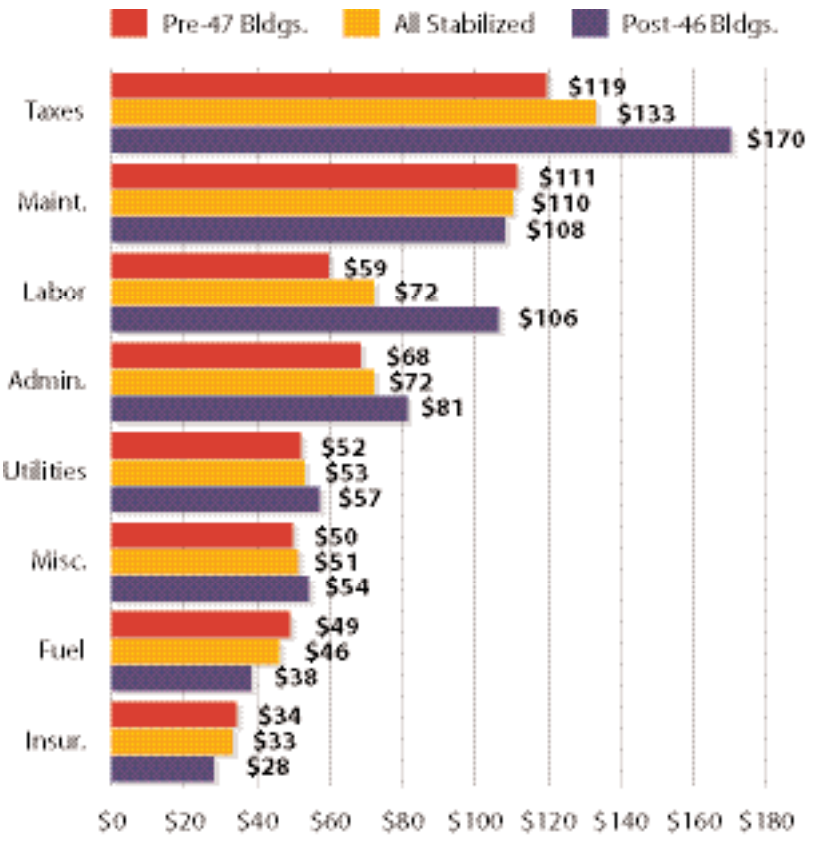
Rent stabilized apartment buildings incur several types of expenses in order to operate efficiently. RPIE filings include data on eight categories of operating and maintenance (O&M) costs: taxes; labor; utilities; fuel; insurance; maintenance; administrative and miscellaneous costs. In contrast to revenues, however, this data does not distinguish between expenses for commercial space and those for apartments, making the calculation of "pure" residential operating and maintenance costs impossible, except in a smaller sample of residential buildings analyzed below. Thus, the operating costs reported are comparatively high because they include maintenance costs for commercial space.

The average monthly operating cost for stabilized units was $570 in 2002. Costs were lower in units in pre-war buildings ($543), and substantially higher among post-war structures ($644). Geographically, average costs were lowest in Brooklyn, the Bronx and Queens ($449, $455 and $501, respectively) and highest in Manhattan ($736). Looking more closely at Manhattan properties, costs for units located in Core Manhattan averaged $833 a month while the costs in Upper Manhattan were $531. The average monthly operating costs for stabilized building owners in New York City, excluding Core Manhattan, reduces the City average to $476. The graph below details average monthly expenses by cost category and building age for 2002. See Appendices C.1 and C.2 for a complete breakdown of costs in pre- and post-war buildings.

In 1992, Department of Finance and RGB staff tested RPIE expense data for accuracy. Initial

Average Monthly Expense per Dwelling Unit per Month

Taxes Are the Largest Expense in 2002



Source: NYC Department of Finance, 2002 RPIE Filings

examinations found that most "miscellaneous" costs were actually administrative or maintenance costs, while 15% were not valid business expenses. Further audits on the revenues and expenses of forty-six rent stabilized properties discovered that O&M costs stated in RPIE filings were generally exaggerated by 8%. Costs tended to be less accurate in small (11-19 units) properties and most precise for large (100+ units) buildings. However, these results are somewhat inconclusive since several owners of large stabilized properties refused to cooperate with the Department of Finance's assessors. Adjustment of the 2002 RPIE O&M cost ($570) by the results of the 1992 audits results in an average monthly O&M cost of $523 citywide and $437 on average in NYC neighborhoods outside of Core Manhattan.

Just as buildings without commercial space typically generate less revenue than stabilized properties with commercial space, operating expenses in these buildings tend to be lower on average than in buildings with a mixture of uses. This year, average audited O&M costs for units in "residential-only" buildings were $487 per month, $36 less than the audit-adjusted average ($523) for all stabilized buildings in 2002. As in previous RGB Income and Expense Studies, most of the difference in costs between the two types of properties stemmed from taxes, administration and utilities expenses that were respectively 15%, 9%, and 6% lower on average for buildings without commercial space than for all stabilized properties.

Components of Operating Costs

In 2002, just over two-thirds of total expenses in stabilized buildings were comprised of taxes, maintenance, labor and administration costs. Older buildings on average spent proportionately more on maintenance, fuel and insurance costs. Conversely, newer buildings spent relatively more money on taxes and labor. Pre-war and post-war buildings spent similar proportions on utilities, administration and miscellaneous costs. These spending patterns have not varied much in recent years. See Appendix C.5 for distributions of costs by building size and age.

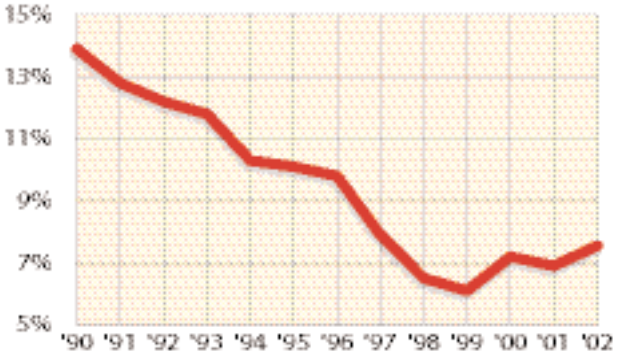
As in previous years, building size affected the distribution of costs in rent stabilized buildings in 2002. As described above, taxes, maintenance, labor and administration costs dominated total operating costs in all buildings. Labor costs continued to be particularly associated with size, comprising much larger shares of total operating costs in larger buildings, probably due to the concentration of large, post-war stabilized buildings in Manhattan, which tend to employ doormen. In contrast, fuel, maintenance and insurance costs consumed less of each operating and maintenance dollar in larger buildings, probably due to efficiencies of scale realized by larger properties, particularly those with 100 or more units. For a breakdown of cost components by building size, age and borough, see Appendices C.1, C.2 and C.5.

"Distressed" Buildings

Buildings that have operating and maintenance costs greater than gross income are considered distressed. Among the properties that filed 2002 RPIE forms, 932 buildings, or 7.5% of the cross-sectional sample, had O&M costs in excess of gross income, up from the 6.9% found the prior year. In 2002, only 51 (5.5%) of these distressed buildings were built after 1946. Most distressed stabilized properties are mid-size (20 to 99 units), pre-war construction, and are located in the Bronx, Manhattan and Brooklyn. The chart on this page shows how the share of distressed buildings in the cross-

Percent of Distressed Properties in Cross-Sectional Samples 1990-2002

Share of Distressed Properties Increased in 2002



Source: NYC Department of Finance, 1990-2002 RPIE Filings

sectional sample has changed since 1990. From a high of 13.9% of the sample of stabilized properties found in 1990, the proportion of distressed buildings declined to a low of 6.1% in 1999. Since then, the proportion has increased in two of the last three years, to 7.5% in 2002.

Buildings with expenses greater than revenues in 2002 suffered from both abnormally high expenses (126% of the 2002 all-building average), and low rents and income (respectively, only 67% and 66% of the all-building average). Comparing nominal costs, distressed buildings paid 43% more in fuel costs, 36% more in both utility and maintenance expenses, 30% more in both labor and administrative costs, and 29% more for insurance. These buildings also paid substantially less property tax (63% of the all-building average) than all rent stabilized buildings. Appendix C.6 shows the distribution of distressed buildings by age, size and location.

Net Operating Income

In most stabilized buildings, revenues exceed operating costs, yielding funds that can be used for mortgage payments, improvements and/or pre-tax profit. The amount of income remaining after all operating and maintenance (O&M) expenses are paid is typically referred to as "Net Operating Income" (NOI). While financing costs, income taxes and appreciation determine the ultimate profitability of a property, NOI is a good indicator of its basic financial condition. Moreover, changes in NOI are easier to track on an aggregated basis than changes in profitability, which require an individualized examination of return on capital placed at risk.

On average, apartments in rent stabilized buildings generated $342 of net income per month in 2002, with units in post-war buildings earning more ($444 per month) than those in pre-war buildings ($305 per month). Average monthly NOI tended to be considerably greater for stabilized properties in Manhattan ($532) than for those in the other boroughs: $182 in the Bronx, $220 in Brooklyn and $282 in Queens. There was a large dichotomy when looking at NOI on a sub-borough level in Manhattan. Core Manhattan properties earned on average $659 a month in NOI, while properties in Upper Manhattan had an NOI of $234, which was close to the monthly NOI average calculated citywide, excluding Core Manhattan ($227). Average monthly NOI in "residential-only" properties citywide was $291 per unit in 2002, 15% lower than the norm for all stabilized buildings. For a tabulation of NOI by building size, age and location, see Appendix C.4.

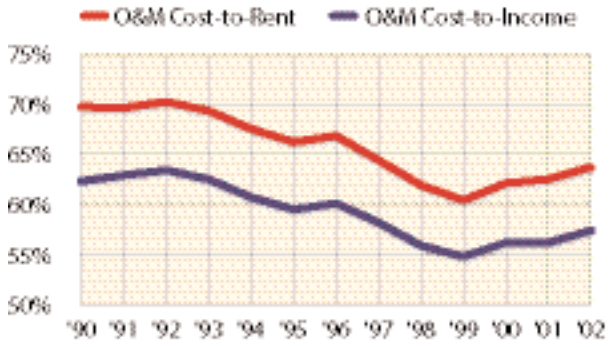
NOI reflects the revenue available after payment of operating costs, that is, the money owners have for financing their buildings, making improvements, and for pre-income tax profits. While NOI should not be the only criteria to determine the ultimate profitability of a particular property, it is a useful exercise to calculate the annual NOI for a hypothetical "average stabilized building" with 11 units or more. Multiplying the average monthly NOI of $342 per stabilized unit by the typical size of buildings in this year's cross-sectional sample (49 units) yields an estimated mean annual NOI of about $200,000 in 2002. Notably, the RPIE data cannot provide estimates for NOI in rent stabilized buildings with 10 or fewer apartments.

Operating Cost Ratios

Another way to evaluate the profitability of New York City's rent stabilized housing is by measuring the ratio of expenses to revenues. Traditionally, the RGB has used

Ratios of Citywide Average Monthly Audited O&M Costs to Average Monthly Gross Income and Rent 1990-2002

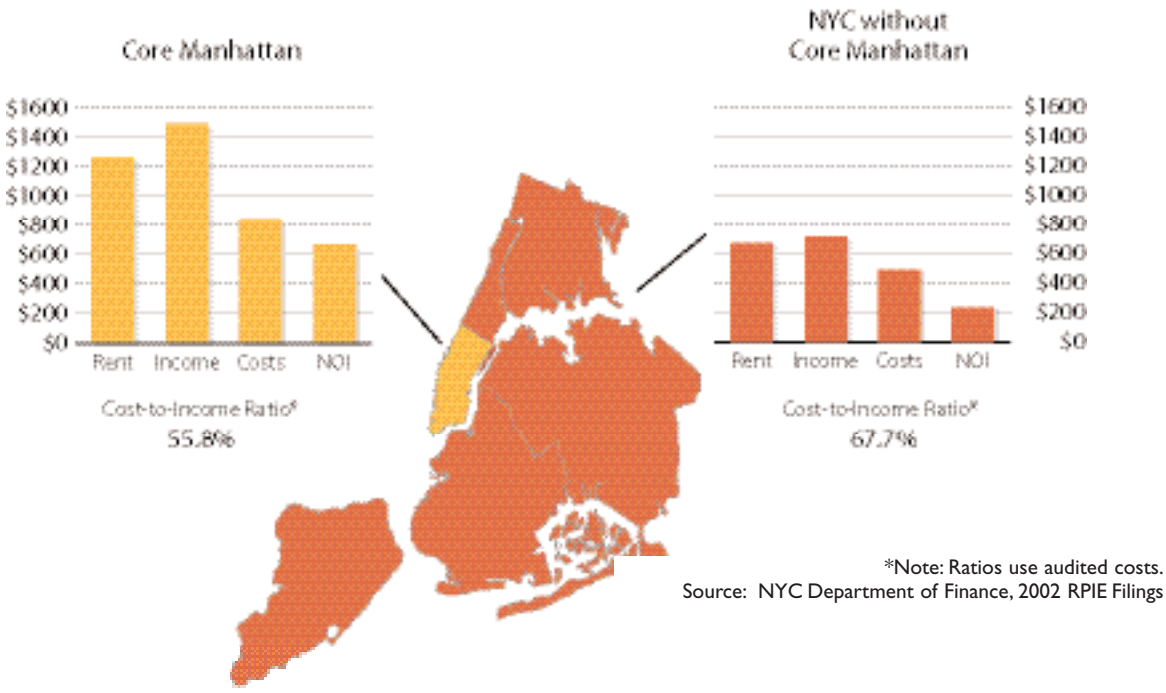
Both Cost-to-Income and Cost-to-Rent Ratios Rise in 2002



Source: NYC Department of Finance, 1990-2002 RPIE Filings

Average Monthly Rent, Income, Operating Costs and Net Operating Income per Dwelling Unit and Cost-to-Income ratios, Core Manhattan and the Rest of the City, 2002

Cost-to-Income Ratio Lower in Core Manhattan in 2002



*Note: Ratios use audited costs.
Source: NYC Department of Finance, 2002 RPIE Filings

O&M Cost-to-Income and O&M Cost-to-Rent ratios to assess the overall health of the stabilized housing stock, presuming that buildings are better off by spending a lower percentage of revenue on expenses. The graph on the previous page shows how over the period from 1990-2002, the proportion of total income and rent collections spent on audited operating costs has fluctuated but largely decreased in stabilized buildings citywide. The Cost-to-Income ratio in 2002 is 57.4%, a slight increase over the prior year. This means that on average, owners of rent stabilized properties spent about 57 cents out of every dollar of revenue on operating and maintenance costs in 2002.

Since the highest ratio of 63.4% measured in 1992, the Cost-to-Income ratio has fallen every year except for two years in which there were spikes in heating oil costs, 1996 and 2000, and in 2002, when insurance and taxes saw large increases. Overall, from 1990 to 2002, the Cost-to-Income ratio declined by 4.9 percentage points. In other words, owners report that they devoted a little less than 5 cents less from every dollar of revenue towards expenses in 2002 than they did in 1990. Looking at the ratio of costs to rent collections, operating costs in 2002 were 63.7% of revenues from rent, an increase of 1.2 percentage points from the year before.

Rents, income and costs per unit on average were highest in Core Manhattan (see map and graphs above) in 2002. When Core Manhattan is excluded from the analysis, the average revenue and costs figures are generally lower, but the two areas also have very different expense to revenue ratios. The Cost-to-Income Ratio for the rest of the City was 62.2%, significantly higher than the Cost-to-Income Ratio for stabilized buildings in Manhattan's Core (51.3%). These figures indicate that on average, owners of stabilized properties outside of Core Manhattan spend 11 cents more of every dollar of revenue on expenses compared to their counterparts in Core Manhattan.

Net Operating Income After Inflation

The amount of net income is a function of the level of expense and the level of revenue in a given year (revenues minus operating expenses equals net

operating income). Adjusting NOI as well as rent, income and costs figures for inflation (in constant 2002 dollars) and comparing different base years to the latest data available is a useful way to assess the health of the stabilized housing stock and how well revenues have been meeting or exceeding expenses without erosion by inflation.

Converting income and expense figures into constant 2002 dollars helps to analyze how much NOI has grown in real terms since the RGB began collecting RPIE data. Point-to-point comparisons of average monthly figures show that from 1989 to 2002 (a 14-year period), after adjusting for inflation, NOI, the surrogate measure for profit, has grown 18%, indicating that revenues have outpaced expenses to the extent that average monthly NOI was worth 18% more in 2002 than it was in 1989, after adjusting for inflation.[5]

Another way to look at how rent, income, costs and NOI have changed absent the effect of inflation is to graph inflation-adjusted monthly figures for each of the four components measured in the I&E studies. The graph on this page shows changes in per month, per unit rent, income, costs and NOI, adjusted into constant 2002 dollars from 1989 to 2002. The graph shows that inflation-adjusted rents, income, costs and NOI all lost real value from 1989 to 1992. Revenues then steadily increased each year since 1993, exceeding their 1989 levels in 1998. For the entire period, revenues gained in real value, with monthly rents worth 9% ($69) and income worth 9% ($79) more in 2002 than they were in 1989.

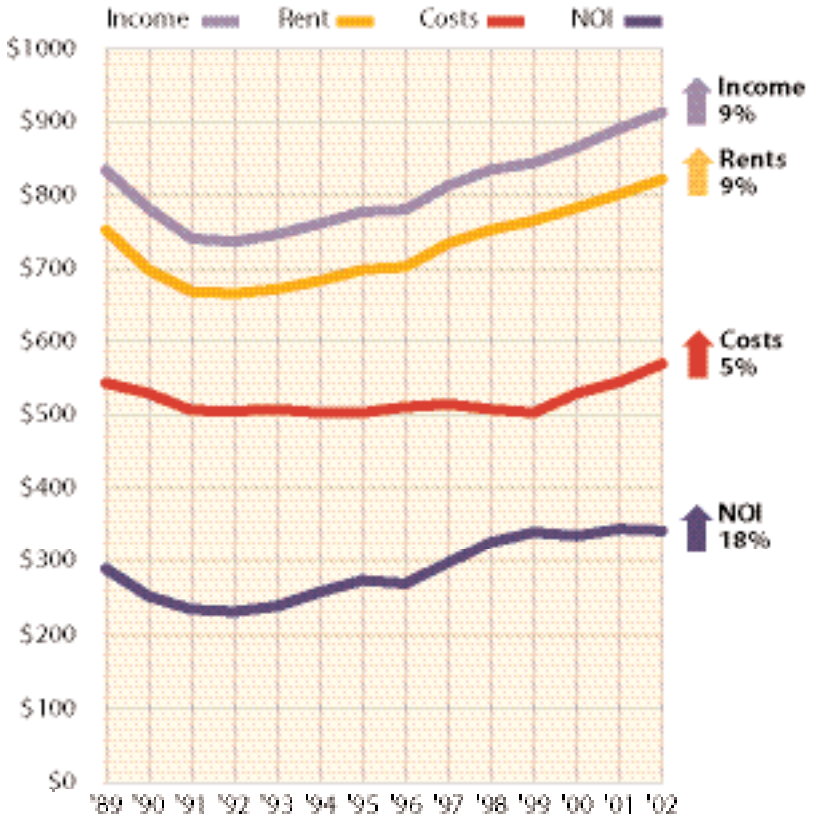
Tracking costs, the graph shows that from 1993, costs fluctuated slightly with the exception of 2000, a year with a large spike in fuel costs, 2001, which experienced larger tax and insurance increases and 2002, when taxes, administrative and insurance costs increased. Inflation-adjusted costs returned to their 1989 levels in 2001. The real growth in costs is 5% ($26) over the 1989-2002 period.

After seven years in which NOI did not reach levels seen in 1989, the years 1997-2001 showed real improvement in NOI from the base year 1989, except for a slight decline in 2000. From 1989-96 the ratio of NOI/income was about 33%; while from 1997-2001, NOI's share of income was about 39%. Average monthly NOI is worth 18% more after inflation in 2002 than in 1989 (or $53, the $79 real gain in income minus the $26 real gain in costs).

NOI After Inflation

After Inflation NOI Gained Most in Value 1989-2002

(Average Monthly Income, Rent, Operating Costs and Net Operating Income per Dwelling Unit in Constant 2002 Dollars)

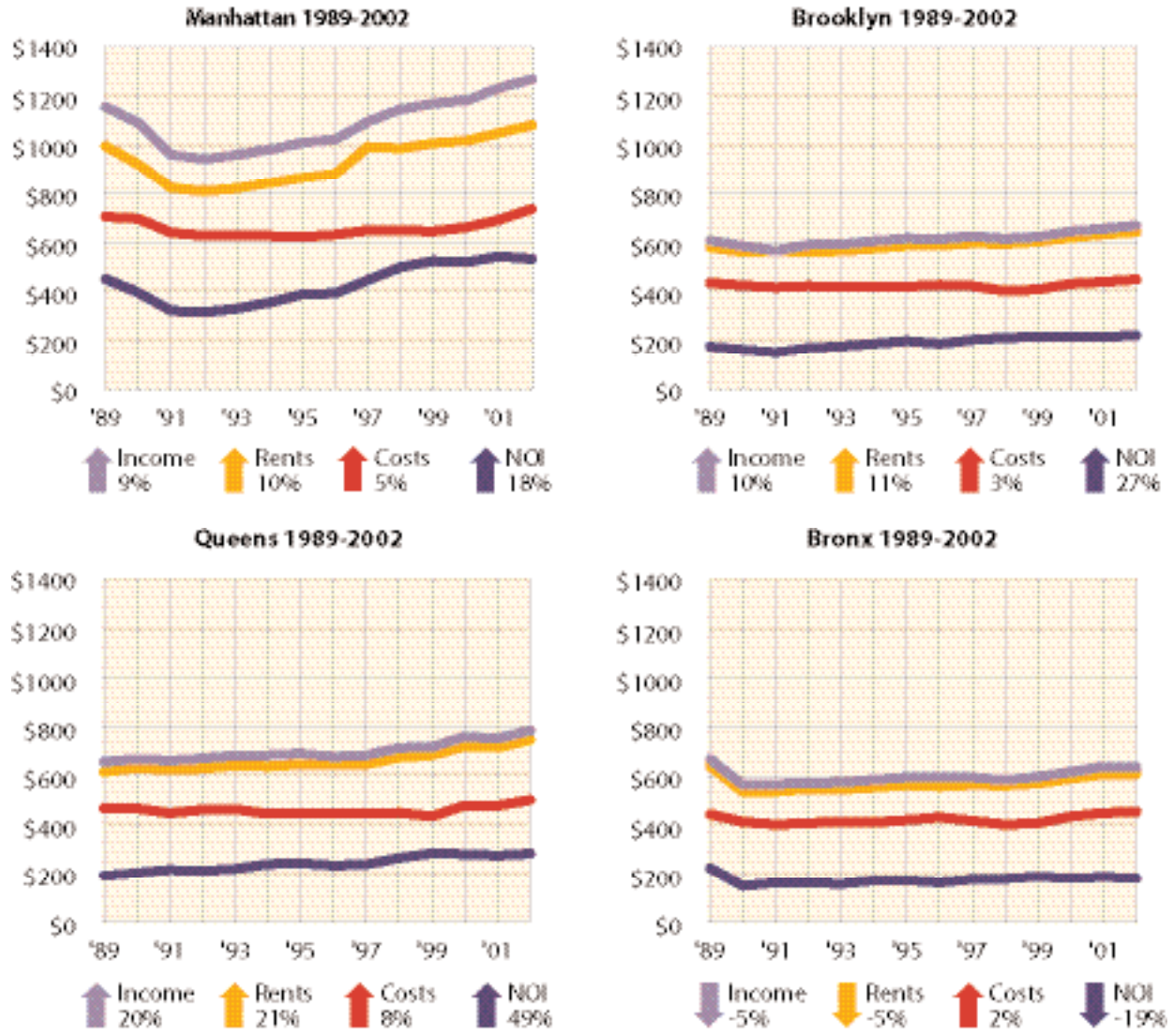


Note: Percent changes are point-to-point measurements and should not be considered cumulatively.

Source: RGB Income and Expense Studies, 1991-2004

NOI After Inflation per Borough, 1989-2002

Inflation-Adjusted NOI Rises In All Boroughs Except the Bronx since 1989



Source: RGB Income and Expense Studies, 1991-2004

While the citywide chart of inflation-adjusted revenue, expense and NOI figures is useful for demonstrating the overall stabilized rental housing market, disaggregating the same figures by borough shows how the market can differ from area to area. At least two interesting points emerge from the borough charts. First, the four borough graphs on this page, each shown on the same scale, reveal that most of the inflation-adjusted numbers for rent, cost and NOI would fall between $200 and $700 over the years of study if not for the data from Manhattan. Manhattan's relatively high revenues, expenses and NOI figures put significant upward pressure on the citywide numbers. The nominal Manhattan rent, income, cost and NOI figures bring the citywide averages for these categories up well beyond the $200-$700 range seen in the inflation-adjusted, outer borough charts. Secondly, it is notable that revenues outpaced costs causing net income to rise strongly in all

the boroughs except the Bronx from 1989-2002. Looking at each of the boroughs individually, from 1989 to 2002, most boroughs saw increases in their net income, with Queens seeing the largest increase, 49%, followed by Brooklyn at 27% and Manhattan at 18%. Conversely, in the Bronx, inflation-adjusted NOI fell 19% over the same 1989-2002 period.

Longitudinal Study

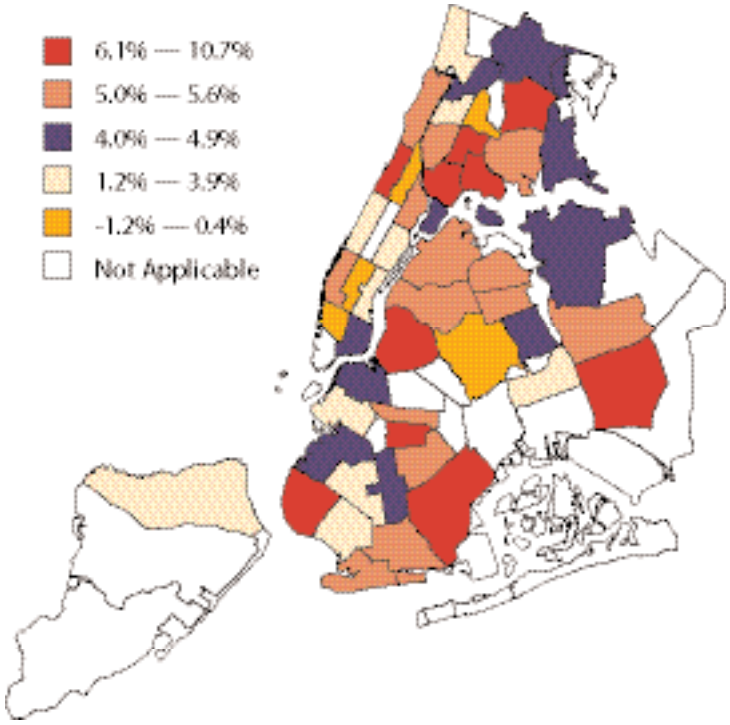
Rents and Income

Average rent collections in stabilized buildings rose by 4.0% in 2002, which was 0.9 percentage points lower than the increases observed during 2001 (4.9%). Increases in rent collections occur for many reasons, including increases allowed under RGB renewal guidelines (which in 2002, ranged from 2 to 6 percent, depending on the effective date and the length of the renewal lease), vacancy allowances of 18-20% allowed under the Rent Regulation Reform Act of 1997 and investments in individual apartment and building-wide improvements.

Unlike last year, rent collections in newer (post-46) buildings increased less (2.7%) than those in older (pre-47) properties (4.6%). Rent collections for all stabilized units increased by 5.0%, 4.8%, and 1.8% for small (11-19 unit), medium (20-99 unit), and large (100+ unit) buildings respectively. Once again, smaller buildings have the highest increases in rent collections, seeing the highest rent growth of all the size categories for nine straight years.

Change in Collected Rents by Community Districts 2001-02

Stabilized Rents Rose in Most Community Districts in 2002



Note: Eleven Community Districts are "Not Applicable" because they did not contain enough stabilized buildings to calculate reliable statistics. Areas shaded white may also denote non-residential spaces, such as parks, bodies of water and airports. Community District percent changes are not weighted, borough-level averages are weighted.

Source: NYC Department of Finance, 2002 RPIE Filings

All but three of New York City's community districts (CDs) saw gains in rent collections from 2001-02. Similar to last year, rent collections increased more rapidly in the other boroughs than they did in the borough of Manhattan. Rent collections in stabilized properties located in Manhattan rose 2.9% from 2001-02. In Manhattan, the CD of Morningside/Hamilton Heights had the highest increase in rent collections of 6.2%. Two of the three CDs seeing a decline in rent collections were in Manhattan: Midtown saw a decline of 0.1% and Greenwich Village declined by 0.8%. All other Manhattan community districts had rent increases of between 0.4% and 5.5%. Throughout the city, the district with the highest rent growth was Flatlands-Canarsie in Brooklyn (10.7%). In the Bronx, Morrisiania showed the largest increase in rents at 9.5%, and in Queens, rent growth was highest in Jamaica (6.5%). Overall, rent collections grew in Core Manhattan by 2.6% while in Upper Manhattan, rent collections grew by 5.6%. In the other boroughs, rent collections grew by 5.2% in Brooklyn, 4.9% in Queens and 4.6% in the Bronx from 2001-02.

As the rent collection growth map on this page shows, rent growth was propelled by several districts not

only in Manhattan but also spread throughout the City. When rent collections in Core Manhattan properties are excluded, an average rent growth of 5.0% was calculated for the remainder of the City.

The total income collected in rent stabilized buildings, comprising apartment rents, commercial rents and sales of services, increased by 4.1% from 2001 to 2002, 1.1 percentage point lower than income collection in the previous year. Revenues rose in pre-war buildings by 4.6% and in post-war buildings by 3.1%. In the boroughs of Brooklyn, Queens and the Bronx, property owners' total income grew by 5.4%, 5.0% and 4.8% respectively. The gross income of Core Manhattan properties grew by 2.5%, while Upper Manhattan income grew 5.7%, more rapidly than the City average (4.1%). When Core Manhattan is excluded from the analysis, the rest of the City's average income growth is 4.8%, which indicates that the lower increase in Core Manhattan income pulled the Citywide average down in 2002.

Gross income grew in all three size categories of buildings, with small buildings experiencing the largest growth (5.4%). Medium buildings experienced a 4.8% increase in income, while the collected income of large buildings grew by 2.0%. See Appendix C.8 for a complete breakdown.

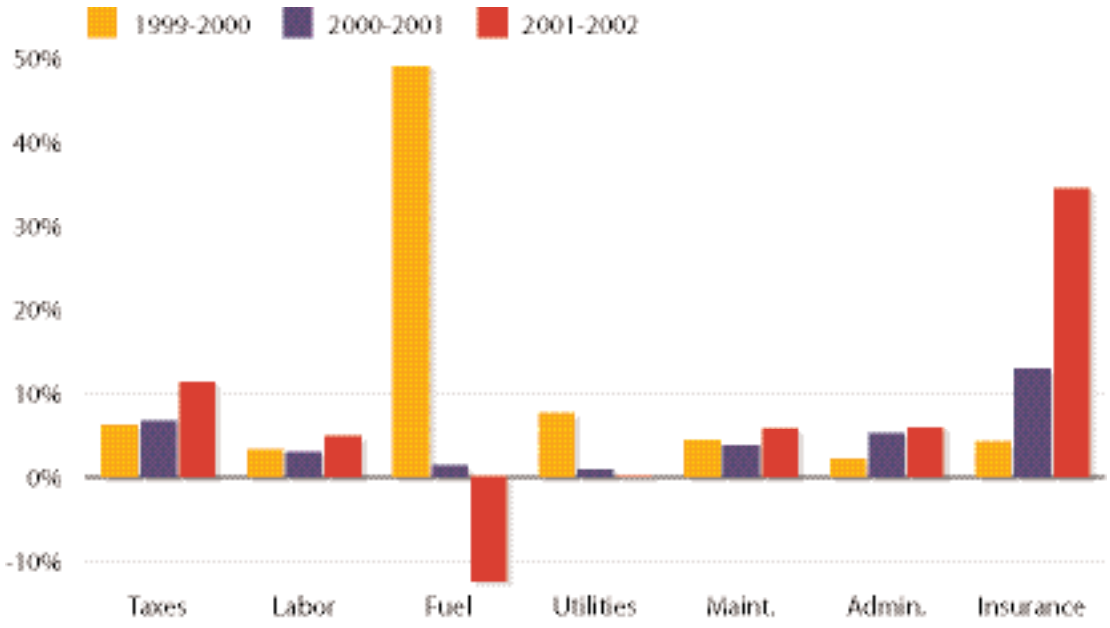
Operating Costs

Expenses in stabilized buildings grew 6.9%, a higher rate than increases in both rents (4.0%) and total income (4.1%) from 2001-02. Costs rose slightly less in newer buildings, up 6.7%, in contrast to the increase in costs realized by pre-war buildings (7.0%). While I&E studies have found that rent and income revenues tend to rise at similar rates to one another, operating cost increases are much more variable, often the result of volatile changes in the cost of fuel, maintenance, insurance or utilities, as the graph below shows.

The 6.9% increase in expenses found in rent stabilized buildings from 2001-2002 was 2.1 percentage points higher than the increase observed from 2000-2001 (4.8%). From 2001-02, insurance, taxes, maintenance,

Change in Cost Components, 1999-2002

Changes in Fuel Costs and Insurance Show Greatest Volatility Among Operating and Maintenance Expenses from 1999-2002



Source: NYC Department of Finance, 1999-2002 RPIE Filings

labor and administrative costs increased greater than the overall NYC metro inflation rate of 2.6%, driving overall cost growth. Most of the major components within total O&M costs increased from 2001-02. Insurance costs increased the most rapidly, by 34.4% from 2001-02. Tax costs increased by 11.3%, administrative costs by 5.9%, maintenance by 5.7%, and labor costs grew by 4.8%. Utilities remained virtually unchanged and only the cost of fuel declined, falling by 12.4% from 2001-02.

As in past years, building size influenced the rate of growth; expenses rose by 7.2%, 6.5%, and 7.7% respectively in small, medium, and large buildings. This year, costs rose most rapidly in the borough of Manhattan (7.7%), and the least in Brooklyn (5.6%). For a detailed breakdown of the changes in rent income and costs by building size age and location, see Appendix C.8.

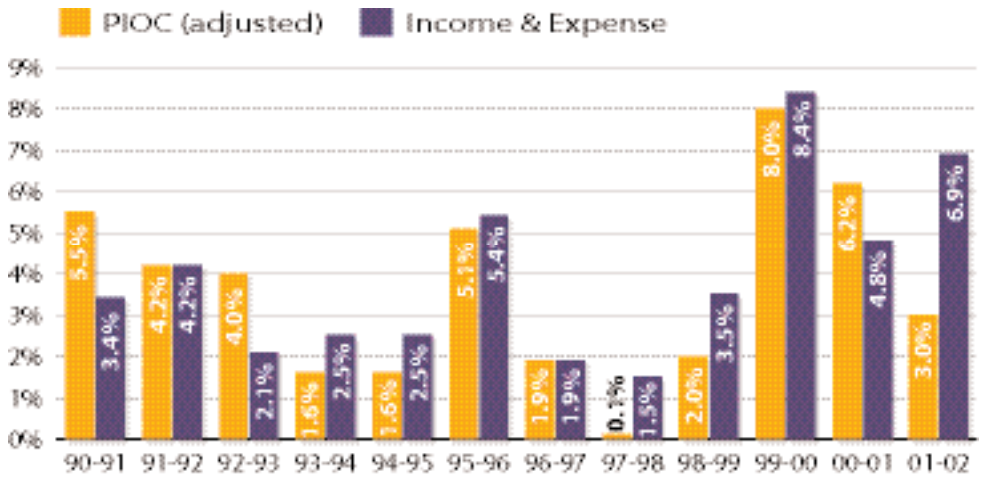
RPIE Expenses and the PIOC

The RPIE and the RGB's long-running survey, the Price Index of Operating Costs (PIOC), each provide a form of independent verification for the expense findings in the other. However, comparison of I&E and PIOC data is somewhat distorted due to differences in the way each instrument defines costs and time periods. For example, there is a difference between when expenses are incurred and actually paid by owners as reported in the RPIE, versus the price quotes obtained from vendors for specific periods as surveyed in the PIOC. In addition, the PIOC primarily measures prices on an April-to-April basis, while most RPIE statements filed by landlords are based on the calendar year. To compare the two, weighted averages of each must be calculated, which may cause a slight loss in accuracy. Finally, the PIOC measures a hybrid of costs, cost-weighted prices and pure prices, whereas the RPIE provides unaudited owner-reported costs.

Over the past several years, growth in PIOC-measured costs has consistently differed from expense increases reported in RPIE data. During the 1990s, the PIOC grew faster in periods of economic downturn, and RPIE overall expenses grew in periods of recovery. The "gap" between the two indices has largely narrowed from 1993 until 2001, but this year, the gap between the PIOC and the I&E data grew again. Expenses in 2002 grew the most in areas that owners have little choice but to pay, most notably for insurance and taxes. As the graph below shows, the most recent adjusted PIOC change in prices was 3.0% while the increase in RPIE

Change in Operating & Maintenance Costs, I&E and the PIOC, 1990-91 to 2001-02

From 2001-2002, Owner-Reported RPIE Costs Increased at a Higher Rate than those Measured in the PIOC



Note: The PIOC increase is adjusted from the April-to-April to the July-to-June fiscal year.

Source: NYC Department of Finance, 1990-2001 RPIE Filings; PIOC 1990-2002

expenses was 6.9%, a difference of 3.9 percentage points between the two indices from 2001-02.

The RPIE reported larger increases than the PIOC from 2001-02 in most cost components. The largest difference was seen in insurance costs, with the RPIE increasing 11.9 percentage points more than the PIOC. Taxes, utilities and maintenance RPIE costs also rose between 2.1 and 2.6 percentage points more than the PIOC. The adjusted PIOC reported a fuel price decrease of 10.3% while the I&E showed a fuel cost decrease of 12.4% from 2001-02, a difference of 2.1 percentage points.

Insurance costs differed strongly between the two indices, with the adjusted PIOC measuring a rise of 22.5%, and the I&E an increase of 34.4%, a difference of almost 12 percentage points. The PIOC is strong at tracking costs during economic upswings, when all types of costs and prices are generally increasing, and when accelerating revenue growth induces fewer owners to cut back on maintenance services and other elective costs. In periods of economic downturn, owners may substitute goods, making the PIOC's 'market basket' of goods less representative.

Comparing insurance price increases in the PIOC (7.8% and 22.5% in 2001 and 2002, respectively, adjusted) and owners' reported cost increases in the I&E (12.9% and 34.4%, respectively) shows much larger increases in I&E insurance costs, revealing the great volatility of insurance prices and that insurance costs are measured differently in the two studies—weighted, owner-reported, unaudited, larger buildings are emphasized in the I&E, while unweighted, insurance company-verified owner-reported bills surveyed in the PIOC of all sizes of buildings—may account for this difference. In addition, the PIOC includes 6-10 unit buildings, while the I&E study, due to limitations on RPIE data, excludes these buildings. It is also important to note that this is the first full year that follows the events of 9/11, when insurance risks were seen as increasing significantly.

Longitudinal RPIE data is a highly reliable measure of cost trends over both the short- and long-term because its source is actual empirical data for over 11,000 stabilized buildings. Unfortunately, due to filing periods and processing time, RPIE data is not available to the RGB for more than a year after the calendar reporting year has ended. Therefore, the RPIE data is not current enough to be the only source of cost change information for the RGB to establish annual rent adjustments.

From 1989-90 to 2001-02, cumulative growth in the two indices seem to confirm the accuracy of one another in measuring expense changes for rent stabilized properties. Overall nominal costs measured in the PIOC and in the I&E studies grew within three percentage points of each other, increasing, according to the I&E, by 70% and, according to the PIOC, by 67% in stabilized buildings over this period.

Operating Cost Ratios

Between 2001 and 2002, the proportion of gross income spent on audited expenses (the O&M Cost-to-Income ratio) increased by 1.5 percentage points. The proportion of rental income used for audited expenses (the O&M Cost-to-Rent ratio) also increased, up by 1.7 percentage points. This is the third increase in O&M Cost-to-Income and O&M Cost-to-Rent ratios since 1992. In the other years when both ratios increased, 1995-96 and 1999-2000, fuel prices rose sharply. However, this year, the ratios increased despite a drop in fuel costs. The general trend, however, is a decline in the cost to revenue ratios since the early 1990s.

"Distressed" Buildings

Of the buildings in this year's longitudinal sample, 7.0% (770) had O&M expenses that exceeded revenues, 0.7 percentage points higher than the share in last year's longitudinal study. Only 47 (6.1%) distressed properties were built after 1946. The fundamental conditions of these buildings did not change. While rent collections and gross income increased, up a respective 1.5% and 1.7%, operating expenses grew at a faster pace from 2001 to 2002, up 2.5%. Again, distressed properties are burdened by low rents, lack of commercial income, and high operating expenses.

Net Operating Income

Since average operating costs grew slightly more rapidly than revenues during 2002, citywide net operating income in rent stabilized buildings decreased slightly, by 0.1%. The 0.1% decline was the first decline in NOI

since this study began to use computerized records in the 1994 Income and Expense Study. Again, NOI refers to the earnings that remain after operating and maintenance (O&M) expenses are taken care of, but before payments in income tax and debt service.

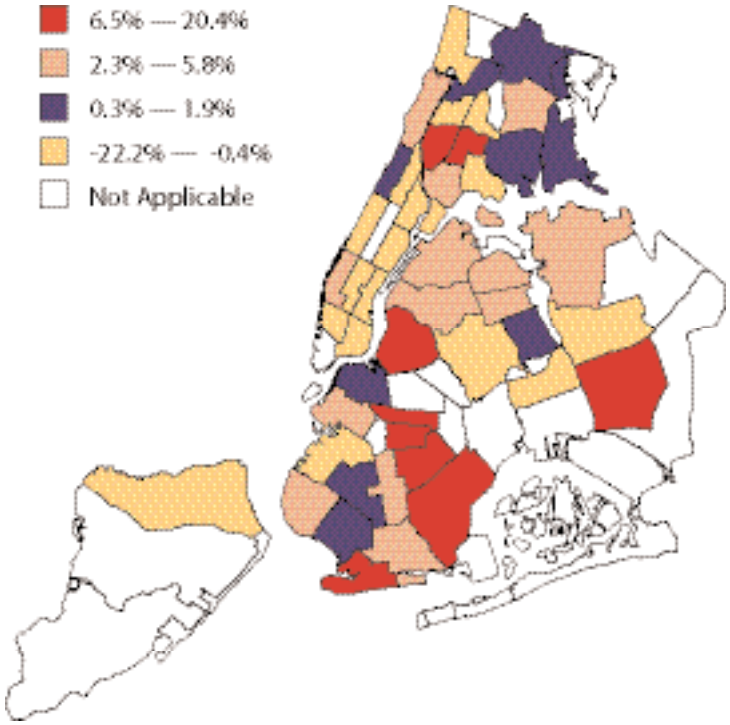
NOI actually grew from 2001 to 2002 among small and medium sized buildings, and only fell among large buildings. NOI rose 2.3% in small buildings (11-19 units) and 1.9% among medium buildings (20-99). However, among large buildings (100 or more units), NOI fell 4.9%. Comparing pre- and post-war structures, small pre-war buildings saw larger increases in NOI than small post-war, while the opposite was true among medium buildings, where the increase in NOI was larger among post-war buildings of this size. Among large buildings, both pre- and post-war structures saw the same 4.9% decline in NOI from 2001-02. See Appendix C.9 for a complete breakdown.

Changes in NOI from 2001-02 varied widely among both the boroughs and community districts in each borough. Brooklyn had the highest growth in NOI, at 5.0%, followed by Queens (3.0%) and the Bronx (0.4%). Meanwhile, Manhattan overall saw a 2.6% decline in NOI. Specifically, Core Manhattan saw a 3.0% decline in NOI, while Upper Manhattan's NOI increased by 1.1%. The City excluding Core Manhattan experienced NOI growth of 1.3%.

At the community district level, as the map on this page shows, three neighborhoods in Brooklyn and one in the Bronx saw double digit increases in NOI from 2001-02. Morrisiania in the Bronx increased the most (20.4%), followed by Flatlands-Canarsie (19.2%), Williamsburg/Greenpoint (16.9%) and East Flatbush (10.5%), all in Brooklyn. Meanwhile, three neighborhoods saw double digit declines in NOI, with two in the Bronx and one in Manhattan. The two largest declines were in the Bronx, with Hunts Point/Longwood falling 22.2%, East Tremont by 17.4%, and Midtown Manhattan declining by 11.5%.

Change in Net Operating Income 2001-02

NOI Decreased in Over a Third of New York City Neighborhoods from 2001 to 2002



Note: Eleven Community Districts are "Not Applicable" because they did not contain enough stabilized buildings to calculate reliable statistics. Areas shaded white may also denote non-residential spaces, such as parks, bodies of water and airports. Community District percent changes are not weighted, borough-level averages are weighted.

Source: NYC Department of Finance, 2002 RPIE Filings

Conclusion

The RPIE filings from over 12,000 rent stabilized buildings containing over 600,000 units in the cross-sectional sample, support the trend that the overall financial condition of New York City's rent stabilized properties continued to remain strong in both nominal and real terms in 2002. Revenue collections increased 4.1%, but it was outpaced by the 6.9% increase in costs. The greater increase in expenses from 2001-02 resulted in an NOI decrease of 0.1% citywide, the first decrease since the I&E Study was first done. The table on the next page provides the year-to-year changes in rents, income, costs, and NOI since 1990. After adjusting for inflation, in 2002, owners of rent stabilized buildings generally

Expense Increases Outpace Growth in Revenue from 2001-2002

(Changes in Average Monthly Rents, Income, Operating Costs and Net Operating Income per Dwelling Unit, 1989-2002)

	Avg. Rent Growth	Avg. Income Growth	Avg. Cost Growth	Avg. NOI Growth
89-90	3.3%	3.7%	7.1%	-1.8%
90-91	3.4%	3.2%	3.4%	2.8%
91-92	3.5%	3.1%	4.2%	1.2%
92-93	3.8%	3.4%	2.1%	6.3%
93-94	4.5%	4.7%	2.5%	9.3%
94-95	4.3%	4.4%	2.5%	8.0%
95-96	4.1%	4.3%	5.4%	2.3%
96-97	5.4%	5.2%	1.9%	11.4%
97-98	5.5%	5.3%	1.5%	11.8%
98-99	5.5%	5.5%	3.5%	8.7%
99-00	6.2%	6.5%	8.4%	3.5%
00-01	4.9%	5.2%	4.8%	5.9%
01-02	**4.0%**	**4.1%**	**6.9%**	**-0.1%**

Source: NYC Department of Finance, 1990-2002 RPIE Filings

earned less income (on average, 50 cents per unit per month) after operating and maintenance expenses were paid than the year before.

Methodology

The information in this report was generated from summaries of raw data from RPIE forms filed with the NYC Department of Finance in 2003 by owners of apartment buildings with eleven or more dwellings. The data in these forms, which reflects financial conditions in stabilized buildings for the year 2002, was computerized in late 2003 (the form is not due until September), and made available to RGB research staff in early 2004 for analysis.

As in past studies, two types of summarized data, cross-sectional and longitudinal, were obtained for stabilized buildings. Cross-sectional data, which provides a "snapshot" or "moment in time" view, comes from properties that filed 2002 RPIE forms. This data is used to compute average rents, operating costs, etc. that are typical of the year 2002. Longitudinal data, which provides a direct comparison of identical elements over time, encompasses properties that filed RPIE forms for the years 2001 and 2002. The longitudinal data describes changing conditions in average rents, operating costs, etc. by comparing forms from the same buildings over two years. Analysis of filing dates shows that RPIE forms reflect conditions around July of the previous calendar year. Thus, cross-sectional data in this report measures conditions in effect throughout 2002, while longitudinal data measures changes in conditions that occurred from 2001 to 2002.

This year, 12,346 rent stabilized apartment buildings were analyzed in the cross-sectional study (see Appendix C.7) and 11,055 stabilized properties were examined in the longitudinal study (see Appendix C.10). The sample of buildings was created by matching a list of properties registered with the DHCR against buildings that filed a 2002 RPIE statement (or 2001 and 2002 statements for the longitudinal sample). A building is considered rent stabilized if it contains at least one rent stabilized unit. Unlike last year's study, the number of buildings in both the cross-sectional and the longitudinal sample decreased from the previous year. The cross-sectional sample decreased by 739 buildings

(6%) and the longitudinal sample decreased by 228 buildings (2%).

Once the two samples were drawn, properties that met the following criteria were removed:

- Buildings containing fewer than 11 units. Owners of buildings with fewer than 11 apartments (without commercial units) are not required to file RPIE forms;
- Owners did not file a 2002 RPIE form for the cross-sectional study, or a 2001 and a 2002 RPIE form for the longitudinal study;
- No unit count could be found in RPIE records;
- No apartment rent figures were recorded on the RPIE forms. In these cases, forms were improperly completed or the building was vacant.

Three additional methods were used to screen the samples so properties with inaccurate building information could be removed to protect the integrity of the samples:

- In early I&E studies, the Department of Finance used the total number of units from their Real Property Assessment Data (RPAD) files to classify buildings by size and location. RGB researchers found that sometimes the unit counts on RPIE forms were different than those on the RPAD file, and consequently deemed the residential counts from the RPIE form more reliable.
- Average monthly rents for each building were compared to rent intervals for each borough to improve data quality. Properties with average rents outside of the borough rent ranges were removed from all samples. This year, 117 buildings were removed from both samples for this reason. Sixty percent of these buildings (70) had average rents below $100 per month, and forty percent (47) had average rents in excess of the upper limits. Such screening for outliers is critical since such deviations may reflect data entry errors and thus could skew the analysis.
- Buildings in which operating costs exceeded income by more than 300% were excluded from both samples. Four properties were excluded for this reason.

As in prior studies, after compiling both samples, the Department of Finance categorized sample data reflecting particular types of buildings throughout the five boroughs (e.g. structures with 20-99 units built in Brooklyn before 1947). Staten Island is not included in most of the borough-level analysis because it contains too few stabilized buildings in most size and age categories to calculate reliable statistics.

For the fourth year, the Department of Finance provided research staff with data summarized at the sub-borough level in Manhattan this year. Manhattan properties were grouped into two categories, "Core Manhattan"—properties south of East 96th Street or West 110th Streets, or "Upper Manhattan"—the remaining areas. Where possible, researchers provided figures for Upper and Core Manhattan and for the "rest of the City" (New York City excluding Core Manhattan). The extremely tight real estate market in Core Manhattan often results in income and expense data that is different from other areas of New York City. Thus, this added bifurcation allows separate examination of what are often two very different economic conditions in Core Manhattan and the rest of the City. All data in both the cross-sectional and longitudinal analysis is weighted using 1999 HVS allocations, the best estimate available of the real distribution of stabilized apartments in New York City. ❒

Endnotes

1. RPIE rent figures include money collected for apartments, owner-occupied or related space and government subsidies. Income encompasses all revenue from rents, sales of services, such as laundry, valet and vending, and all other operating income.

2. Pre-war buildings refer to those built before 1947; post-war buildings refer to those built after 1946.

3. Mean contract rents for 2002 were computed using the 2002 New York City Housing and Vacancy Survey (HVS). RPIE data includes information on some rent controlled units. In order to arrive at a rent figure comparable to the I&E data, controlled and stabilized units from the 2002 HVS were combined to compute an average rent for all regulated units.

4. Preferential rents refer to actual rent paid which is lower than the "legal rent," or the maximum amount the owner is entitled to charge. Owners often offer preferential rents when the current market cannot bear the legal rent.

5. The year 1989 is used as a base year because that is the first year the RGB received data for a large sample of buildings. Comparisons are made to 2002 data because that is the latest data available.

2004 Mortgage Survey

what's new

- ✔ Average interest rate for new multifamily mortgages fell .44 percentage points, or 7.2%, to 5.75%, the lowest ever recorded in this survey.
- ✔ Refinancing interest rates fell even lower, to 5.68%, an 8.3% decline from last year.
- ✔ Average points (fees) for new loans decreased to a record low of .67 points, a 17% drop.
- ✔ Vacancy and collection losses dropped by 17% to 3.56%.
- ✔ Average new origination loan volume increased 55.2% and refinanced loan volume increased by 68.5%.

Introduction

Section 26-510 (b)(iii) of the Rent Stabilization Law requires the Rent Guidelines Board to consider the "costs and availability of financing (including effective rates of interest)" in its deliberations. To assist the Board in meeting this obligation, each January the RGB research staff surveys lending institutions that underwrite mortgages for multifamily rent stabilized properties in New York City. (See Appendix E.7 for a reproduction of the survey) The survey provides details about New York City's multifamily lending during the 2003 calendar year. The survey is organized into four sections: new and refinanced loans, underwriting criteria, non-performing loans and characteristics of buildings in lenders' portfolios.

Summary

This year's Mortgage Survey reinforces the borrower's market of the past few years, sustained by Federal Reserve rates at a 45-year low[1] and high competitiveness between lending institutions despite the continuing trend of mergers and acquisitions. The 12-month average and current interest rates offered to rent stabilized apartments declined substantially from the 2003 Survey, and the average number of loans per lender increased by more than 50%. New York City's economy still remains weak (the fourth quarter of 2003's 2.2% growth in real gross City product was the first increase in the past 11 quarters[2]), but the real estate market has remained strong regardless. Those lenders responding to the survey report that their marketplace remained stable and accessible. Interest rates for both new and refinanced mortgages declined for the fourth year in a row, lending terms remained flexible, and the number of non-performing loans and foreclosures remained virtually nonexistent. This report begins by describing general characteristics of the 26[3] survey respondents, and then moves on to discuss findings from a cross-sectional study of all respondents to the 2004 Mortgage Survey, followed by an analysis of a group of 21 respondents who participated in each of the past two years.

Survey Respondents

Twenty-six financial institutions responded to this year's survey, equaling last's year response. The survey sample is updated each year to include only those institutions offering loans to multiple-dwelling, rent stabilized properties in New York City. New institutions are added each year, and irrelevant ones are removed, primarily through research in trade journals, directories, internet search engines and lists compiled by the Federal Deposit Insurance Corporation (FDIC). The 26 respondents include a variety of traditional lending institutions, such as savings banks, S&L's, credit unions, and

commercial banks, as well as non-traditional lenders, including local housing services programs. Twenty-one of the 26 respondents also responded to last year's survey.

Institutions holding deposits insured by the FDIC report details about their holdings on a quarterly basis, including their multifamily real estate holdings, which vary considerably among this year's respondents. Twenty-two of the 26 survey respondents report their multifamily real estate holdings to the FDIC, with values ranging from a low of $20 million to a high of $5 billion. Up one from last year, eight of this year's institutions had multifamily holdings worth over one billion dollars, and the number with holdings of less than $100 million decreased from six to five. The average multifamily real estate portfolio increased sharply to $1.08 billion, a 33.1% increase from last year's $812 million.[4]

As in previous years, a small number of large lenders provided most of the total volume of new and refinanced mortgages. Of all respondents, three provided 82.3% of the total volume of new mortgages (at an average rate of 5.13%), while four lenders provided 81.6% of the total volume of refinanced loans (at an average rate of 5.03%).

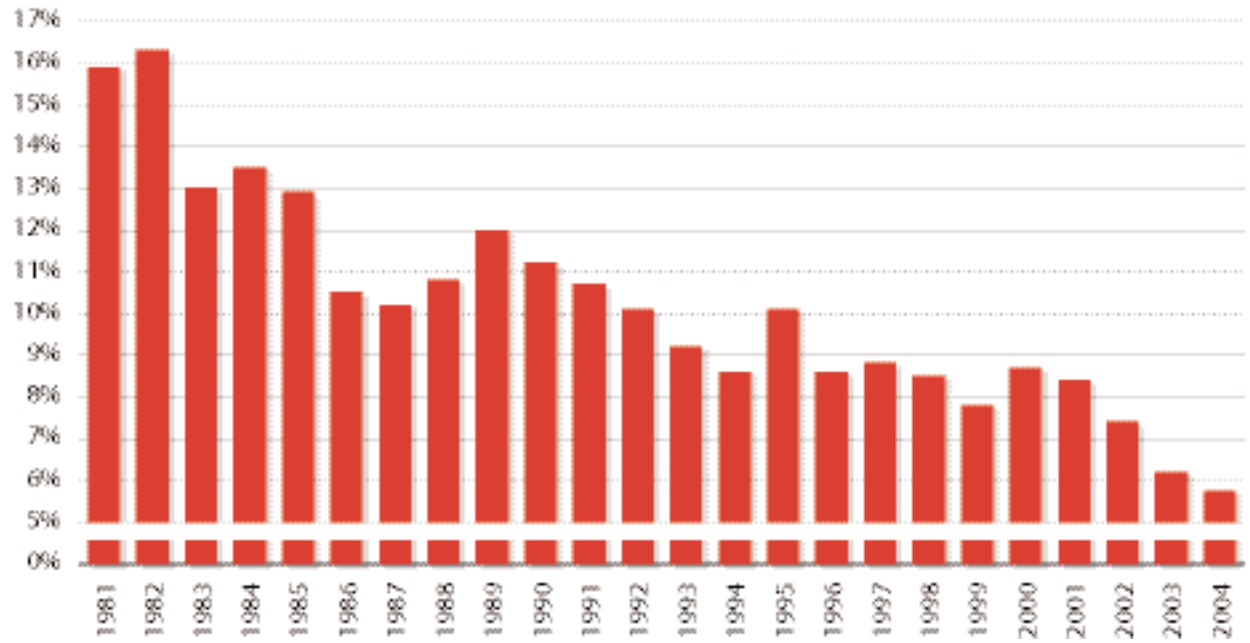
Cross-Sectional Analysis

Financing Availability and Terms

For the sixth time in seven years, average interest rates declined from the prior year. This year's average January interest rate of 5.75% for new multifamily mortgages was a decrease of .44 percentage points, or 7.2%, from the previous year (see graph below). The interest rate drop among the institutions surveyed is tied in part to yet another cut in the Federal Funds and Discount rates set by the Federal Reserve Board. The Fed lowered both the Discount Rate – the interest rate at which depository institutions borrow from the Federal Reserve Bank of New York – and the Federal Funds Rate – the interest rate at which depository institutions lend balances at the

Average Interest Rates for New Loans to Rent Stabilized Buildings, 1981-2004

Multifamily Mortgage Interest Rates Continue to Decline



Source: Rent Guidelines Board, annual Mortgage Surveys.

Federal Reserve to other depository institutions – on June 25, each falling a quarter of a percentage point.

The .25 percentage point drop at the end of June was the 13th since January 2001, when the Federal Funds rate was 6.5%.[5] This single, mid-year rate cut helps explain why the survey respondents' reported 12-month average new and refinanced mortgage rates were each .07 percentage points higher than current rates.

Institutions were also surveyed about their rates on refinanced mortgages, with all of the institutions offering identical or similar terms to those for new originations. The average current rate charged for refinanced mortgages, 5.68%, was just .07 percentage points lower than the average current rate charged on new originations and was half a percentage point (and 8.3%) lower than last year. (See Appendix E.1)

Points, or up-front service fees, charged for new and refinanced loans ranged from 0 to 2 percent, with all but two lenders falling at or below 1 point. Average service fees charged on new loans by lenders were .67 percent, a significant 17.0% decrease from last year's average rate of .81. Average fees reported in the survey have remained around or below one point for the past seven years (see graph below), but are now at their lowest rate since the RGB began the Mortgage Survey in 1981. Points for refinanced mortgages were slightly lower than those of new originations, at .60, a 22.4% decrease from last year.

Lenders remained flexible this year in the loan terms they offered, comparable to the results from recent mortgage surveys. While somewhat complicated to analyze (survey respondents normally provide a wide range of terms rather than a single number), the range of terms offered by institutions remained similar to those

terms and definitions

Actual LTV - the typical loan-to-value ratio of buildings in lenders' portfolios

Debt Service - the repayment of loan principal and interest

Debt Service Ratio - net operating income divided by the debt service; measures the risk associated with a loan; the higher the ratio, the less money an institution is willing to lend

Loan-to-Value Ratio (LTV) - the dollar amount institutions are willing to lend based on a building's value; the lower the LTV, the lower the risk to the lender

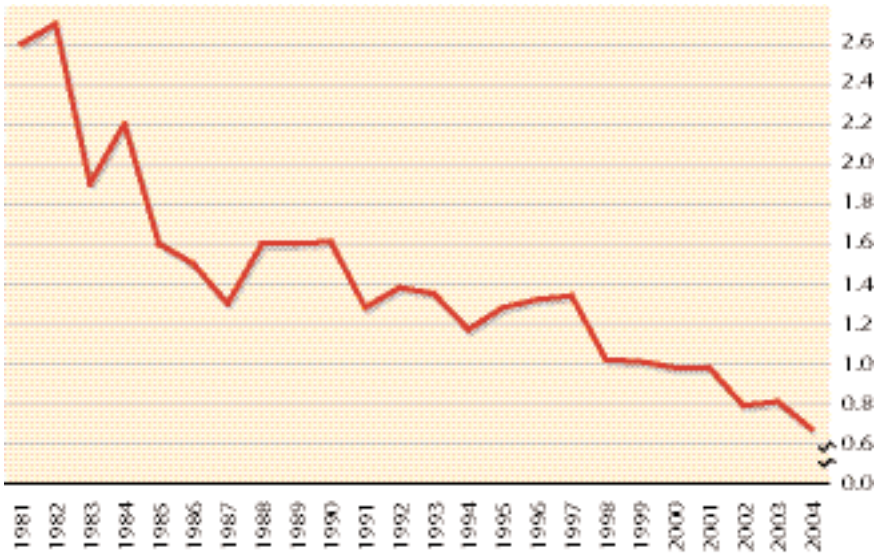
Maximum LTV - the loan-to-value ratio set by the lenders as part of their underwriting criteria

Points - up-front service fees charged by lenders as a direct cost to the borrowers

Terms - the amount of time the borrower has to repay the loan; generally, the term should not exceed the remaining economic life of the building

Service Fees for New Loans to Rent Stabilized Buildings, 1981-2004

Historically Low Service Fees Fall to All-Time Low



Source: Rent Guidelines Board, annual Mortgage Surveys.

offered in the prior year. Mortgage terms reported by respondents fell within a wide 3- to 30-year range, with most lenders offering between 5 and 10 years. This continued mortgage term flexibility over recent years is in great contrast to terms found in the surveys of the early- to mid-1990s, when close to half of respondents offered maximum loan maturities of just five years.

As might be expected from lower interest rates and favorable lending terms, loan volume for both new and refinanced mortgages remained strong, with borrowers eager to refinance present loans and a strong market for new loan originations. An average of 160 new loans per institution were financed this past year, an increase of 55.2% from last year's 103. The average number of new loans per lender in the survey has increased significantly over recent years. For instance, the 1998 Mortgage Survey showed an average of just 37 new mortgages per lender and just two years ago the average was only 71. The average number of refinanced loans also jumped markedly during the past year, up 68.5% to 173 in this year's survey, from just 103 last year.[6] Many lenders also noted that the number of applications they have received this past year has also jumped, with 42.3% of lenders reporting a significant increase in loan applications.

Underwriting Criteria

As seen in past years, there was little change in the lending practices of institutions this year. This trend reflects a sustained period of low delinquencies and defaults that could at first be attributed to stricter requirements that went into effect more than a decade ago, and can now be credited to the endurance of a strong real estate market. As recent surveys have indicated, this year's findings provide additional evidence that while lenders are always cautious, they are willing to provide ample loan availability and continue policies of less stringent underwriting policies seen for the last several years.

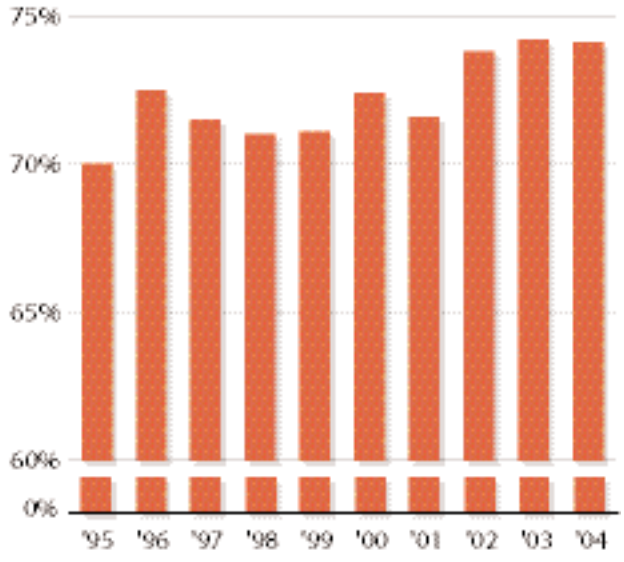
Most lenders maintained the same underwriting standards this year. Criteria for maximum loan-to-value ratios, debt service coverage, and building characteristics (such as age and condition), varied little from last year's survey. The average maximum loan-to-value ratio (LTV) – the maximum dollar amount respondents were willing to lend based on a building's value – ranged from 57.5% to 80%. The average was 74.1%, virtually identical to the prior year's 74.2% (see graph on this page).

The debt service ratio — an investment's ability to cover mortgage payments using its net operating income — is another important lending criterion. The higher the debt service coverage requirements, the less money a lender is willing to loan given constant net income. The debt service ratio (or net operating income divided by the debt service) remained unchanged this year, with an average debt service requirement of 1.25 among all lenders. Because the average debt service ratio remained constant from last year, it can be assumed that most lenders have not changed the amount of money they are willing to lend in relation to the net operating income of buildings. (See Appendix E.2)

Other standards cited by lenders when assessing loan applications remain virtually identical to last year. Fifty-four percent of lenders stipulate that overall

1995-2004 Cross-Sectional Average Loan-to-Value Standards

Maximum Loan-to-Value Ratios Remain Stable



Source: Rent Guidelines Board, annual Mortgage Surveys.

building maintenance is an important standard when assessing loan applications, an eight-percentage point decrease from last year's rate of 61.5%. Also considered important were the number of units in the building, which was cited as an important underwriting criteria for 38.5% of lenders. Other criteria were considered less important by institutions, including the building age, owner-occupancy, and co-op conversion potential. In addition, all 26 respondents noted that their underwriting practices had not changed over the past year.

Non-Performing Loans and Foreclosures

The vast majority of lenders again reported that they had no non-performing loans or foreclosure proceedings this year. Fifteen percent of lenders reported having non-performing loans over the past year (an increase from 12% last year), but similar to last year, only one institution reported a significant number of non-performing loans (approximately 10% of their total loan volume).[7] There was also a slight increase in the number of lenders with loans in foreclosure to 11.5% from 8.0% last year, with almost all foreclosures attributable to the same lender. With the exception of this one lender, those few institutions reporting either non-performing loans or foreclosures identified no more than 1% of their total loan volume as failing.

Characteristics of Rent Stabilized Buildings

The average size of rent stabilized buildings in surveyed lenders' portfolios remained steady this year, with five lenders reporting average building sizes of 50 or more units and 19 reporting average sizes between 11 and 49 units. Once again, the most common building size reported this year was 20-49 units, with 42.9% of lenders reporting this size building as their average rent stabilized building, an increase from 37.0% in 2003. Another 25.0% of lenders reported that their average building contained 11-19 units. Just 14.3% reported that their average building contains 1-10 units, and 17.9% report it contains 50-99 units. Unlike last year, when 7.4% of lenders reported that the average rent stabilized building they finance contains over 100 units, no lenders reported average building sizes of that scale this year.

Vacancy and collection (V&C) losses dipped sharply this year to 3.6%, down from 4.3% last year (a decrease of more than 17%). This decrease follows two consecutive years of increases and puts V&C losses at their lowest rate since the mid-1990s as shown in the graph on the following page. Even more dramatic, 61.5% of lenders reported V&C losses of 3% or less, and only 23.1% reported V&C losses of 5% or more. In last year's survey, 57.7% of lenders reported V&C losses of 5% or more and surveys from the mid-1990s showed that up to three-quarters of respondents had reported losses of at least 5%.

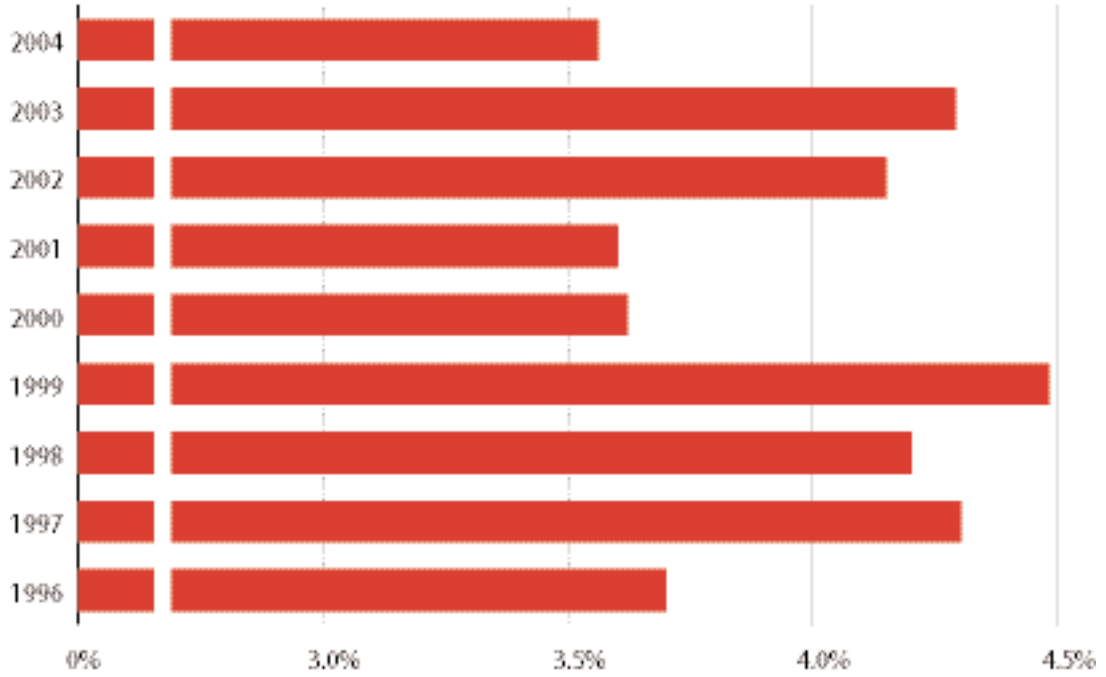
For the second year in a row, operating and maintenance (O&M) costs rose for survey respondents. After a modest increase from $357 to $359 in O&M costs per unit, per month between 2002 and 2003, costs this year jumped to $461, a 28.5% increase.[8] In addition, average rent per unit per month increased by more than 12.2% to an average of $989 per unit per month from last year's $881. (See Appendix E.2) And after declining a year ago, the average O&M cost-to-rent ratio, which is the ratio of average monthly operating and maintenance costs to average monthly rents, increased six percentage points to 46.7%, a 14.5% increase. The O&M cost-to-rent ratio is one of the most important indicators of the profitability of New York's stabilized housing — the lower the ratio, the higher the profits. The RGB first started tracking the average O&M cost-to-rent ratio in 1998, since which time the rate has fluctuated between last year's low of 40.7% and 1999's high of 52.1%.

The RGB also examines the average O&M cost-to-rent ratio in the Income and Expense (I&E) Report, though it cannot be compared to the cost-to-rent ratio reported in the Mortgage Survey, because data in the I&E Report is over one year old, and the sources and sample sizes are very different. In the 2003 I&E Report, which reported on data from the year 2001, the average O&M cost-to-rent ratio was 62.5%.[9]

In order to better gauge the lending market, the survey also asked lenders whether they retain their mortgages or sell them to secondary markets. According to the survey, most respondents (76.0%) retain all their mortgages, 8.0% sell all their mortgages, and 16.0% sell some of their mortgages to secondary markets. These results virtually mirror those of last year (the first year

Average Vacancy and Collection Losses, 1996-2004

Vacancy and Collection Losses Decrease from Prior Year



Source: Rent Guidelines Board, annual Mortgage Surveys.

the question was asked on the survey). Of those institutions selling their mortgages, the most common purchaser is either Freddie Mac or Fannie Mae.

To understand sources of income other than those from residential tenants, lenders were also asked whether the rent stabilized buildings they mortgage contain commercial space. Eighty-five percent of institutions surveyed indicated that some of the buildings in their portfolios contain commercial space, a drop of three percentage points from last year. Of these lenders, they report that on average a quarter (24.3%) of their buildings have commercial space.

Longitudinal Analysis

Since a number of respondents reply to the Mortgage Survey in at least two consecutive years, information regarding rent stabilized buildings can be analyzed longitudinally to more accurately measure changes in the lending market. This longitudinal comparison helps to determine whether changes highlighted in the cross-sectional analysis reflect actual fluctuations in the lending market or simply the presence of a different pool of lenders from year to year. In this section, responses from the 21 lenders who replied to surveys both last and this year (the longitudinal group) were compared to each other as well as to the total accumulation of data from the twenty-six institutions providing usable responses in the 2004 survey (the cross-sectional group).

Financing Availability and Terms

Because 81% of respondents of this year's survey also participated last year, the longitudinal analysis provided data that is very similar to the findings of the cross-sectional group. This year's average interest rate reported by the longitudinal group was 5.81%, which represents a decrease of 5.8%, or .36 percentage points, from last year's rate of 6.17%. This decrease is slightly smaller

than the change reported by the cross-sectional group (5.75% this year and 6.19% last year, a 7.2%, or .44 percentage point, decrease). (See Appendix E.3)

Comparable changes were found in interest rates for refinanced loans. Both groups' average interest rate decreased from one year to the next, with the rate for the longitudinal group falling from 6.17% to 5.75%, a decrease of 6.9%. (See Appendix E.4) The average rate for the cross-sectional group saw a similar, but larger, decrease of 8.3%.

Average points offered by lenders fell for both new and refinanced loans this year among the longitudinal group. This sample reports an average of 0.71 points for new loans, slightly lower than last year's 0.74, while refinanced loans fell even more sharply, from 0.70 last year to 0.63 this year, a 10.1% decline.

As with the cross-sectional group of lenders, the longitudinal group saw loan volume increase substantially over last year for both new and refinanced mortgages, at a higher rate than the cross-sectional sample for new originations and at a much slower rate for refinanced loans. The average number of new loans opened by participating institutions grew by 62.1% among the longitudinal sample between this year and last, jumping from 118 to 191. The number of refinanced loans established by the longitudinal group saw a smaller but still significant increase, with an average of 156 refinanced loans this year compared to 126 the year before, a 24.0% increase.

Most lenders reported their loan volume increased over the past year, due primarily to an increase in loan applications and to a lesser extent to an increase in approvals. Of those lenders reporting an increase in volume, the longitudinal group saw an average increase of 42.9%, five percentage points higher than the 37.8% increase found among the cross-sectional sample. The average loan volume changes reported by this year's longitudinal group were twice as high as the same group of lenders in the previous year.

Lending Standards

The average maximum loan-to-value (LTV) ratio remained virtually equal to both the cross-sectional sample and last year's longitudinal sample. The average maximum LTV ratio this year among the longitudinal sample was 73.6%, slightly lower than last year's figure of 74.4%. This year's figure is also very similar to that of the cross-sectional group, whose average maximum LTV ratio was 74.1%. Lenders are similarly flexible with their rates for debt service coverage, where the average remained 1.25 for the second year in a row and is equal to that of this year's cross-sectional sample. (See Appendix E.5)

Vacancy and collection (V&C) losses in the longitudinal group dropped this year, but at a slightly slower rate than this year's cross-sectional group. This year's average V&C loss was just 3.64% compared to 4.31% last year, but was also slightly higher than V&C losses found in the cross-sectional group, which saw average losses of 3.56%. The longitudinal group also saw a higher percentage of lenders with V&C losses of more than 5% (28.6% compared to 23.1% for the cross-sectional group), but experienced a marked drop in V&C losses of more than 5% from last year, when 57.1% of lenders had V&C losses above 5%.

Non-performing and Delinquent Loans

While examining non-performing or delinquent loans among the longitudinal group over the last two years, little difference was found among responding institutions. Delinquencies continue to be insignificant, with only one lender in the longitudinal group reporting any significant share of non-performing loans or foreclosures during this past year. (The same lender was the only one reporting both last year, as well.[10])

Conclusion

The 2004 Mortgage Survey results reiterate once again that the market for multifamily loans is a borrower's market. The Federal Reserve Board's policy of historically low interest rates has kept mortgage rates low, competitiveness between lenders high, and real estate investment and refinancing extremely attractive. As in recent years, the lending market remained stable and accessible. Interest rates for both new and refinanced mortgages declined, and lending terms remained similarly flexible. V&C losses remain low and non-performing and/or foreclosure loans remain virtually non-existent, despite a weak economy. Time

will tell when and by how much the Fed raises interest rates, and what impact it will have on the market for multifamily loans, but all indications are that rates will stay at, or near, this level for at least the first half of this year.[11] ❒

Endnotes

1. "Fed expected to keep rates steady at 45-year low," by Sue Kirchhoff, USA Today, August 10, 2003.

2. "4Q03 is Best Quarter in 3 1/2 Years," Economic Notes, NYC Comptroller's Office, March 2004.

3. One institution responded to the survey but indicated that they cannot specifically track loans to rent stabilized buildings. Therefore, only 26 institutions are discussed in this report.

4. FDIC data derived from the FDIC web site. World Wide Web Page <http://www.fdic.gov> (accessed March 2, 2004). Report date of September 30, 2003.

5. "Fed Again Cuts Interest Rates," by John M. Berry, Washington Post, June 26, 2003.

6. It is important to keep in mind, however, because of the trend in bank mergers, borrowers have fewer institutions to choose from. Therefore, the average institutional loan volume reported by remaining lenders may be inflated for this reason.

7. The one lender reporting a higher percentage of non-performing loans and foreclosures is a not-for-profit organization specifically serving low-to-moderate income neighborhoods.

8. The per unit, per month O&M expense and rent figures reported in the Mortgage Survey reflect a very small, non-random sample of the City's regulated stock and are included for informational purposes only. The rent and expense figures in the Rent Guidelines Board's Income and Expense Study are derived from a much larger sample of stabilized buildings and can be viewed as more authoritative.

9. The operating and maintenance cost-to-rent ratio from the 2004 Mortgage Survey reflects estimates by lenders of expenses and rents for rent stabilized buildings as of approximately January 2003. The average ratio is calculated from just 26 responses. The latest available O&M cost-to-rent ratio from the Income and Expense Study (I&E), in which average rent was $781 and average audited cost was $488, reflects rents and expenses reported by owners for calendar year 2001. Average monthly costs per unit in the Mortgage Survey are consistently lower than those reported in the I&E. This may be due to differences in the two data sources—lenders' estimated average of buildings in an institution's portfolio vs. a weighted average of a large sample of owner-reported data; the large variance between the two sample sizes; and, the difference between the buildings studied in each analysis—buildings required to file Real Property Income and Expense (RPIE) forms must have an assessed value greater than $80,000 and eleven or more units, while the Mortgage Survey reports does not exclude these buildings.

10. See Endnote 7.

11. "Fed Indicates Boost in Rates is Unlikely," by John M. Berry, Washington Post, December 10, 2003. This article cites comments by Federal Reserve Board chairman Alan Greenspan that while inflation remains low, low interest rates can be maintained for a "considerable period."

Income and Affordability

2004 Income and Affordability Study

what's new

- ✔ New York City's economy shrunk by 2.2% in 2003, compared to 3.8% in 2002.
- ✔ The City lost 55,000 jobs in 2003, representing a 1.5% decline from 2002 in the number employed.
- ✔ The unemployment rate increased to 8.4% last year, up from 7.9% in 2002.
- ✔ Staten Island saw the largest jump of the boroughs in its unemployment rate, increasing from 6.5% to 7.4% between 2002 and 2003, a 13.8% jump.
- ✔ Inflation averaged 3.1% in the metro area in 2003, up from 2.6% in the prior year.
- ✔ Inflation-adjusted wages decreased 5.0% in 2002, compared to 0.7% increase in 2001.
- ✔ In calender year 2003, 38,310 homeless people were staying in municipal shelters, up 10.8% from 2002.
- ✔ The average number of families temporarily sheltered each night increased 14.0%, to 9,203 in 2003, compared to a year earlier. This figure is 50% higher than 2001 levels.
- ✔ The number of non-payment filings in Housing Court decreased 4.0% in 2003, to 318,077.

Introduction

Section 26-510(b) of the Rent Stabilization Law requires the Rent Guidelines Board (RGB) to consider "relevant data from the current and projected cost of living indices" and permits consideration of other measures of housing affordability in its deliberations. To assist the Board in meeting this obligation, the RGB research staff produces an annual *Income and Affordability Study*, which reports on housing affordability and tenant income in New York City's rental market. The study highlights year-to-year changes in many of the major economic factors affecting New York City's tenant population and takes into consideration a broad range of market forces and public policies affecting housing affordability. Such factors include New York City's overall economic condition — unemployment rate, wages, Consumer Price Index and Gross City Product — as well as the number of eviction proceedings and the impact of welfare reform and federal housing policies on rents and incomes.

Summary

For the third consecutive year, New York City's economy still struggled to recover from recession, rising unemployment rates, falling employment levels, and stagnant to declining real wages. The City's Gross City Product declined by 2.2% in 2003, despite growth of 2.2% in the fourth quarter. Unemployment rates also increased for the third year in a row, climbing .5 percentage points to 8.4%. Total employment levels in the City fell to 1998 levels, and both real and nominal wages fell to levels not seen in this decade. In addition, Housing and Vacancy Survey (HVS) data published last y ear reveals that the vacancy rate remains well below the 5% threshold, at 2.94% citywide. But despite the poor economy, the number of persons receiving public assistance fell during Fiscal Year 2003, and rose again during the first four months of FY 2004. In addition, the number of homeless in City shelters grew to record numbers, especially among families, while non-payment filings in Housing Court decreased by 4.0%.

Economic Conditions

The City's economy remained mired in a recession for a third straight year in 2003. New York City's Gross City Product (GCP), which measures the total value of goods and services produced, contracted by 2.2% in 2003, after falling 3.8% in 2002, and 1.4% in 2001.[1] Prior to the current recession, the last time yearly GCP declined was in 1991. In contrast, GCP increased at an annualized rate of 6.0% from 1994 through 2000. Although GCP was down for the year, the last quarter of 2003 was the first in 11 in which the City had an upward change in GCP, with an increase of 2.2%.[2] Comparatively, the analogous national number, United States Gross Domestic Product (GDP), has increased

annually since 1991, including a 3.1% increase in 2003, and a 2.2% increase in the prior year.

The Consumer Price Index (CPI), which measures the change in the cost of typical household goods, increased at a higher rate in 2003 (3.1%) than in 2002 (2.6%) in the NYC metropolitan area, signifying a more rapid rate of inflation. The U.S. CPI for urban consumers also increased at a higher rate this year, up 2.3% in 2003 versus an increase of 1.6% in 2002. This is the second year in a row, and only the second time since 1992, that the NYC CPI increase exceeded the U.S. CPI increase.[3]

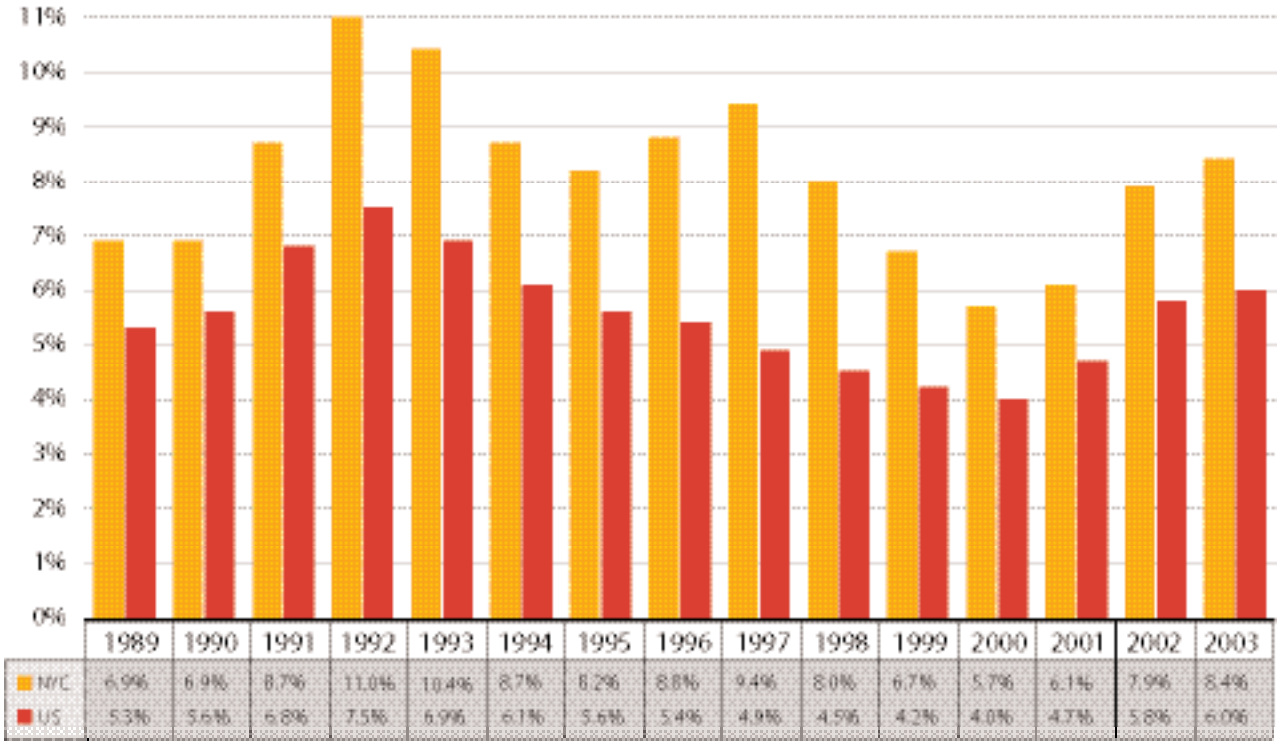
For the third year in a row, NYC's unemployment rate increased, to its highest level since 1997, increasing by half a percentage point, from 7.9% in 2002 to 8.4% in 2003. The U.S. unemployment rate also increased over the past year, but at a slower rate, up .2 percentage points to 6.0% in 2003. The discrepancy between the NYC and nationwide rates began to grow again in 2002, after falling the prior year to its smallest difference since 1990. (See graph below and Appendix F.1)

During the early months of 2004, unemployment rates continued to increase marginally over average 2003 levels. The City jobless rate stood at 8.9% in January 2004 and 8.5% in February, slightly higher than the City's 2003 average rate of 8.4%, while the national unemployment rate stood at 5.6% in both January and February of this year, .4 percentage points lower than the U.S. 2003 average.

While Staten Island generally has the lowest unemployment rate of all the boroughs, the rate jumped almost 14% between 2002 and 2003, from 6.5% to 7.4% over the year. The lowest borough unemployment rate now belongs to Queens, where 6.9% of people looking for jobs were without one. Manhattan's unemployment rate remained stable at 8.2% for the second year in a row, but still stands at almost double its 2000 rate of 4.9%. Brooklyn's unemployment rate also rose sharply this year, up .6 percentage points to 9.2%, its highest level since 1998 (and the second highest rate of the boroughs). Once again the highest rate of

NYC and U.S. Unemployment Rates, 1989-2003

NYC and U.S. Unemployment Rates Continue to Rise in 2003



	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
NYC	6.9%	6.9%	8.7%	11.0%	10.4%	8.7%	8.2%	8.8%	9.4%	8.0%	6.7%	5.7%	6.1%	7.9%	8.4%
US	5.3%	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%

Source: U.S. Bureau of Labor Statistics.

unemployment was in the Bronx, where 10.4% of workers are unemployed, an increase of 1.1 percentage points and almost 12% from last year's rate of 9.3%. Over the past two years, unemployment rates have increased 54.2% in Staten Island, 40.5% in the Bronx, and approximately 35-37% in Brooklyn, Manhattan, and Queens.

Two other employment indices fell in 2003. The NYC labor force participation rate — which measures the proportion of all non-institutionalized people, aged 16 and over, who are employed or actively looking for work — decreased in 2003, to 58.4%, down from 59.4% in 2002.[4] This remained lower than the U.S. rate, which also decreased slightly over the past year, to 66.2% in 2003, from 66.6% in the prior year, the third consecutive decrease.

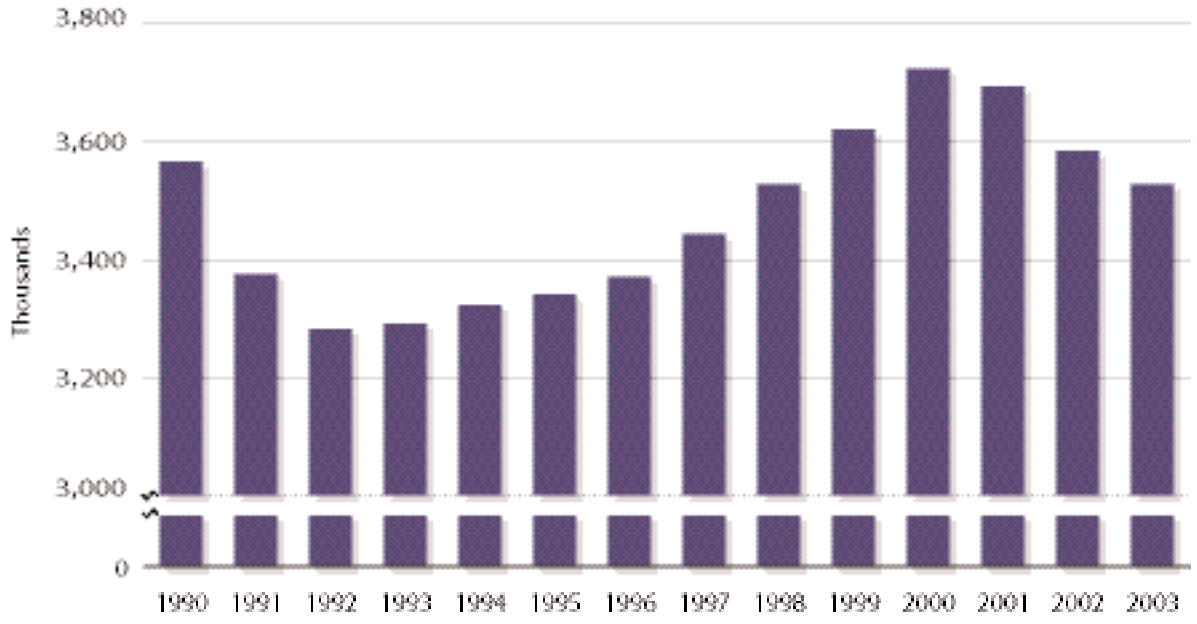
In addition, the NYC employment/population ratio, which measures the proportion of those who are actually employed as a ratio of all non-institutionalized people age 16 or over, also decreased, to 53.5% in 2003, down 1.2 percentage points from 2002. The U.S. employment/population ratio decreased as well, but by a lesser amount, down .4 percentage points to 62.3% in 2003. The decrease in both the City's labor force participation rate as well as the City's employment/population ratio, simultaneous to the increase in the unemployment rate, suggests although less people are now actively seeking work, the remaining workers are still having trouble finding employment.

The increasing rate of unemployment is also reflected in the decline in the number of those employed in New York City (see graph below). Overall, among both city residents as well as those commuting into the city, NYC lost 55,000 jobs in 2003, a 1.5% decrease from 2002. These job losses follow a 108,500 decline in 2002 and a 31,100 loss in 2001.

Job losses occurred in almost all job sectors.[5] The manufacturing sector lost the highest proportion of jobs in 2003, down 9.5%, or 13,200 jobs, while the information industry (publishing, broadcasting, telecommunications, etc.) dropped 7.2%, or 12,800 positions. Other sectors saw more moderate job losses, including the professional and business sector, which lost 14,800 jobs (a 2.7% decline); financial activities,

Average Annual Payroll Employment, NYC, 1990-2003

NYC Employment Levels Drop For Third Year in a Row



Source: U.S. Bureau of Labor Statistics.

losing 2.5%, or 11,000 jobs; construction, falling 2.9%, or 3,300 jobs; and trade, transport & utilities, declining 0.6%, or 3,100 jobs. The number of government jobs also fell between 2002 and 2003, with a more than 2% drop in workers at the federal, state, and local levels (including a 1.9% drop in local government positions).

The only three sectors to see job increases in 2003 were the educational/health services, management of companies, and leisure/hospitality sectors. The educational and health services sector has been growing steadily since at least 1990 (the first year data is available for), and grew again this year to a new high of 659,100 jobs, a 2.0% increase. Management of companies (a sector newly added in 2000) grew by 1.2% to a record 59,100 positions. Leisure and hospitality grew by 1.1% this year, adding 2,700 new jobs to reach a total of 258,000 (See Appendix F.2)

This report also examines wage data of employees working in New York City (regardless of where they live), though the analysis is limited by the fact that there is a one-year lag in the reporting of income data. The most recent numbers, which cover the 2002 calendar year, reveal a substantial decrease in wages, both real and nominal. Following a 6.0% increase in real wages in 2000, and a more modest 0.7% increase in 2001,[6] real wages, which are wages adjusted for inflation, decreased 5.0% in 2002, the first real wage decrease since 1994. In 1996 dollars this amounts to a fall from $54,455 in 2001 to $51,715 in 2002. Similarly, nominal wages (wages in current dollars) atypically fell 2.6% in 2002, versus an increase of 3.3% the prior year, and more than 9% the year before. In 2002, the average annual nominal wage was $59,461, a decrease from $61,046 in 2001.

Management of companies and manufacturing were two of the only sectors to see an increase in real wages during 2002, increasing by 3.9% and 3.2% respectively. Transportation, trade, and government sectors saw little to no change in real wages, and the construction and services sectors saw decreases of between one and two percent. The information sector decreased by 2.9% to come in at slightly below real 2000 wages. By far the largest decrease in real wages was in the FIRE (finance, insurance and real estate) sector, where real wages decreased by 11.2%, but still topped more than $117,000.

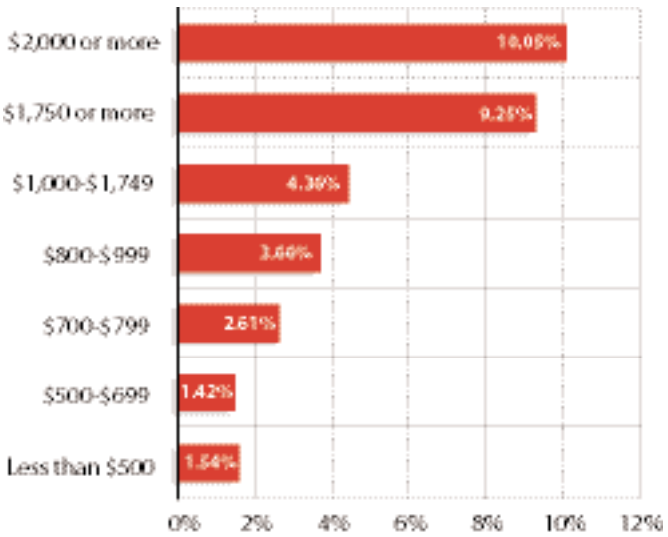
Poverty remains a problem in a City faced with recurring recession. A recent report indicates that, after declining for five years, the poverty rate is beginning to increase. After declining from 26.4% in the mid-nineties to 19.8% in 1999-2000, the poverty rate has begun rising again, up 0.3 percentage points in 2001-2002 (the most recent available period data) from the previous year's rate, to 20.5%.[7]

New York City Renters

Results from the 2002 Housing and Vacancy Survey (HVS) were released last year, and they reveal the continuation of a very tight New York City housing market.[8] This triennial survey of the housing and demographic characteristics of the City's residents found that the citywide vacancy rate was 2.94% in 2002, well below the 5% threshold required for rent regulation to continue under state law. Queens continued to have the lowest vacancy rate in the city, at 1.78%, translating into the availability of just 7,700 rentals in a borough with 431,000 rental apartments. Manhattan, by contrast, had the highest vacancy rate in 2002, at 3.86%. Of the remaining boroughs, Staten Island's rate stood at 2.43%, the Bronx at 3.29%, and Brooklyn's at 2.73%.[9]

Vacancy Rate by Monthly Rent Level, 2002

Affordable Apartments Have Lowest Vacancy Rate



Source: 2002 NYC Housing and Vacancy Survey

The HVS found vacancy rates varying significantly among different asking rents. As might be expected, apartments renting for the least had the lowest vacancy rates, while those apartment renting at the high end had substantially higher vacancy rates. Apartments with an asking rent of less than $500 had a vacancy rate of just 1.54%, while those renting for at least $2,000 had a vacancy rate of 10.05%. (See graph on previous page for a further breakdown)

Income

According to the 2002 HVS, which reflects household income for 2001, the median income for rental households was $31,000 in 2001.[10] By contrast, owner households maintain substantially higher incomes, which in 2001 were $60,000, almost double the average income of renters.

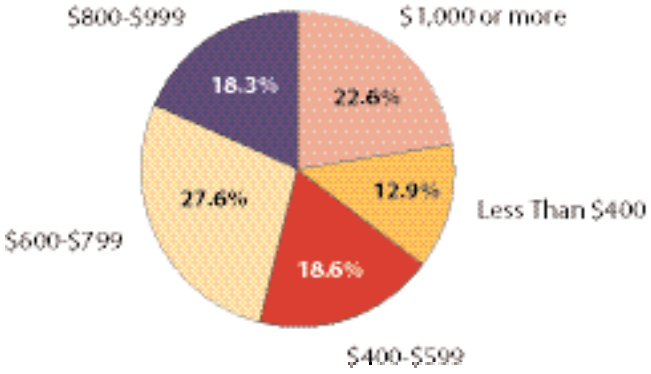
The 2002 HVS again found different income levels among those living in units that were rent controlled, pre-war stabilized and post-war stabilized. Rent controlled tenants continued to maintain the lowest average household income, earning a median of $20,120 in 2001. Tenants living in stabilized buildings built prior to 1947 ("pre-war") had a median income of $31,000,[11] and post-46 ("post-war") tenants earned a median income level of $35,650. Stabilized tenants on the whole had median incomes of $32,000. But poverty remains a problem for a large share of apartment dwellers in NYC, with 22.5% of renter households earning poverty-level incomes in 2001.

Rent

The HVS also examines rent levels, and it revealed that in 2002, the median monthly contract rent, which excludes any additional tenant payments for fuel and utilities, for all rental units was $706, and that median gross rent, which includes fuel and utility payments, was $788. By contrast, rent stabilized tenants paid, on average, slightly less than the typical rental tenant, with a median contract rent of $700 in 2002. However, the median contract rent differs depending on whether the tenant lives in a pre-47 or post-46 building. Pre-47 stabilized tenants paid a median rent of $700, while post-46 stabilized tenants paid a contract rent median of $750. Rent controlled tenants paid the least in contract rent, a median of $500, and tenants living in private nonregulated rentals paid $850.[12]

Gross Rent Levels of Apartments, 2002

Wide Range of Apartment Rents in NYC



Source: 2002 NYC Housing and Vacancy Survey

The HVS also breaks down the distribution of renter occupied housing by gross rent level. Of the 2.02 million rental units in NYC, 12.9% rent for less than $400, while 22.6% rent for over $1,000. Almost half (45.9%) of all rental units rent for between $600-$999 and the remaining 18.6% rent for between $400-$599.[13] (See pie chart above)

Affordability of Rental Housing

Examining affordability of rental housing, the 2002 HVS reported that the median gross rent-to-income ratio was 28.6%, meaning that half of all households residing in rental housing pay more than 28.6% of their income in gross rent, and half pay less. Furthermore, a quarter (25.5%) of rental households pay more than 50% of their household income in gross rent. Generally, housing is considered affordable when a household pays no more than 30% of their income in rent.[14]

Rent controlled tenants, on average, are the tenants facing the highest median gross rent-to-income ratio, with an average of 33.4%, meaning a majority of rent controlled tenants are not able to afford their apartments, based on the HUD benchmark for housing affordability. Rent stabilized tenants fare slightly better,

on average, than households living in private, nonregulated units. The median gross rent-to-income ratio of a stabilized household is 28.4%, while it is 28.6% for those in nonregulated rentals (see Endnote 12). Of stabilized tenants, post-46 tenants find their apartments more affordable, with a median gross rent-to-income ratio of 27.2%, compared to 29.0% for pre-47 buildings tenants.

A recent report by the Citizens Housing and Planning Council analyzed housing affordability data from the 1993, 1996 and 1999 HVS's and found that many more households than commonly believed face housing costs that make up a majority of their incomes. However, they also found that for many of these households, the situation is a result of short-term income reductions, though many elderly and single women with children also face long periods where their rent is disproportionate to what they can afford.[15]

Another recent study found NYC housing to be unaffordable to the poorest working New Yorkers. In order to afford a two-bedroom apartment at the City's Fair Market Rent (FMR), as determined by the U.S. Department of Housing and Urban Development (HUD), a full-time worker must earn $20.63 per hour, or $42,920 a year. Alternately, those who earn minimum wage would have to work the equivalent of 160 hours a week (or two people residing together would each have to work 80 hours a week) to be able to afford a two-bedroom unit priced at FMR.[16]

A May 2003 report studied housing affordability nationwide for people with disabilities who receive federal Supplemental Security Income (SSI) benefits. The report examined income from SSI benefits as compared to HUD Fair Market Rents in metropolitan areas nationwide. The report found that 132 metropolitan areas had one-bedroom fair market rents that were higher than monthly SSI payments. Of these 132 areas, New York City ranked 23rd, with rents for one-bedroom apartments exceeding SSI payments by more than 43%. Rents for studio apartments ran 29% higher than monthly SSI payments.[17]

Due to affect New Yorkers sharply in the next few years is a proposal by the Bush administration to cut federal funding to the Section 8 program. The program allows recipients to rent apartments in the private marketplace, generally paying 30% of their income towards rent while the program makes up the difference. Under the proposed plan, New York City may lose $104 million in 2005 and $277 million in 2009. The Center on Budget and Policy Priorities projects that with these budget cuts 13,000 families will be dropped from the program next year, and an additional 31,700 families could be dropped in 2009. Alternatively, in order to keep the same number of recipients, the share of rent that Section 8 recipients pay could be increased, by $73 to $95 per month next year, and $248 in 2009. The plan will also expand the eligibility for Section 8, removing the requirement that 75% of vouchers go to people earning 30% or less of the local area median income.[18]

Welfare Reform

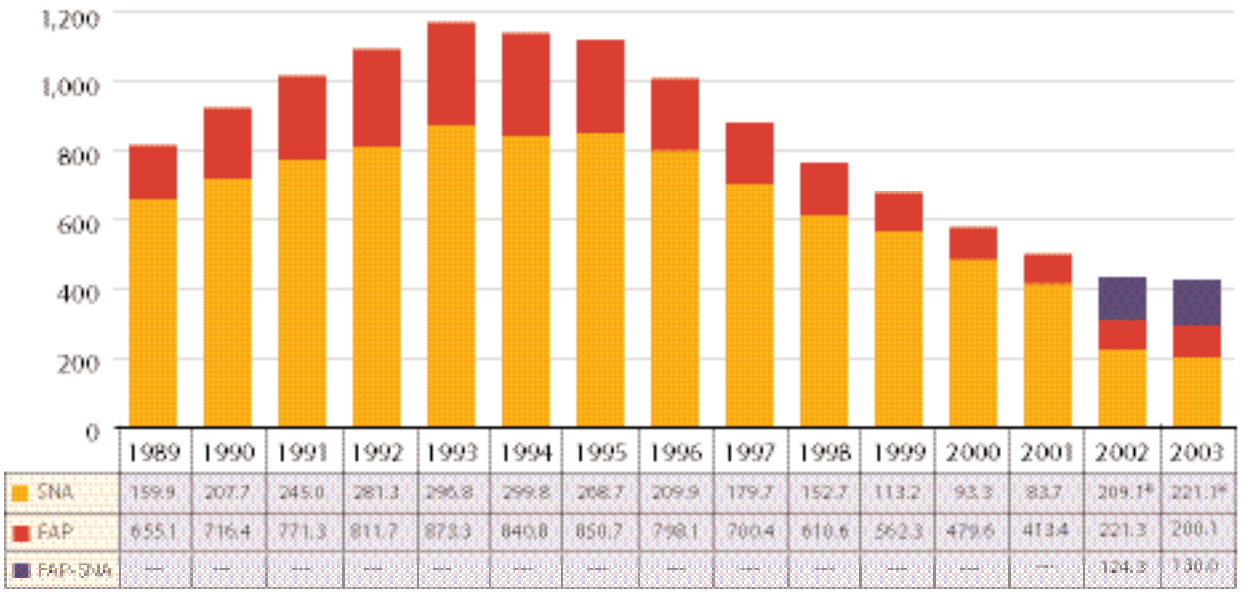
After falling significantly for many years, public assistance caseloads have started to level out, dropping only slightly over the last fiscal year. The most recent edition of the Mayor's Management Report indicates that during Fiscal Year (FY) 2003, 421,500 persons were receiving public assistance, a decrease of 2.1% (8,900 persons), from a year earlier. Over the last eight years the number of public assistance recipients has dropped significantly, falling 63.7% since March 1995, when the City's welfare reform initiative began and 1,161,000 recipients were on the rolls.[19]

However, during the first four months of FY 2004, the most recent period for which data is available, public assistance caseloads are up 1.7%, or 7,100 cases from the same period the previous year.

Public assistance rolls are made up of two main programs: the Family Assistance Program (FAP) and the Safety Net Assistance (SNA) program. In FY 2002, the City began shifting a large number of FAP recipients (federally funded by the Temporary Assistance to Needy Families (TANF) program) over to the SNA program after their federal benefits expired. During the first four months of FY 2004, 133,000 recipients shifted into the SNA program, while 205,100 remained in FAP. In addition, 8,000 more persons also began receiving SNA during the first four months of FY 2004, compared to the same four-month period in FY 2003. Overall, there was a 5.5% increase in the number of new public assistance applications during the first four months of FY 2004, following an increase of almost 23% during

Family Assistance Program (FAP) and Safety Net Assistance (SNA), FY 1989-FY 2003

Public Assistance Caseloads Decline Slightly



	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
SNA	159.9	207.7	245.0	281.3	296.8	299.8	268.7	209.9	179.7	152.7	113.2	93.3	83.7	209.1*	221.1*
FAP	655.1	716.4	771.3	811.7	878.3	840.8	850.7	798.1	700.4	610.6	562.3	479.6	413.4	221.3	200.1
FAP-SNA	---	---	---	---	---	---	---	---	---	---	---	---	---	124.3	130.0

Note: FAP-SNA refers to welfare recipients who were converted from the Family Assistance Program to the Safety Net Assistance Program

Source: *Mayor's Management Reports*, FY's 1989 - FY 2003

the same period in FY 2003, reflective of the City's declining economy. (See graph above)

The Mayor's Management Report also indicates that during the first four months of FY 2004, 35.0% of FAP families participated in work activities, down from 49.3% two years ago and 36.8% last year. This sharp decrease may be tied in part to rising unemployment rates and a tight labor market.

After declining for two consecutive years, the number of food stamps recipients began increasing again in FY 2003, rising 6.2%. And the number of people receiving food stamps increased by 9.8% in the first four months of FY 2004, following an increase of 3.4% in the same period the preceding year. The number of food stamp recipients now tops 918,000, up from 871,300 at the end of FY 2003. The increase in demand for food stamps is another sign of the deteriorating local economy.

Housing Policy

New York City receives funding for a variety of housing programs from the U.S. Department of Housing and Urban Development (HUD). In the 2003 calendar year, NYC received $942.4 million from federally funded programs. These programs included $267.5 million in a Community Development Block Grant (CDBG), which funds housing and community development programs; $129.1 million for the HOME Investment Partnership Program, which helps preserve existing housing stock; $7.5 million for the Emergency Shelter Grant (ESG) program, which is used for homeless programs; and $60.3 million for Housing Opportunities for Persons with AIDS (HOPWA). In 2004, the City expects to receive $904.3 million for these programs, which represents a 4.0% nominal decrease, and a 6.4% decline in inflation-adjusted dollars.[20]

However, the entire $900 million may not be available for originally intended purposes – housing. With the City facing significant budget problems, it has received permission from the federal government to use more of its CDBG dollars for a variety of public services in FY 2003 and 2004 that normally would not be funded in this way, thus cutting the amount of money actually allocated for housing. The Department of City

Planning expects the City to receive similar permission in FY 2005. As the City continues to face increases in homelessness, any cutback in housing programs may have a detrimental effect.

Evictions & Homelessness

Homelessness & Emergency Assistance

NYC's recession continues to take its toll on those least able to afford it, as the number of homeless staying in shelters continues to grow to record numbers, most notably for families. During calender year 2003, an average of 38,310 persons were staying in city shelters, up by 3,734, or 10.8%, from a year earlier. However, the increase in the number of families staying in city shelters was even greater, with an average of 9,203 families staying in shelters in 2003, 14.0% higher than during 2002, and almost 50% higher than in 2001. By contrast, the number of single adults staying in shelters rose much less, up 5.8% from a year earlier to an average of 8,199 per night during 2003.[21]

More encouragingly, a larger number of families have been relocated to permanent housing during the first third of FY 2004, with 2,319 relocated between July and October 2003, up 46.8% compared to the same period in FY 2003, and following a 22.0% increase in the preceding year. However, the Department of Homeless Services also reported in the Mayor's Management Report that there are an average of 470 more single adults and 736 more families housed in temporary housing each night compared to the same period last year, and the average number of days families spend in temporary housing is now 42 days longer, a 14.4% increase. Reported job placements are also down almost 42% from this period last year. In addition, after declining significantly last year, the number of families found ineligible for temporary housing almost doubled during the first four months of FY 2004, increasing to 5,057 families, an increase of 2,392 or 89.8%.[22]

Housing Court

Another useful way to assess the impact of economic conditions on New York City's renters is to examine housing court data. Specifically, Housing Court actions are reviewed to determine the proportion of tenants who are unable to meet their rental payments. Similarly, to measure the number of households experiencing the most severe affordability problems, evictions are also tracked.

The number of non-payment filings in Housing Court decreased by 4.0% in 2003, to 318,077. Because filings increased so sharply during 2002 (19.4%), filings are still well above preceding years (filings remained below 300,000 for all but one year of the 1990s).[23]

While court filings decreased slightly in 2003, the proportion of cases resulting in an actual court appointment ("calendared") increased slightly, up to 41.8% from 39.9% last year. During the mid-to-late 1980s, an average of 27.1% of non-payment filings were calendared. That figure has climbed steadily, since then, reaching a high of 47.2% in 2001.

The proportion of non-payment proceedings that resulted in an eviction/possession ruling (the most recent year that data is currently available), increased, up from 16.3% in 2001 to 17.9% in 2002. This translates to 23,697 court decisions ruled in favor of landlords and for the tenant's eviction from a total of 132,148 non-payment proceedings.[24] This proportion remains a great deal lower than that found in the mid- to late-1980s, when typically a quarter to a third of cases reaching court resulted in an order of eviction or possession. (See Appendix F.7)

Conclusion

New York City faced economic troubles in 2003 that impacted virtually every sector of the economy and residents of all boroughs. The City remained in a recession for a third year, with its Gross City Product declining 2.2%. Unemployment grew, most notably in the Bronx and Staten Island, where the rate rose 1.1 and .9 percentage points respectively, while the citywide average increased .5 percentage points, to 8.4%. Virtually every industry lost jobs, including the manufacturing sector, which declined by 9.5% and the highly paid information sector, which declined by more than 7%. The most highly paid sector, financial activities, lost 11,000 jobs and saw real wages decline by almost 9%. Across all industries, both real and nominal

wages declined, falling 2.6% in current dollars and 5.0% in inflation adjusted dollars.

Housing availability remained tight, with a citywide vacancy rate of 2.94% in 2002. And the number of individuals receiving public assistance declined in FY 2003, but increased again in the first four months of FY 2004. However, increases in homelessness, poverty and evictions through housing court, as well as the City budget crisis, may portend continuing economic problems well into 2004. ❒

Endnotes

1. GCP figures are adjusted annually by the New York City Comptroller's Office. The figures reported in this report are the latest available estimate from that office, based on inflation adjusted 2000 chained dollars.

2. "4Q03 is Best Quarter in 3 1/2 Years," Economic Notes, NYC Comptroller's Office, March 2004.

3. While 2002 was the first time in 10 years that the NYC metro area CPI increase exceeded that of the U.S. rate for urban consumers, there were three years in which NYC and the U.S. had equal increases in the CPI.

4. The NYC labor force participation rate and employment/population ratio are derived from unpublished data from the U.S. Bureau of Labor Statistics. Note that prior years' data were recently revised, and differ from figures reported in prior years' Income and Affordability Studies.

5. The NYS Dept. of Labor and U.S. Bureau of Labor Statistics recently updated their employment classification system. The new system, called NAICS (North American Industry Classification System), is designed to more accurately reflect the nation's services-centered economy. NAICS replaces the prior system, called SIC (Standard Industrial Classification), which was developed in the 1930s, when the U.S. economy was manufacturing-dominated. Two new categories, which are discussed in this report, include "information" and "management of companies." Further information on the transition is available on the NYS Dept. of Labor website at http://www.labor.state.ny.us/labor_market/lmi_business/employ/naicsfaqs.htm.

6. Due to a formulary error, real wages for 2001 were reported incorrectly as increasing by 3% in last year's Income & Affordability Study.

7. "Poverty in New York, 2002: One-fifth of the City Lives Below the Federal Poverty Line." Community Service Society (CSS) of New York, September 30, 2003. Based on study of U.S. Census Bureau data. Study averaged two consecutive years of census data in calculating poverty rates.

8. The New York City Housing and Vacancy survey (HVS) is sponsored by the NYC Department of Housing Preservation and Development (HPD) and conducted by the U.S. Census Bureau.

9. Data from the 2002 HVS cannot be compared in a reliable manner with data from previous HVS's, principally because the HVS is a sample survey and the samples for the 2002 and previous HVS's were drawn from different sample frames. To make the data from previous HVS's comparable with the data from the 2002 HVS, data from previous HVS's should be reweighed applying the weight that was used for the 2002 HVS. Reweighed data from previous HVS's is not available at this time. Also, Staten Island vacancy rate data should be interpreted with caution, as the sampling error is large due to a limited number of vacant units resulting from a small survey sample.

10. Total household income in the HVS includes wages, salaries, and tips; self-employment-income; interest dividends; pensions; and other transfers and in-kind payments.

11. Some of the data reported in the 2003 Income and Affordability Study was based on preliminary HV S data that was reported in, "Select Findings of the 2002 New York City Housing and Vacancy Survey," by Moon Wha Lee, NYC Department of Housing Preservation and Development, February 7, 2003. Except where noted, data has been updated with final, revised HVS figures obtained directly from the U.S. Census Bureau.

12. Private non-regulated consists of units which were never rent controlled or rent stabilized, units which were decontrolled and unregulated rentals in cooperative or condominium buildings. All figures reported for non-regulated units are based on preliminary HVS data as reported in, "Select Findings of the 2002 New York City Housing and Vacancy Survey," by Moon Wha Lee, NYC Department of Housing Preservation and Development, February 7, 2003.

13. The remaining 44,984 rental units did not report a cash rent.

14. The HUD benchmark for housing affordability is a 30% rent-to-income ratio. Source: Basic Laws on Housing and Community Development, Subcommittee on Housing and Community Development of the Committee on Banking Finance and Urban Affairs, revised through December 31, 1994, Section 3.(a)(2).

15. "Heavy Burdens," by Frank Braconi, The Urban Prospect, March/April 2003, Citizens Housing and Planning Council.

16. National Low Income Housing Coalition report, "Out of Reach 2003: America's Housing Wage Climbs," September, 2003.

17. "Section 8 Debate: How Will Voucher Cuts Affect NYC?," City Limits Weekly, Number 426. March 22, 2004.

18. "Priced Out in 2002," Technical Assistance Collaborative, Inc.and Consortium for Citizens with Disabilities Housing Task Force. May, 2003.

19. Mayor's Management Reports, Fiscal Year 1995 - Preliminary Fiscal Year 2004.

20. Consolidated Plan 2003 and Proposed Consolidated Plan 2004, NYC Dept. of City Planning.

21. Source: NYC Department of Homeless Services, shelter census reports.

22. Mayor's Management Report, Preliminary Fiscal Year 2004.

23. Civil Court of the City of New York data.

24. NYC Department of Investigation, Bureau of Auditors data. Note that 2001 Evictions and Possessions data is incomplete as it excludes the work of one city marshal who died in May 2001 and whose statistics are unavailable.

Housing Supply

what's new

- ✔ 21,218 permits were issued for new dwelling units in NYC in 2003, the most since 1973 and a 14.7% increase over the prior year.
- ✔ The number of new housing units completed in 2003 increased 19.3% over the prior year, to 15,143, the most since 1976.
- ✔ The citywide vacancy rate was 2.94% in 2002.
- ✔ City-sponsored residential construction decreased 29.6% during FY 2003, to a total of 8,330 new housing starts.
- ✔ The city-owned *in rem* housing stock continued to decline, falling 32.3% during FY 2003.
- ✔ The number of housing units newly receiving 421-a exemptions decreased significantly (23.6%) in 2003, to 3,782.
- ✔ The number of housing units newly receiving J-51 abatements and exemptions increased (5.5%) in 2003, to 74,005.
- ✔ The Attorney General's office reported a 17.8% increase in the number of co-op or condo conversion plans approved in 2003, to 218 plans containing 5,927 units.
- ✔ Demolitions, as reported by the New York City Department of Buildings, were also up significantly in 2003, increasing by 27% to reach 2,250.

Introduction

Over the past year there was a 14.7% increase in the number of permits issued for new dwelling units, rising to 21,218, the most since 1973. The number of completed housing units grew as well, rising 19.3%. This growth in development has been prompted by the tight housing market, with a citywide rental vacancy rate of 2.94%. Overcrowding remains a problem, with 11.1% of all rental housing considered overcrowded. There was also a 17.8% increase in the number of cooperative and condominium plans approved for conversion or new construction, while the number of city-owned vacant and occupied buildings continued to fall through various disposition programs, declining more than 32% during the 2003 fiscal year. However, 2003 saw housing starts under the 421-a Affordable Housing Program almost cut in half, though the drop in completed units was much less severe. The City also saw a decline in publicly-sponsored residential construction in FY 2003, falling 29.6%. But rehabilitation of residential units under the J-51 tax abatement and exemption program during 2003 increased by 5.5%.

New York City's Housing Inventory

New York City differs from most of the nation in many respects, including the fact that most New Yorkers do not own the homes in which they live. According to results from the 2002 Housing and Vacancy Survey (HVS),[1] the percent of rental units relative to all dwellings in New York City stood at 65.0% in 2002, twice as many rental units as the nation as a whole.[2] New York City in 2002 had a total of 3,208,587 housing units, the largest housing stock since the first HVS was conducted in 1965.[3]

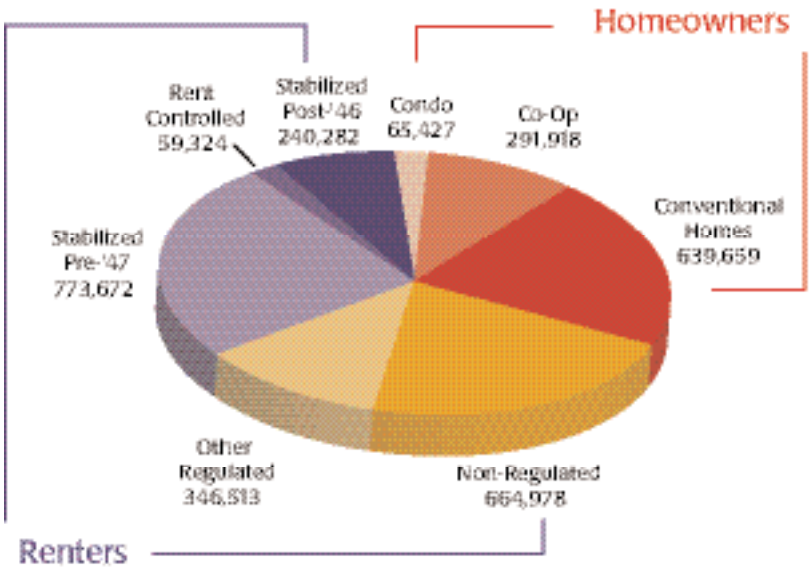
New York City's housing is dominated by the size of its rental housing stock. In addition, unlike most cities, the bulk of rental units in New York City are rent regulated. Of the 2,084,769 occupied and vacant available rental units reported in the most recent HVS, a little less than a third (31.9%) were unregulated, or "free market." The majority are either pre-war (pre-47) rent stabilized (37.1%) or post-war (post-46) rent stabilized (11.5%), and the rest are rent controlled (2.8%) or part of various other[4] types of regulated apartment programs (16.6%). (See pie chart on next page)

The HVS also indicated that the New York City housing market remains tight, finding a citywide vacancy rate of 2.94% in 2002, well below the 5% threshold required for rent regulation to continue under state law. Queens had the lowest vacancy rate in the city, at 1.78%, while Manhattan, by contrast, had the highest, at 3.86%. Of the other boroughs, Staten Island's rate stood at 2.43%, the Bronx's at 3.29%, and Brooklyn's at 2.73%.[5]

Vacancy rates also vary by rent regulation status. The tightest market was found among post-war stabilized units, with a vacancy rate of just 1.84% in 2002. Pre-war stabilized units also maintained a low vacancy rate, at 2.79%,

Number of Renter and Owner Units

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



Source: U.S. Bureau of the Census, 2002 New York City *Housing and Vacancy Survey*.
Note: Above figures exclude vacant units that are not available for sale or rent.

while private, non-regulated units were vacant at a 4.11% rate.

The frequency of crowding also varies by rent regulation status. Overall, 11.1% of all rental housing in NYC is overcrowded (defined as more than one person per room, on average) and 3.9% is severely overcrowded (defined as an average of more than 1.5 persons per room). Pre-war stabilized housing is most crowded, with 14.1% of units overcrowded and 5.5% severely overcrowded, while 10.8% of post-war units are overcrowded, and 4.7% of units are severely overcrowded. Private, non-regulated housing is slightly less overcrowded, at 9.8%, with 3.1% severely overcrowded.

Changes in the Housing Inventory

New Additions

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 dwelling units will be completed and ready for occupancy, typically within three years, depending on the type of housing structure.

Continuing the strongest multi-year upward trend since the early 1970's, in 2003 the City saw another increase in the number of permits issued for new residential units in single and multi-family buildings. In 2003, permits were issued for 21,218 units of new housing, an increase of 14.7% over the 18,500 units in 2002 (see graph on next page). While still well below the 1960's average of 37,000 new units per year, more permits were issued for residential units in 2003 than in any year since 1973, when 22,417 were issued. The number of permits issued in 2003 increased in all boroughs but Manhattan. Staten Island proportionally increased the most, up 47.9%, to 2,598; Queens increased by 27.0%, to 4,399; Brooklyn increased 15.4%, to 6,054; and the Bronx saw the smallest increase of the boroughs, increasing 11.8% to 2,935. Manhattan was the only borough to decline, falling 3.2% to 5,232 permits. (See Appendix G.1 and the map on page 70)

While permits were up significantly during 2003, the number of permits issued in early 2004 has declined

by 6.4%. Compared to the first quarter of 2003, the number of permits issued in New York City dropped from 4,253 to 3,982 during the same period of 2004. The number of permits in Brooklyn and Queens both increased significantly, up 41.2% and 60.4% respectively, while the Bronx dropped by 15.7%, Staten Island by 37.4%, and Manhattan by 68.6%.[6]

This report also examines the number of units completed in the City each year, illustrating what housing actually enters the market in a particular year. In 2003, 15,143 new housing units were completed, a 19.3% increase over 2002. This number of new units is the most since 1976, and increases occurred in all five boroughs.[7] Queens saw its number of new housing units grow more sharply than any other borough in 2003, up 36.6%, to 2,594. Staten Island saw a 25.8% increase, to 3,085; Brooklyn increased by 23.5% to 2,262; the Bronx increased by 15.2% to 1,596; and the number of new units in Manhattan increased 9.5% in 2003, to 5,606.[8] (See Appendix G.2 for historical breakdown)

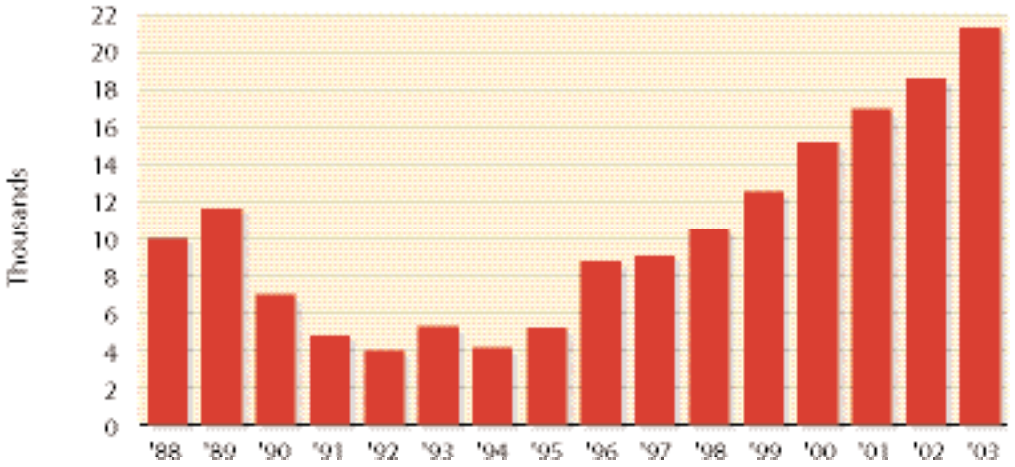
Housing is also created through publicly funded sources, including programs sponsored by the NYC Department of Housing Preservation and Development (HPD). HPD's Office of Development operates eight programs that develop affordable housing for low- and moderate-income New Yorkers. Programs include the Cornerstone program, which is HPD's multi-family new construction housing initiative, financed principally through private sources; the ANCHOR program, which is a revitalization program that creates both commercial retail and housing on vacant City-owned land; and the New Foundations program, which assists in the development of one- to four-family owner-occupied homes.

Inclusive of all these HPD programs, the agency reported 8,330 total housing starts[9] in FY 2003, down 29.6% from the prior fiscal year, and 33.6% from Fiscal Year 2001, but up 9.3% from Fiscal Year 2000. Of the 8,330 total starts this year, 4,576 were moderate rehabilitation starts, a decrease of 34.8% over the prior year, and 1,025 were gut rehabilitation starts (in both city-owned and private housing), down 5.8% from the prior year. New construction starts also dipped over the past year, down 26.8% to 2,729 in FY 2003.[10]

In December 2002, Mayor Michael Bloomberg announced a $3 billion, five-year plan for constructing and rehabilitating 65,000 apartments throughout the City.[11] Approximately two-thirds ($2 billion) of the

Units Issued New Housing Permits, 1988-2003, in Thousands

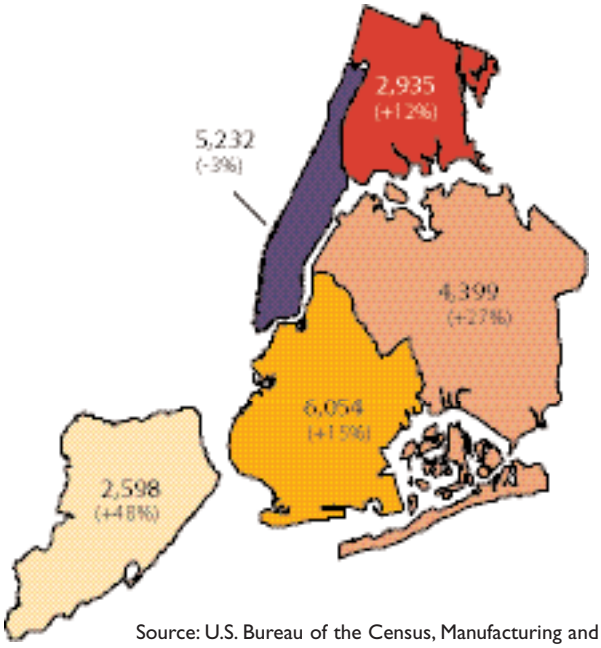
Continued Growth in Number of Permits Issued for New Construction of Residential Units



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

Total Number of Permits Issued in 2003 and Percentage Change From 2002 by Borough

Fifteen Percent Increase in Number of Permits Issued for New Housing Units in New York City in 2003



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

funding is slated to come out of previously planned housing budget expenditures and $555 million will come from City and federal funding redirected towards this plan. The remaining $500 million will come from the NYC Housing Development Corporation (HDC).[12] The HDC in turn will leverage over $2.5 billion of private financing. The total projected spending over the five-year period is double what has been spent on housing development in the City over the previous five years.[13] Since the plan was announced, approximately 10,000 of the 65,000 new units have already entered the project development stage, and more than 3,500 are under construction. Construction will begin on another 6,648[14] by June 2004, with development of another 8,500 expected this summer, and more than 13,000 in the following year. Estimates are that 46% of the new and preserved units will be affordable to low-income households, 38% will be aimed at moderate-income households, and the remaining 16% will be affordable to middle-income households.[15]

Tax Incentive Programs

The City helps promote development of new housing by offering various tax incentive programs. One such program for new renter- and owner-occupied multifamily properties containing three or more rental units is the 421-a tax incentive program. The program allows for a reduction in the taxable assessed value of eligible properties. That is, owners are exempt from paying additional real estate taxes due to the increased value of the property resulting from the improvements made. Eligible projects must be new construction of multiple dwellings on lots that were vacant, predominantly vacant or improved with a non-conforming use three or more years before the new construction commences. Rental apartments built with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Thus, 421-a tenants share the same tenancy protection as stabilized tenants, and initial rents approved by HPD are then confined to increases established by the Rent Guidelines Board.

A variety of factors are used to establish the level and period of 421-a benefits, including geographic location; reservation of units for low- and moderate-income families; construction periods, and government commitment. Moreover, properties are subject to construction guidelines. Rental properties located beyond what is known as the Manhattan Exclusionary Zone (which is located between 14th and 96th Streets) 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 are located in a neighborhood preservation area. Longer exemption periods apply in northern Manhattan and boroughs outside Manhattan, and to projects that receive governmental assistance or contain 20% low-income units.

Housing developments located in the Manhattan Exclusionary Zone (located between 14th and 96th Streets) are part of the 421-a Affordable Housing Program, similar to the 421-a program, but tax benefits are more limited. These projects receive exemptions for ten years — a full exemption from taxes for two years, followed by an eight-year period in which taxes are phased in at 20% every two years. Manhattan's strong residential market has the effect of stimulating development of affordable housing in other parts of the City. Participation in this program, under the criteria

listed above, enables developers of new market-rate projects in Manhattan's Exclusionary Zone to buy tax-abatement certificates from developers who create or rehabilitate affordable housing elsewhere in the City.

For each low-income rental unit produced, five tax abatement certificates are given. According to HPD, these certificates are generally sold for $10,000 to $20,000 each.[16] Housing starts under this program dipped significantly this year, falling 80.8% from 2002 levels for a total of 56 units. It is estimated that when all the units begun in 2003 are completed, these 56 new affordable units will create 280 certificates to be sold.

Fewer affordable units were also completed under the Affordable Housing program in 2003 than in the previous year. In 2003, 217 new affordable units, producing 1,085 certificates for market-rate housing were built, a 38.2% drop from last year.

Throughout the City, both inside and outside the Manhattan Exclusionary Zone, the number of housing units receiving 421-a exemptions decreased significantly in 2003, down 23.6%, to 3,782 (see graph on this page). Slightly more than half of all units receiving benefits last year were in buildings located in Manhattan, which contained 54.7% of the total number in the City, compared to 52.8% in the previous year. The remainder of these units were in Queens (18.3%), Brooklyn (15.9%), the Bronx (11.2%) and none were located in Staten Island.[17]

Compared to the number of units that received exemptions in the late 1980s, when on average, 8,000 new units per year received exemptions, significantly fewer certificates are now issued citywide. However, these rental units do not remain permanent members of the stabilized stock. As exemptions expire, rental apartments are no longer governed by rent regulation rules. (See Appendices G.5 and G.6)

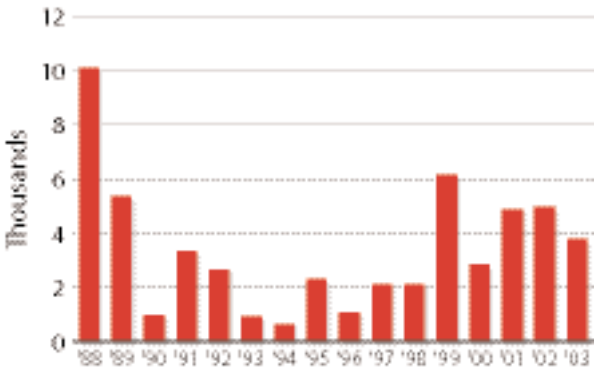
Another program that has offered affordable housing, the New York State Mitchell-Lama program, is losing residential units as market rents rise and landlords choose to opt out of the program. The program, which was created in 1955 as a means of providing affordable rental and cooperative housing to moderate- and middle-income families, granted low-cost mortgages and tax breaks to landlords who developed low- and middle-income housing. There are about 120,000 Mitchell-Lama units in the City today (and about 23,000 elsewhere in the state), and the last Mitchell-Lama project opened in 1978.[18]

After twenty years, landlords may leave the program, and in recent years, some have done so by "buying out" of the program. In late October of 2003, the Mayor's office estimated that there had already been 43 buyouts of Mitchell-Lama buildings, affecting approximately 17,000 units. They also cite another 13 buildings with buyouts pending, encompassing approximately 5,600 units.[19] Another 3,000 tenants in five Manhattan buildings were given notice of a buyout early this year.[20]

While landlords feel that their obligation has ended, housing advocates fear the loss of affordable housing. Tenant advocates and Mayor Bloomberg have been pushing for passage in Albany of a bill that would extend rent stabilization laws to all properties that have been converted from Mitchell-Lama status.[21] It was believed that under current law, Mitchell-Lama buildings constructed prior to 1974 would become rent stabilized after buyouts, leaving approximately 32,000 units vulnerable to market rate rents after a buyout. That bill was introduced in January of this year and is still pending, while in February an appellate court decision permitted a pre-'74 building to proceed with an increase to market rate rents, meaning all Mitchell-Lama residents could be vulnerable to rent hikes, not just those in newer buildings.[22] While that court decision is appealed, and the legislation in Albany is pending, the City has also been working on a building-by-building

Units Receiving Certificates, 1988-2003, in Thousands

24% Decrease in Number of Units Newly Issued 421-a Certificates in 2003



Source: NYC Department of Housing Preservation and Development.

basis to preserve the rents of some tenants of Mitchell-Lama buildings that leave the program. Such an agreement was reached in March of this year for 1,300 tenants of Independence Plaza North and in May for the 420-unit West Village Houses, both in Manhattan.[23]

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 a larger number of units. Non-residential spaces, such as offices or other commercial spaces, can also be converted for residential use. There have been an increasing number of conversions in neighborhoods such as Red Hook in Brooklyn and the financial district in lower Manhattan. Conversions were recently completed in former office buildings on Murray and Washington Streets in lower Manhattan, adding approximately 800 units to the housing stock. And plans are even underway to convert parts of the Woolworth and former J.P. Morgan buildings to apartments.[24]

As in recent years, the trend of conversion of single room occupancy (SRO) buildings continued to increase over the past year. SRO owners may convert SRO housing to other uses after obtaining a "Certificate of No Harassment" from HPD. The last several years have seen significantly more Certificates issued than previous years in Manhattan, where the vast majority of SRO's are located. In 1995 and 1996, an average of 67 applications were filed each year. However, from 1997 through 2001, an average of 114 applications for Certificates were filed, and in 2003, 122 applications were filed, down from a high of 199 the previous year, indicating that SRO owners continue to convert their buildings for non-SRO uses.[25]

Cooperative and Condominium Activity

Construction of cooperatives and condominiums is another source of new housing. Developers wanting to build new co-op or condo buildings, and owners wishing to convert their buildings to co-ops or condos, must file plans with, and receive approval from, the New York State Attorney General's Office. In 2003, the Attorney General approved 218 co-op and condo plans, a 17.8% increase over the number approved in 2002. These 218 plans encompassed 5,927 housing units, 14.9% more than in 2002. The vast majority of plans (146) were accepted for buildings located in Brooklyn; while 55 were located in Manhattan; Queens had 13 buildings; the Bronx had 4; and there were none in Staten Island. However, while more buildings were in Brooklyn, the average building in Manhattan is larger, so more units were located in Manhattan (2,691) than in Brooklyn (2,450).[26]

Almost all of the plans accepted citywide in 2003 were for new construction, consisting of 190 of 218 plans, covering a total of 4,870 of 5,927 units. This is similar to the prior year, when new construction accounted for 136 of the 185 accepted plans. Rehabilitation accounted for 18 plans and 418 units in 2003, and the remainder, 10 plans and 639 units, were conversions. The biggest change from 2002 was in the number of units converted — a drop from 2,234 to just 639 in 2003. (See Appendices G.3 and G.4)

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 10.8% of the total number of units in plans accepted by the Attorney General's Office in 2003, the third lowest percentage in the history of the Housing Supply Report. Conversions held in the 70-90% range for all of he 1980s, before beginning to fall in the 1990s. Last year 43.3% of plans accepted by the Attorney General were conversions, the highest ratio since 1991. At the same time, the proportion of units resulting from new construction has increased to its highest level since the study began, up to 82.2% from 50.0% last year. Because most conversion plans are non-eviction plans (including all in 2003), only when the original rental tenant moves out does the apartment become owner-occupied. When that happens, the unit is then removed from the rental universe, thereby reducing the number of rental apartments available.

Rehabilitation

Another method for adding housing units to the City's housing stock is through rehabilitation of old buildings. As buildings age, they must undergo renovation and rehabilitation to remain in habitable condition. This is

particularly relevant to NYC's housing stock, of which close to 70% of units are in buildings greater than 50 years old.[27] Through tax abatement and exemption subsidy programs offered by the City, 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 periodic renovation of New York City's stock of both renter- and owner-occupied housing. In the late 1980s and early 1990s, the number of units approved for initial J-51 tax abatements and exemptions each year was frequently above 100,000. In the mid-1990s, rehabilitation activity declined to just under 70,000 units per year. But in 1997, coinciding with the improving NYC economy, the number of units receiving J-51 benefits increased sharply, with over 145,000 additional units receiving this tax incentive. Rates have decreased significantly from that high, remaining between 70,000 and 100,000 since then.

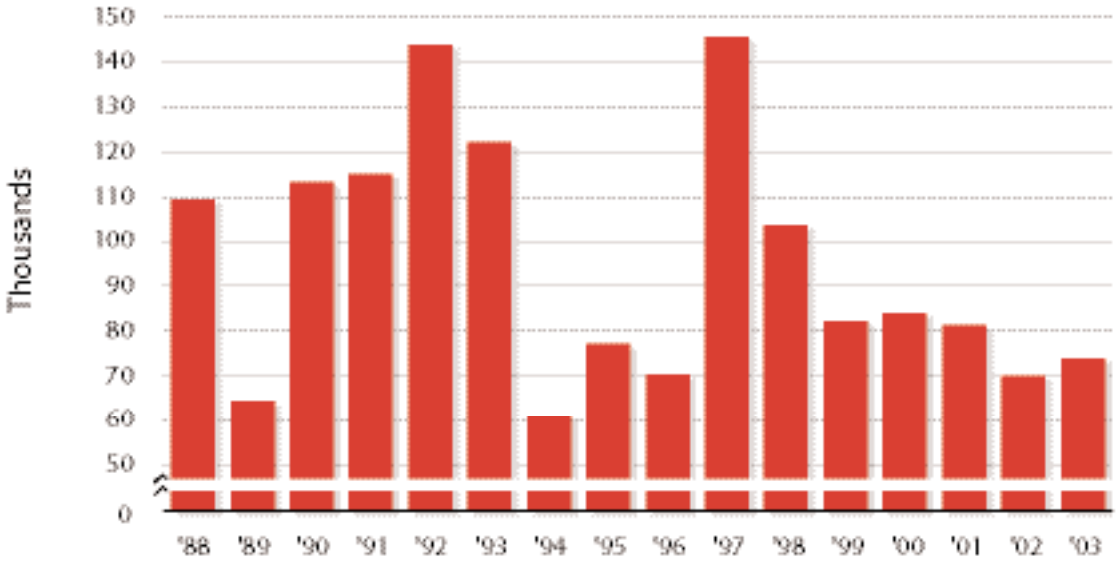
In 2003, 74,005 units newly received J-51 benefits, an increase of 5.5% from the previous year. (See graph below) These units were contained in 2,373 buildings, an increase of 68.3% from 2002 levels. The location of the units newly receiving benefits in 2003 ranged from 34.5% located in Manhattan; to 27.3% in Queens; 24.7% in Brooklyn; 13.2% in the Bronx; and 0.3% in Staten Island. While Queens had only 27% of the J-51 units, 56% of J-51 buildings were located there.[28]

The J-51 tax relief program is similar to the 421-a program in that it requires that rental units be subject to rent regulation for the extent of the benefits. Apartment units in many high-rent neighborhoods are not allowed to enter the program because the apartment unit tax assessment generally cannot exceed $38,000 after completion. Rehabilitation activities that are eligible for tax abatements and exemptions include Major Capital Improvements (MCI's), substantial rehabilitation, conversion from non-residential uses, and moderate rehabilitation, which requires significant improvement to at least one major building-wide system. Enriched exemption and abatement benefits are also available for conversion to Class A multiple dwellings (which are permanent residential dwellings) and rehabilitation of Class A buildings that are not entirely vacant.[29]

In 2002, the J-51 tax program cost the City $162.4 million for all housing types, inclusive of more than 500,000 rental units.[30] Most of these units will remain

Units Receiving Initial Benefits, 1988-2003, in Thousands

2003 Saw 5.5% Increase in Number of Units Receiving J-51 Certificates



Source: NYC Department of Housing Preservation and Development.

stabilized after the benefit period, because most units receiving J-51 benefits would ordinarily be under the jurisdiction of rent stabilization laws even without tax abatements. On the other hand, rental apartments not stabilized prior to receiving tax benefits will not be subject to the City's rent regulations once their benefits end. (See Appendices G.5 and G.6)

Tax-Delinquent Property

In Rem Housing

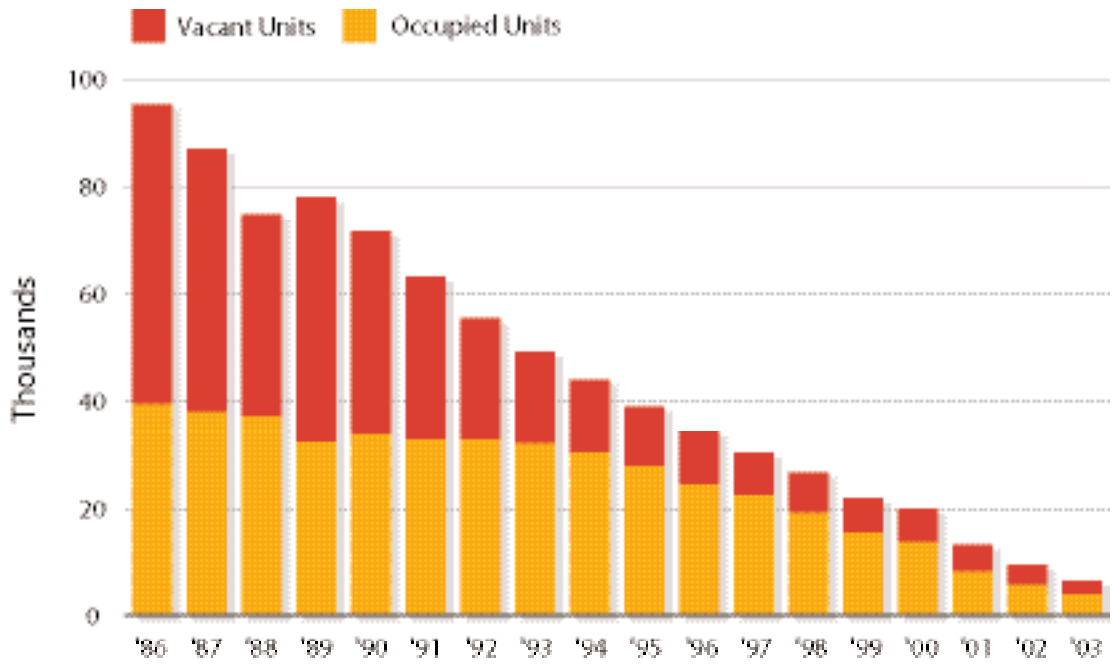
For two decades, the City foreclosed on thousands of tax-delinquent residential properties, becoming the owner and manager of these buildings. By its peak in 1986, the city owned and managed 4,000 occupied buildings containing 40,000 units. Most of these buildings were dilapidated multi-families occupied by a predominantly low-income population. To counter this trend, HPD has developed multiple disposition programs over time to manage, rehabilitate and sell many of these so called *in rem* buildings. HPD's Alternate Management Programs began in 1994 with the goal of returning city-owned properties to private owners and stimulating neighborhood development. The programs enable local entrepreneurs, community not-for-profit housing organizations, and groups of tenants to own and manage these buildings. Many of these programs include funds for rehabilitation and use the proceeds of federal tax credits to keep rents affordable.

HPD has successfully reduced the number of occupied *in rem* units in central management to 3,909 through October 2003, an 82% decline since FY 1997.[31] HPD transfers buildings into alternative management programs before returning them to private ownership. During FY 2003, 184 buildings with 2,493 units were sold through these programs.

The number of vacant city-owned buildings also fell significantly over the same period, to 2,173 units by the end of October 2003, a 73.4% decline since FY 1997 (see graph below). During FY 2003, the total number of buildings operated by HPD, including both occupied and vacant, fell 32.3%, and the number of units in these buildings also fell 32.3% during the same period.

Units in HPD Central Management Stock, FY 1986-FY 2003, in Thousands

Continued Decline in City In Rem Housing Stock in FY 2003



Source: *Mayor's Management Report*, Office of Operations, FY 1986-FY 2003.

(See Appendix G.7) This trend continued during the first four months of FY 2004.

Anti-Abandonment Strategies

The City has also been able to significantly reduce its share of *in rem* buildings by identifying buildings at risk and helping owners. Key initiatives to prevent abandonment include the Third Party Transfer Program, which targets distressed and other buildings with tax arrears, and a Housing Education Program, which teaches owners and superintendents basic management, maintenance, and finance skills to improve their properties.[32]

Since the mid-1990's, the City has not taken title (i.e., vesting) of properties that are tax delinquent. Instead, the City has developed a comprehensive anti-abandonment strategy. First, tax liens for properties that are not distressed are sold in bulk to private investors. After the lien is sold, the lien holder is entitled to collect the entire lien amount, plus other interest and charges, from the property 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.[33]

An additional facet of the City's recent 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, under Local Law 37, transfers the title of *in rem* properties directly to new owners — qualified third parties — without the City ever taking title itself. The properties are temporarily transferred to Neighborhood Restore, a nonprofit corporation, and upon the judgment of the court, are transferred to a qualified third party.[34] Since beginning in 1996, the program had collected millions in back taxes, and 140 buildings have been transferred to responsible for-profit and non-profit owners.[35]

Another anti-abandonment strategy involves the identification of buildings that are at risk of abandonment and helping these owners achieve fiscal and structural soundness for their properties through housing education, counseling, subsidized loans and voluntary repair agreements, to preserve housing and avoid *in rem* actions entirely.

Demolitions

While in the early 1990's relatively few residential buildings in New York City 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 in 2003 alone was 35% greater than the number demolished in all the years from 1990 to 1995 combined.

A total of 2,250 buildings were demolished in 2003, a 27.0% increase over the prior year, preceded by a 19.1% increase between 2001 and 2002. This was by far the highest total since 1985, when the RGB began collecting this data. Queens accounted for over a third (38.4%) of all the buildings demolished in 2003, Brooklyn held 24.9%, Staten Island had 25.1%, the Bronx had 7.2%. and Manhattan had the fewest, at 4.4%. All boroughs saw an increase in the number of demolitions. Queens saw the largest increase in demolitions, up 44.2%, followed by the Bronx at 27.8%, Staten Island at 23.7% and Brooklyn and Manhattan each with a 12% increase.[36] (See Appendix G.8)

Conclusion

Despite a continuing recession and budget difficulties facing the city, state, and federal governments, more housing permits were issued in 2003 than in any year since 1973 and the number of completed housing units increased by 19.3%. The City also continued to reduce its share of city-owned vacant and occupied buildings, seeing a 32.3% decline during the most recent fiscal year. However, the number of new units receiving 421-a tax benefits decreased a significant 23.6% in 2003, while J-51 tax abatements and exemptions increased 5.5%. Rental housing availability remains tight, with a citywide vacancy rate of just 2.94% in 2002, and overcrowding remains a problem. Mayor Bloomberg's five-year housing initiative has begun development/construction on 10,000 units, helping to reduce the affordable housing shortage.

Endnotes

1. The New York City Housing and Vacancy survey (HVS) is done triennially, sponsored by the NYC Department of Housing Preservation and Development (HPD) and conducted by the U.S.

Census Bureau. Because of reclassification, some HVS data was modified since last years Housing Supply Report. Final numbers are presented here.

2. The U.S. housing stock was comprised of 32% renter-occupied units, according to the 2001 American Housing Survey, conducted by the U.S. Census Bureau.

3. Data from the 2002 HVS cannot be compared in a reliable manner with data from previous HVS's, principally because the HVS is a sample survey and the samples for the 2002 and previous HVS's were drawn from different sample frames. To make the data from previous HVS's comparable with the data from the 2002 HVS, data from previous HVS's should be reweighed applying the weight that was used for the 2002 HVS. Reweighed data from previous HVS's is not available at this time.

4. Other units include public housing, Mitchell-Lama, *In Rem*, HUD-regulated, Article 4 and Loft Board units.

5. 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, interpretation of this rate should be done with caution.

6. U.S. Census Bureau web site. World Wide Web page <http://www.census.gov/const/www/permitsindex.html>.

7. In June of 2004, The NYC Department of City Planning revised 2002 Manhattan housing completions sharply downward, from 7,863 reported in the 2003 final report to 5,120.

8. NYC Department of City Planning data. Note that the data is preliminary.

9. Starts refer to the number of units beginning construction or rehabilitation in a given period.

10. Mayor's Management Report, Preliminary Fiscal 2004.

11. "The New Housing Marketplace: Creating Housing for the Next Generation," NYC Department of Housing Preservation and Development report, December 10, 2002.

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16. Landlord Information/Tax Incentives: 421-A, NYC Department of Housing Preservation and Development web site. World Wide Web page <http://nyc.gov/html/hpd/html/for-owners/private-owner-tax-inc.html>.

17. NYC Department of Housing Preservation and Development, Tax Incentives Program data. Note that the 421–a program provides tax incentives to newly built renter- and owner-occupied units, which are included in the figures given in this report. HPD is unable to provide a breakdown of the number of 421-a units that are only rentals.

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19. "Mayor Michael R. Bloomberg Proposes State Legislation to Provide Protection to Mitchell-Lama Development Tenants and Tax Relief to Owner." Mayor's Office Press Release #307-03, October 29, 2003.

20. "New Wave of Mitchell-Lama Buyouts," Tenants and Neighbors Newsletter, Spring 2004.

21. "Legislating Stability: Rent Laws Could Be Mitchell-Lama's Last Hope," by Matt Pacenza and Priya Khatkhate, City Limits Monthly, May 2003. See also Endnote 17.

22. "After Mitchell-Lama." Joe Lamport, Gotham Gazette, March 3, 2004.

23. "Mayor Michael R. Bloomberg Announces Agreement Between Owners and Tenants of West Village Houses." Mayor's Office Press Release #123-04, May 20, 2004.

24. "Apartments Rising in Place of Offices," New York Daily News, September 8, 2003.

25. West Side SRO Law Project testimony to RGB, April 30, 2004, reporting NYC Department of Housing Preservation and Development data.

26. NYS Attorney General's Office, Real Estate Financing Bureau data.

27. 2002 NYC Housing and Vacancy Survey.

28. 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 newly built renter- and owner-occupied units, which are included in the figures given in this report. HPD is unable to provide a breakdown of the number of J-51 units that are only rentals.

29. Landlord Information/Tax Incentives: J-51, NYC Department of Housing Preservation and Development web site. World Wide Web page <http://nyc.gov/html/hpd/html/for-owners/private-owner-tax-inc.html>.

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35. Most recent figures obtained from Neighborhood Restore, May, 2004.

36. 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.

Changes to the Rent Stabilized Housing Stock in New York City in 2003

What's New

- ✔ The study finds a net estimated loss of 7,556 rent stabilized units in 2003
- ✔ In 2003, the largest source of additions to the rent stabilized stock are newly constructed rental units receiving 421-a tax exemption benefits.
- ✔ High rent/vacancy decontrol makes up the largest category of subtractions from the stabilized stock in 2003.

Introduction

Rent regulation has been a fixture in New York City's housing market for the last 60 years. The rent laws that govern rent regulated housing have been substantially changed and/or modified over time. In addition to legislative changes, the existing laws allow for dynamic changes in the regulatory status of a significant portion of the rent regulated housing stock in any given year. Units enter the regulatory system, leave the system, or change status within the system.

This report is an update of last year's study, which analyzed the changes in New York City's rent stabilized housing stock from 1994 to 2002. The figures in this study represent statistics as gathered from various city and state agencies.

Additions to the Rent Regulated Housing Stock

Since newly constructed or substantially rehabilitated units are exempt from rent regulation, increases to the regulated housing stock are often a result of owners "voluntarily" placing these new units under rent stabilization. These owners choose to place units under rent stabilization because of cost/benefit analyses that have led them to the conclusion that regulation, for a period of time, with tax benefits is more profitable than free market rents without tax benefits. Events that lead to the addition of stabilized units are the following:

A. Section 421-a Program
B. J-51 Program
C. Mitchell-Lama buyouts
D. Lofts converted to rent stabilized units
E. Other Additions
F. Rent controlled apartments converting to rent stabilization

Section 421-a and J-51

The New York City Department of Housing Preservation and Development (HPD) administers programs to increase the supply of affordable rental housing. Two of these programs have a significant 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 can elect to receive real estate tax exemptions. For the duration of the benefits, at least, the newly built apartments are subject to rent stabilization. In 2003, an estimated total of 1,929 units were added to the rent stabilized stock through the 421-a program.

The J-51 Program provides real estate tax exemptions and abatements to existing residential buildings which are renovated or rehabilitated. This

program also provides these benefits to residential buildings converted from commercial structures. In consideration of receiving these benefits, owners of these buildings agree to place under rent stabilization those apartments which otherwise would not be subject to regulation. The apartments remain stabilized, at least, until the benefits expire. The J-51 program added 171 units to the rent stabilized stock in 2003. (See Appendix H.1)

Mitchell-Lama Buyouts

Where rents are regulated in a building directly by the Federal, State or City government, these apartments are exempt from rent stabilization and control laws. However, when these government-aided developments are no longer directly administered by a governmental entity, they may become subject to the rent stabilization laws. These federally regulated projects include Section 236 financed buildings and project-based Section 8 buildings.

Mitchell-Lama developments are constructed under the provisions of Article 2 of the Private Housing Finance Law (PHFL). This program is 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, real estate tax abatements and the owners agreed to limit their return on equity.

While, in general, the State and City mortgages are 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 may become subject to rent stabilization. One Mitchell-Lama rental development containing 278 apartments became rent stabilized in 2003. (See Appendix H.1)

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 20 loft units entered the rent stabilization system in 2003. (See Appendix H.1)

Other Additions to the Housing Stock

Additionally, several other events can increase the rent stabilized housing stock: tax incentive programs such as 421-g and 420-c, "deconversion," returned losses, and the sub-division of large units into two or more smaller units. The 421-g tax incentive program is designed for conversion of units in Lower Manhattan from non-residential to residential use. The 421-g program added 41 rent stabilized units to the housing stock in 2003. An additional 740 units were converted to residential rental use during the year, however, their initial rent levels exceeded $2,000 per month and these units were subject to High Rent/Vacancy decontrol upon occupancy.[1]

The 420-c program, a tax exemption program for low income housing projects that are developed in conjunction with the Low Income Housing Tax Credit program also adds units to the rent stabilized stock. An estimated 1,781 units were added to the rent stabilized stock in 2003 through the 420-c program.[2]

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 do not generally add a significant number of units to the rent stabilized stock and were not quantified in this study.

An estimated total of 1,822 units were added to the rent stabilized stock through the 421-g and 420-c tax incentive programs in 2003. (See Appendix H.1)

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 under 60,000. When

a rent controlled unit becomes vacated it either becomes rent stabilized or leaves the regulatory system. If the vacated unit is in a rental building with six or more units and the incoming tenant pays less than $2,000 per month, the apartment becomes stabilized. This process results in a diminution of the controlled stock and an increase in the stabilized stock. According to rent registration filings with the NYS Division of Housing and Community Renewal (DHCR), in 2003, 916 units were decontrolled and became rent stabilized.

Subtractions from the Rent Regulated Housing Stock

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

A. High Rent/High Income Decontrol
B. High Rent/Vacancy Decontrol
C. Cooperative/Condominium Conversions
D. Expiration of 421-a Benefits
E. Expiration of J-51 Benefits
F. Substantial Rehabilitation
G. Conversion to Commercial or Professional Status
H. Other Losses to the Housing Stock – Demolitions, Condemnations, Mergers, etc.

High Rent/High Income Decontrol

The Rent Regulation Reform Act (RRRA) of 1993 permitted the deregulation of occupied apartments renting for $2,000 or more in which the tenants in occupancy had a combined household income in excess of $250,000 in each of the immediately two preceding years. The 1997 RRRA reduced the income threshold to $175,000. Deregulation would occur upon application by the owner and upon the expiration of the rent stabilized lease. This income-based decontrol process, which is administered by the DHCR, relies upon data furnished to the NYS Department of Taxation and Finance as part of the verification process. Please note that both the rent level and household income criteria had to be met for decontrol to take place. If households earning at least $175,000 paid less than $2,000 per month, rent regulation would remain in effect. Also please note that the owner must apply to DHCR in order to decontrol the unit. If the owner did not submit a decontrol application, the occupying tenant would remain regulated regardless of rent level and household income. Because DHCR has to approve the orders of deregulation, an exact accounting exists of units leaving regulation as a result of High Rent/High Income decontrol. Based on DHCR processing records, High Rent/High Income decontrol affected a total of 198 apartments in 2003.[3] (See Appendix H.2)

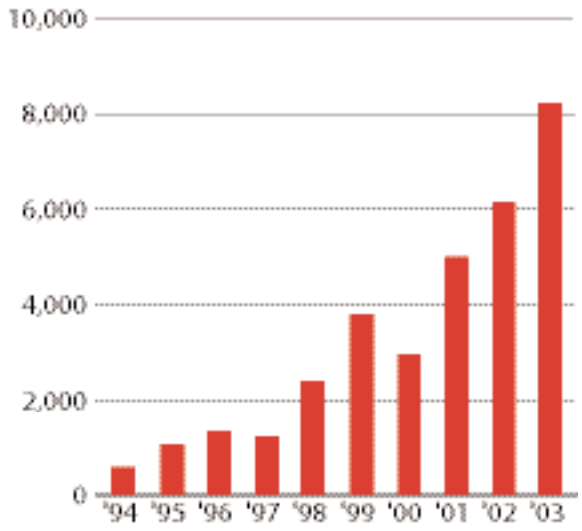
High Rent/Vacancy Decontrol

In the 1993 RRRA, the New York State legislature reinstituted High Rent/Vacancy decontrol.[4] This initial statute has since been changed several times. First, the 1993 RRRA decontrolled vacant apartments and occupied regulated apartments that subsequently were vacated, that rented for $2,000 or more per month between July 7 and October 1, 1993. Second, the New York City Council allowed for the deregulation of apartments on vacancy on or after April 1, 1994, if these units rented for $2,000 or more. Thus, the original dates in the RRRA of 1993 establishing the parameters for decontrol were no longer applicable. DHCR interpreted the $2,000 rent threshold as follows: if upon vacancy, the owner undertook individual apartment improvements that increased the legal regulated rent to $2,000 or more, and the incoming tenant agreed to pay $2,000 or more, the unit would be deregulated.

In a third stage, in early 1997, the City Council amended the Rent Stabilization Law to **only** allow for vacancy deregulation of the apartment if the vacating tenant's legal regulated rent was $2,000 or more. Finally, in June of 1997, with the passage of the RRRA the state overrode the new City regulation. The determining factor was no longer the *outgoing* tenant's legal regulated rent but the *incoming* tenant's calculated legal regulated rent. Owners, upon a vacancy, could now apply a combination of allowable increases to reach the $2,000 deregulation level: standard vacancy increases, special vacancy increases and individual apartment improvement increases. This calculated rent for a hypothetical incoming tenant was the determining factor, not the rent the incoming tenant actually paid. In fact, after a stabilized unit is deregulated by this

Subtractions to the Stabilized Housing Stock due to High Rent/Vacancy Decontrol, 1994-2003

Number of Units Deregulated due to High Rent/Vacancy Continues to Increase



Note: Registration of deregulated units with DHCR was voluntary and not required from 1994-2000. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years. The NYC City Council required proof of registration with DHCR of the unit as exempt to be sent to the tenant beginning in March 2000 (see Endnote 5).

Source: NYS Division of Housing and Community Renewal annual registration data.

calculation, the actual deregulated rent the new tenant pays can be less than $2,000 per month. According to DHCR rent registration records, 8,204 units were deregulated in 2003 under the High Rent/Vacancy decontrol provisions of the RRRA. (See graph on this page and Appendix H.3)

Cooperative & Condominium Conversions

When rent regulated housing is converted to ownership status, there is a small immediate decrease in the rental stock, but over time there is a significantly larger decrease. Tenants that choose to purchase their apartments after a cooperative or condominium plan is approved by the New York State Attorney General's Office are immediately removed from rent regulation. These units are no longer rentals. 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 many cases becomes deregulated, regardless if the incoming tenant purchases or rents.[6] In 2003, 1,474 units located in co-ops or condos left the stabilized housing stock. (See Appendix H.4)

Expiration of Section 421-a and J-51 Benefits

As stated in the "Additions" section, 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 time period and then exit the system. The number of units leaving the stabilization system is directly dependent upon those units previously entering the system. Expiration of 421-a and J-51 benefits has resulted in a total of 651 and 854 units removed from the rent regulatory system respectively in 2003. (See Appendix H.4)

Substantial Rehabilitation

The Emergency Tenant Protection act of 1974 exempts apartments in buildings that have been substantially rehabilitated on or after January 1, 1974. DHCR 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 are substantially rehabilitated have been vacated and tended to have been stabilized properties. Therefore, when these buildings are substantially rehabilitated, the apartments are no longer subject to regulation and are counted like new construction. This counts as a subtraction from the regulated stock. Notably, these properties do not receive J-51 tax incentives for rehabilitation. During 2003, 340 units have been removed from stabilization through substantial rehabilitation. (See Appendix H.4)

Conversion to Commercial or Professional Status

Space converted from residential to nonresidential use is no longer subject to rent regulation. In 2003, 59 units were converted to nonresidential use. (See Appendix H.4)

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. DHCR annual registration data shows that 912 units were removed from the stabilized housing stock in 2003 due to these reasons. (See Appendix H.4)

Summary

In 2003, approximately 12,692 housing units left rent stabilization, while approximately 5,136 units initially entered the stabilization system. The built-in fluidity of the system resulted in a net loss of an estimated 7,556 regulated stabilized units to the rent stabilized housing stock.[7] (See Summary Table on next page)

The largest source of additions to the stabilized stock in 2003 were new rental units built with 421-a real estate tax exemptions, equaling about 38%. Meanwhile, high rent/vacancy decontrol was the largest source of subtractions from the rent stabilized housing stock in 2003, accounting for 65% of the total number of subtractions. ❒

Endnotes

1. The 421-g tax incentive program provides 14-year tax exemption and abatement benefits for the conversion of commercial buildings to multiple dwellings in Downtown Manhattan. All rental units in the project become subject to rent stabilization for the duration of the benefits. These units are subject to High Rent/Vacancy decontrol if the initial rent level is $2,000 or more. Also, an additional 19 rental units were created in 2003, but their regulatory status could not be determined.

2. 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). Eligible projects are owned or controlled by a not-for-profit Housing Development Fund Company, subject to an HPD regulatory agreement which requires use as low-income housing and are financed in part with a loan from the City or State in conjunction with federal low-income housing tax credits.

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

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

5. In March 2000, the City Council passed Local Law Intro No. 669-A, which amended the administrative code of the City of New York, in relation to extending the rent stabilization laws with certain amendments to such laws and the rent control law.

6. A recent court decision affecting units in Brooklyn and Queens ruled that apartments in buildings that have converted to co-op/condo status may remain rent stabilized for a new rental tenant even after a stabilized tenant vacates the apartment.

7. Almost the entire number of the estimated net loss of 7,556 units to the rent stabilized housing stock will remain as housing units in New York City. These units would convert from rent stabilization to either forms of ownership or to non-regulated rental units unless they are demolished.

Summary Table on Additions and Subtractions to the Rent Stabilized Housing Stock in 2003

Program	*Number of Units*
ADDITIONS	
421-a	+ 1,929
J-51 conversions	+ 171
Mitchell-Lama buyouts	+ 278
Loft conversions	+ 20
Other Additions	+ 1,822
CHANGES	
Rent control to rent stabilization	+ 916
Subtotal Additions & Changes	**+ 5,136**
SUBTRACTIONS	
Co-op and Condo subtractions	- 1,474
High Rent/Vacancy Decontrol	- 8,204
High Rent/High Income Decontrol	- 198
421-a Expiration	- 651
J-51 Expiration	- 854
Substantial Rehabilitation	- 340
Commercial/Professional conversion	- 59
Other Subtractions	- 912
Subtotal Subtractions	**- 12,692**
NET TOTAL	
Net Estimated Loss	**- 7,556**

Sources: Department of Housing Preservation and Development, Office of Development, Division of Housing Finance, Tax Incentive Programs; NYS Division of Housing and Community Renewal annual registration data; NYC Loft Board; and Department of Housing Preservation and Development, Office of Housing Operations, Division of Housing Supervision, Mitchell-Lama.

Appendices

A.1 Apartments & Lofts — Order #36

On June 17, 2004, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2004 and on or before September 30, 2005 for rent stabilized apartments:

- Where heat is provided or required to be provided to a dwelling unit by an owner from a central or individual system at no charge to the tenant, the adjustments are as follows:

One-Year Lease	Two-Year Lease
3½%	6½%

- Where heat is neither provided nor required to be provided to a dwelling unit by an owner from a central or individual system, the adjustments are as follows:

One-Year Lease	Two-Year Lease
3%	6%

In the event of a sublease governed by subdivision (e) of section 2525.6 of the Rent Stabilization Code, the allowance authorized by such subdivision shall be 10%.

No vacancy allowance is permitted except as provided by sections 19 and 20 of the Rent Regulation Reform Act of 1997.

Any increase for a renewal lease may be collected no more than once during the guideline period.

For Loft units that are covered under Article 7-C of the Multiple Dwelling Law, the Board established the following maximum rent increases for increase periods commencing on or after October 1, 2004 and on or before September 30, 2005:

One-Year Increase Period	Two-Year Increase Period
2½%	5½%

Leases for units subject to rent control on September 30, 2004, which subsequently become vacant and then enter the stabilization system, are not subject to the above adjustments. The rents for these newly stabilized units are subject to review by the New York State Division of Housing and Community Renewal (DHCR). In order to aid DHCR in this review, the RGB has set a special guideline. For rent controlled units which become vacant after September 30, 2004, the special guideline shall be the greater of the following:

(1) 50% above the maximum base rent or
(2) The Fair Market Rent for existing housing as established by the United States Department of Housing and Urban Development (HUD) for the New York City Primary Metropolitan Statistical Area pursuant to Section 8(c) (1) of the United States Housing Act of 1937 (42 U.S.C. section 1437f [c] [1]) and 24 C.F.R. Part 888, with such Fair Market Rents to be adjusted based upon whether the tenant pays his or her own gas and/or electric charges as part of his or her rent as such gas and/or electric charges are accounted for by the New York City Housing Authority.

Such HUD-determined Fair Market Rents will be published in the Federal Register, to take effect on October 1, 2004.

A.2 Hotel Units — Order #34

On June 17, 2004, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2004 and on or before September 30, 2005 for rent stabilized hotels:

Single Room Occupancy Buildings (SRO)	0%
Lodging Houses	0%
Class A Hotels	0%
Class B Hotels	0%
Rooming Houses	0%

Appendix B: Price Index of Operating Costs

B.1 PIOC Sample, Number of Price Quotes per Item, 2003 vs. 2004

Spec	Description	2003	2004
211	Apartment Value	238	198
212	Non-Union Super	151	119
216	Non-Union Janitor/Porter	107	79
	LABOR COSTS	**496**	**396**
301	Fuel Oil #2	29	28
302	Fuel Oil #4	7	6
303	Fuel Oil #6	6	6
	FUEL	**42**	**40**
501	Repainting	125	127
502	Plumbing, Faucet	32	34
503	Plumbing, Stoppage	33	34
504	Elevator #1	12	14
505	Elevator #2	14	14
506	Elevator #3	13	14
507	Burner Repair	12	14
508	Boiler Repair, Tube	11	10
509	Boiler Repair, Weld	7	5
510	Refrigerator Repair	15	11
511	Range Repair	11	10
512	Roof Repair	22	22
513	Air Conditioner Repair	10	10
514	Floor Maint. #1	6	9
515	Floor Maint. #2	6	9
516	Floor Maint. #3	5	9
518	Linen/Laundry Service	5	5
	CONTRACTOR SERVICES	**339**	**351**
601	Management Fees	129	108
602	Accountant Fees	28	27
603	Attorney Fees	21	24
604	Newspaper Ads	20	19
605	Agency Fees	5	5
606	Lease Forms	6	9
607	Bill Envelopes	13	10
608	Ledger Paper	5	9
	ADMINISTRATIVE COSTS	**227**	**211**

Spec	Description	2003	2004
701	INSURANCE COSTS	**807**	**731**
801	Light bulbs	7	11
802	Light Switch	5	11
803	Wet Mop	6	13
804	Floor Wax	7	12
805	Paint	11	16
806	Pushbroom	7	12
807	Detergent	7	8
808	Bucket	12	17
809	Washers	11	15
810	Linens	10	10
811	Pine Disinfectant	6	12
812	Window/Glass Cleaner	7	12
813	Switch Plate	7	11
814	Duplex Receptacle	8	14
815	Toilet Seat	14	21
816	Deck Faucet	13	18
	PARTS & SUPPLIES	**138**	**213**
901	Refrigerator #1	11	11
902	Refrigerator #2	12	12
903	Air Conditioner #1	6	6
904	Air Conditioner #2	5	5
905	Floor Runner	10	10
906	Dishwasher	9	8
907	Range #1	10	11
908	Range #2	10	11
909	Carpet	10	11
910	Dresser	7	5
911	Mattress & Box Spring	10	9
	REPLACEMENT COSTS	**100**	**99**
	All Items	**2,149**	**2,041**

B.2 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Apartments, 2004

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES, FEES, & PERMITS	**0.2607**	**1.1616**	**16.16%**	**0.1143**
201	Payroll, Bronx, All	0.1167	1.0312	3.12%	0.0000
202	Payroll, Other, Union, Supts.	0.1153	1.0270	2.70%	0.0000
203	Payroll, Other, Union, Other	0.2856	1.0273	2.73%	0.0000
204	Payroll, Other, Non-Union, All	0.2966	1.0580	5.80%	0.5919
205	Social Security Insurance	0.0470	1.0390	3.90%	0.0000
206	Unemployment Insurance	0.0076	1.1416	14.16%	0.0000
207	Private Health & Welfare	0.1311	1.0816	8.16%	0.0000
	LABOR COSTS	**0.1500**	**1.0454**	**4.54%**	**0.1756**
301	Fuel Oil #2	0.5718	1.0024	0.24%	0.6003
302	Fuel Oil #4	0.1543	0.9382	-6.18%	2.5036
303	Fuel Oil #6	0.2739	0.9273	-7.27%	1.3439
	FUEL	**0.1079**	**0.9719**	**-2.81%**	**0.6344**
401	Electricity #1, 2,500 KWH	0.0117	0.8364	-16.36%	0.0000
402	Electricity #2, 15,000 KWH	0.1569	0.8148	-18.52%	0.0000
403	Electricity #3, 82,000 KWH	0.0000	0.8307	-16.93%	0.0000
404	Gas #1, 12,000 therms	0.0048	0.9434	-5.66%	0.0000
405	Gas #2, 65,000 therms	0.0554	1.0541	5.41%	0.0000
406	Gas #3, 214,000 therms	0.2462	1.0549	5.49%	0.0000
407	Steam #1, 1.2m lbs	0.0189	0.8157	-18.43%	0.0000
408	Steam #2, 2.6m lbs	0.0075	0.7979	-20.21%	0.0000
409	Telephone	0.0085	1.0539	5.39%	0.0000
410	Water & Sewer	0.4902	1.0550	5.50%	0.0000
	UTILITIES	**0.1552**	**1.0077**	**0.77%**	**0.0000**
501	Repainting	0.3987	1.0279	2.79%	0.8431
502	Plumbing, Faucet	0.1415	1.0544	5.44%	0.9702
503	Plumbing, Stoppage	0.1286	1.0414	4.14%	0.8828
504	Elevator #1, 6 fl., 1 e.	0.0559	1.0467	4.67%	1.2944
505	Elevator #2, 13 fl., 2 e.	0.0372	1.0464	4.64%	1.3201
506	Elevator #3, 19 fl., 3 e.	0.0211	1.0474	4.74%	1.3937
507	Burner Repair	0.0393	1.0464	4.64%	1.8071
508	Boiler Repair, Tube	0.0486	1.0467	4.67%	1.5857
509	Boiler Repair, Weld	0.0340	1.0394	3.94%	2.5376
510	Refrigerator Repair	0.0118	1.0185	1.85%	1.2093
511	Range Repair	0.0124	1.0171	1.71%	1.2046
512	Roof Repair	0.0570	1.0851	8.51%	2.3202
513	Air Conditioner Repair	0.0088	1.0209	2.09%	0.9497
514	Floor Maint. #1, Studio	0.0003	1.0475	4.75%	2.7948
515	Floor Maint. #2, 1 Br.	0.0005	1.0492	4.92%	2.9337
516	Floor Maint. #3, 2 Br.	0.0045	1.0490	4.90%	2.9440
	CONTRACTOR SERVICES	**0.1368**	**1.0406**	**4.06%**	**0.4356**
601	Management Fees	0.6991	1.0404	4.04%	1.3413
602	Accountant Fees	0.1401	1.0371	3.71%	1.1019
603	Attorney Fees	0.1233	1.0366	3.66%	1.2328
604	Newspaper Ads	0.0042	1.0572	5.72%	2.1386
605	Agency Fees	0.0054	1.1364	13.64%	5.6889
606	Lease Forms	0.0100	1.0154	1.54%	1.3147
607	Bill Envelopes	0.0096	1.0214	2.14%	1.3066
608	Ledger Paper	0.0084	1.0361	3.61%	2.0327
	ADMINISTRATIVE COSTS	**0.0783**	**1.0396**	**3.96%**	**0.9632**
701	INSURANCE COSTS	**0.0852**	**1.1470**	**14.70%**	**1.8315**
801	Light Bulbs	0.0379	1.0082	0.82%	0.8473
802	Light Switch	0.0480	1.0000	0.00%	0.0000
803	Wet Mop	0.0426	1.0181	1.81%	1.5150
804	Floor Wax	0.0392	1.0327	3.27%	2.3484
805	Paint	0.2270	1.0032	0.32%	0.2343
806	Pushbroom	0.0362	1.0268	2.68%	1.8914
807	Detergent	0.0331	1.0294	2.94%	1.7521
808	Bucket	0.0396	1.0260	2.60%	1.3809
809	Washers	0.0968	1.0092	0.92%	0.9460
811	Pine Disinfectant	0.0478	1.0089	0.89%	0.6853
812	Window/Glass Cleaner	0.0517	1.0159	1.59%	1.0454
813	Switch Plate	0.0461	1.0188	1.88%	1.3617
814	Duplex Receptacle	0.0338	1.0000	0.00%	0.0000
815	Toilet Seat	0.1005	1.0070	0.70%	0.4979
816	Deck Faucet	0.1197	1.0172	1.72%	0.8132
	PARTS AND SUPPLIES	**0.0181**	**1.0118**	**1.18%**	**0.2363**
901	Refrigerator #1	0.0951	1.0154	1.54%	0.8821
902	Refrigerator #2	0.4652	1.0045	0.45%	0.4442
903	Air Conditioner #1	0.0180	1.0000	0.00%	0.0000
904	Air Conditioner #2	0.0220	1.0041	0.41%	0.3785
905	Floor Runner	0.0934	1.0350	3.50%	3.5060
906	Dishwasher	0.0473	1.0089	0.89%	0.8944
907	Range #1	0.0465	1.0078	0.78%	0.6773
908	Range #2	0.2125	1.0106	1.06%	0.7553
	REPLACEMENT COSTS	**0.0077**	**1.00993**	**0.99%**	**0.4308**
	ALL ITEMS	**1.0000**	**1.06857**	**6.86%**	**0.1997**

B.3 Price Relative by Building Type, Apartments, 2004

Spec #	Item Description	Pre-1947	Post-1946	Gas Heated	Oil Heated	MASTER METERED BLDGS
101	TAXES, FEES, & PERMITS	1.1684	1.1517	1.1616	1.1616	1.1616
201-207	LABOR COSTS	1.0474	1.0431	1.0458	1.0456	1.0463
301-303	FUEL	0.9775	0.9504	1.0020	0.9709	1.0011
401-410	UTILITIES	1.0240	0.9829	1.0327	0.9961	0.9693
501-516	CONTRACTOR SERVICES	1.0414	1.0385	1.0379	1.0415	1.0410
601-608	ADMINISTRATIVE COSTS	1.0393	1.0399	1.0399	1.0395	1.0386
701	INSURANCE COSTS	1.1470	1.1470	1.1470	1.1470	1.1470
801-816	PARTS AND SUPPLIES	1.0117	1.0121	1.0110	1.0121	1.0130
904-908	REPLACEMENT COSTS	1.0100	1.0098	1.0090	1.0102	1.0143
	ALL ITEMS	**1.0639**	**1.0691**	**1.0725**	**1.0640**	**1.0666**

B.4 Price Relative by Hotel Type, 2004

Spec #	Item Description	Hotel	Rooming House	SRO
101	TAXES, FEES, & PERMITS	1.1691	1.1745	1.2047
205-206, 208-216	LABOR COSTS	1.0499	1.0553	1.0569
301-303	FUEL	0.9806	1.0024	0.9485
401-407, 409-410	UTILITIES	0.9532	0.9237	0.9586
501-509, 511-516, 518	CONTRACTOR SERVICES	1.0251	1.0336	1.0378
601-608	ADMINISTRATIVE COSTS	1.0434	1.0427	1.0422
701	INSURANCE COSTS	1.1470	1.1470	1.1470
801-816	PARTS AND SUPPLIES	1.0133	1.0094	1.0108
901-904, 907-911	REPLACEMENT COSTS	1.0044	1.0047	1.0051
	ALL ITEMS	**1.0722**	**1.0539**	**1.0440**

B.5 Percentage Change in Real Estate Tax Sample by Borough and Source of Change, Apartments and Hotels, 2004

	% Change Due to Assessments	% Change Due to Exemptions	% Change Due to Abatements	% Change Due to Tax Rates	% Change Due to Interactions	Total % Change
APARTMENTS						
Manhattan	8.79%	-1.48%	-0.01%	9.47%	0.68%	17.44%
Bronx	4.60%	-0.16%	0.14%	10.00%	0.41%	15.00%
Brooklyn	3.25%	-0.17%	0.00%	9.89%	0.29%	13.26%
Queens	4.30%	-0.18%	0.24%	9.68%	0.39%	14.42%
SI	3.16%	1.16%	0.09%	9.87%	0.40%	14.68%
All apts	**6.92%**	**-0.96%**	**0.04%**	**9.61%**	**0.55%**	**16.16%**
HOTELS						
Hotel	10.48%	-1.79%	0.00%	7.57%	0.65%	16.91%
RH	7.52%	0.05%	0.00%	9.19%	0.69%	17.45%
SRO	9.60%	-0.11%	1.22%	8.96%	0.81%	20.47%
All hotels	**9.62%**	**-0.74%**	**0.56%**	**8.46%**	**0.73%**	**18.63%**

Note: Totals may not add due to rounding.

B.6 Tax Change by Borough and Community Board, Apartments, 2004

Borough	Community Board	Number of Buildings	Tax Relative
Manhattan		**12,882**	**17.52%**
	1	48	13.22%
	2	1202	19.29%
	3	1587	18.53%
	4	1018	18.25%
	5	308	7.51%
	6	917	17.42%
	7	2050	18.65%
	8	2237	18.12%
	9	720	19.77%
	10	796	18.07%
	11	584	16.86%
	12	1403	19.69%
Lower		**8840**	**17.18%**
Upper		**4042**	**19.60%**
Bronx		**5016**	**13.83%**
	1	286	16.01%
	2	205	4.08%
	3	261	17.29%
	4	685	17.03%
	5	652	16.50%
Bronx (cont.)	6	451	10.33%
	7	922	15.85%
	8	346	12.42%
	9	281	18.55%
	10	190	13.69%
	11	298	16.11%
	12	384	17.43%
Brooklyn		**12,145**	**6.84%**
	1	1454	15.28%
	2	642	15.97%
	3	791	11.22%
	4	1229	17.16%
	5	361	14.54%
	6	925	14.91%
	7	834	15.28%
	8	932	14.30%
	9	529	14.01%
	10	770	13.37%
	11	699	13.34%
	12	591	11.91%
	13	173	13.55%
	14	885	12.42%
	15	379	10.85%
	16	284	8.93%
(Bklyn. cont.)	17	587	13.47%
	18	69	10.38%
Queens		**6204**	**12.91%**
	1	1770	14.67%
	2	826	15.29%
	3	383	16.92%
	4	377	14.49%
	5	1139	15.91%
	6	336	14.68%
	7	382	14.68%
	8	194	12.84%
	9	196	15.01%
	10	56	11.86%
	11	117	13.10%
	12	155	12.79%
	13	48	13.39%
	14	97	10.86%
Staten Island		**175**	**11.10%**
	1	116	14.67%
	2	34	13.94%
	3	22	15.38%
Total		**36,422**	**16.16%**

Note: No Community Board could be assigned to the following number of buildings for each borough: Manhattan (12), Bronx (55), Brooklyn (11), Queens (128), Staten Island (3). The number of buildings in the category "All" for each borough includes these buildings which could not be assigned a Community Board. Core and Upper Manhattan building totals are defined by block count and cannot be calculated by using Community Board numbers alone.

B.7 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Hotels, 2004

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES, FEES, & PERMITS	**0.2656**	**1.1863**	**18.63%**	**0.7456**
205	Social Security Insurance	0.0554	1.0390	3.90%	0.0000
206	Unemployment Insurance	0.0160	1.1416	14.16%	0.0000
208	Hotel Private Health/Welfare	0.0399	1.0698	6.98%	0.0000
209	Hotel Union Labor	0.3154	1.0400	4.00%	0.0000
210	SRO Union Labor	0.0123	1.0400	4.00%	0.0000
211	Apartment Value	0.1193	1.0519	5.19%	0.9194
212	Non-Union Superintendent	0.3139	1.0570	5.70%	0.7815
213	Non-Union Maid	0.0000	0.0000	NA	0.0000
214	Non-Union Desk Clerk	0.0000	0.0000	NA	0.0000
215	Non-Union Maint. Worker	0.0000	0.0000	NA	0.0000
216	Non-Union Janitor/Porter	0.1278	1.0596	5.96%	0.8960
	LABOR COSTS	**0.1709**	**1.0520**	**5.20%**	**0.2921**
301	Fuel Oil #2	0.6614	1.0024	0.24%	0.6003
302	Fuel Oil #4	0.0157	0.9382	-6.18%	2.5036
303	Fuel Oil #6	0.3229	0.9273	-7.27%	1.3439
	FUEL	**0.1189**	**0.9771**	**-2.29%**	**0.5895**
401	Electricity #1, 2,500 KWH	0.0771	0.8364	-16.36%	0.0000
402	Electricity #2, 15,000 KWH	0.0877	0.8148	-18.52%	0.0000
403	Electricity #3, 82,000 KWH	0.2740	0.8307	-16.93%	0.0000
404	Gas #1, 12,000 therms	0.0489	0.9434	-5.66%	0.0000
405	Gas #2, 65,000 therms	0.0400	1.0541	5.41%	0.0000
406	Gas #3, 214,000 therms	0.1835	1.0549	5.49%	0.0000
407	Steam #1, 1.2m lbs	0.0003	0.8157	-18.43%	0.0000
409	Telephone	0.1456	1.0539	5.39%	0.0000
410	Water & Sewer	0.1431	1.0550	5.50%	0.0000
	UTILITIES	**0.1574**	**0.9499**	**-5.01%**	**0.0000**
501	Repainting	0.2149	1.0279	0.0279	0.8431
502	Plumbing, Faucet	0.0866	1.0544	5.44%	0.9702
503	Plumbing, Stoppage	0.0833	1.0414	4.14%	0.8828
504	Elevator #1, 6 fl., 1 e.	0.0370	1.0467	4.67%	1.2944
505	Elevator #2, 13 fl., 2 e.	0.0339	1.0464	4.64%	1.3201
506	Elevator #3, 19 fl., 3 e.	0.0315	1.0474	4.74%	1.3937
507	Burner Repair	0.0278	1.0464	4.64%	1.8071
508	Boiler Repair, Tube	0.0310	1.0467	4.67%	1.5857
509	Boiler Repair, Weld	0.0256	1.0394	3.94%	1.2093
511	Range Repair	0.1409	1.0171	1.71%	1.2046
512	Roof Repair	0.0249	1.0851	8.51%	2.3202
513	Air Conditioner Repair	0.0439	1.0209	2.09%	0.9497
514	Floor Maint. #1, Studio	0.0009	1.0475	4.75%	2.7948
515	Floor Maint. #2, 1 Br.	0.0018	1.0492	4.92%	2.9337
516	Floor Maint. #3, 2 Br.	0.0166	1.0490	4.90%	2.9440
518	Linen/Laundry Service	19.947%	100.000%	0.000%	0.000%
	CONTRACTOR SERVICES	**0.0865**	**1.0291**	**2.91%**	**0.3114**

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
601	Management Fees	0.6327	1.0404	4.04%	1.3413
602	Accountant Fees	0.0815	1.0371	3.71%	1.1019
603	Attorney Fees	0.1290	1.0366	3.66%	1.2328
604	Newspaper Ads	0.0989	1.0572	5.72%	2.1386
605	Agency Fees	0.0239	1.1364	13.64%	5.688870409
606	Lease Forms	0.0113	1.0154	1.54%	1.314661683
607	Bill Envelopes	0.0130	1.0214	2.14%	1.3066
608	Ledger Paper	0.0097	1.0361	3.61%	2.0327
	ADMINISTRATIVE COSTS	**0.0859**	**1.0430**	**4.30%**	**0.9042**
701	INSURANCE COSTS	**0.0470**	**1.1470**	**14.70%**	**1.8315**
801	Light Bulbs	0.0156	1.0082	0.82%	0.8473
802	Light Switch	0.0180	1.0000	0.00%	0.0000
803	Wet Mop	0.0500	1.0181	1.81%	1.5150
804	Floor Wax	0.0485	1.0327	3.27%	2.3484
805	Paint	0.1241	1.0032	0.32%	0.2343
806	Pushbroom	0.0409	1.0268	2.68%	1.8914
807	Detergent	0.0441	1.0294	2.94%	1.7521
808	Bucket	0.0481	1.0260	2.60%	1.3809
809	Washers	0.0481	1.0092	0.92%	0.9460
810	Linens	0.3199	1.0068	0.68%	0.7247
811	Pine Disinfectant	0.0186	1.0089	0.89%	0.6853
812	Window/Glass Cleaner	0.0199	1.0159	1.59%	1.0454
813	Switch Plate	0.0543	1.0188	1.88%	1.3617
814	Duplex Receptacle	0.0405	1.0000	0.00%	0.0000
815	Toilet Seat	0.0499	1.0070	0.70%	0.4979
816	Deck Faucet	0.0595	1.0172	1.72%	0.8132
	PARTS AND SUPPLIES	**0.0477**	**1.0122**	**1.22%**	**0.3177**
901	Refrigerator #1	0.0197	1.0154	1.54%	0.8821
902	Refrigerator #2	0.0953	1.0045	0.45%	0.4442
903	Air Conditioner #1	0.0617	1.0000	0.00%	0.0000
904	Air Conditioner #2	0.0718	1.0041	0.41%	0.3785
907	Range #1	0.0084	1.0078	0.78%	0.6773
908	Range #2	0.0395	1.0106	1.06%	0.7553
909	Carpet	0.3425	1.0000	0.00%	0.0000
910	Dresser	0.1949	1.0000	0.00%	0.0000
911	Mattress & Box Spring	0.1662	1.0185	1.85%	1.1485
	REPLACEMENT COSTS	**0.0201**	**1.0046**	**0.46%**	**0.2005**
	ALL ITEMS	**1.0000**	**1.0616**	**6.16%**	**0.2471**

B.8 Expenditure Weights and Price Relatives, Lofts, 2004

Spec #	Item Description	Weights	Price Relative
101	TAXES	**0.2481**	**16.16%**
201	Payroll, Bronx, All	0.0000	3.12%
202	Payroll, Other, Union, Supts.	0.2823	2.70%
203	Payroll, Other, Union, Other	0.0000	2.73%
204	Payroll, Other, Non-Union, All	0.5529	5.80%
205	Social Security Insurance	0.0455	3.90%
206	Unemployment Insurance	0.0083	14.16%
207	Private Health & Welfare	0.1110	8.16%
	LABOR COSTS	**0.0993**	**4.26%**
301	Fuel Oil #2	0.3108	0.24%
302	Fuel Oil #4	0.5689	-6.18%
303	Fuel Oil #6	0.1203	-7.27%
	FUEL	**0.0756**	**-4.32%**
401	Electricity #1, 2,500 KWH	0.0128	-16.36%
402	Electricity #2, 15,000 KWH	0.1734	-18.52%
403	Electricity #3, 82,000 KWH	0.0000	-16.93%
404	Gas #1, 12,000 therms	0.0053	-5.66%
405	Gas #2, 65,000 therms	0.0607	5.41%
406	Gas #3, 214,000 therms	0.1718	5.49%
407	Steam #1, 1.2m lbs	0.0207	-18.43%
408	Steam #2, 2.6m lbs	0.0082	-20.21%
409	Telephone	0.0093	5.39%
410	Water & Sewer - Frontage	0.5379	5.50%
	UTILITIES	**0.0775**	**0.28%**
501	Repainting	0.3985	2.79%
502	Plumbing, Faucet	0.1416	5.44%
503	Plumbing, Stoppage	0.1286	4.14%
504	Elevator #1, 6 fl., 1 e.	0.0558	4.67%
505	Elevator #2, 13 fl., 2 e.	0.0372	4.64%
506	Elevator #3, 19 fl., 3 e.	0.0211	4.74%
507	Burner Repair	0.0393	4.64%
508	Boiler Repair, Tube	0.0486	4.67%
509	Boiler Repair, Weld	0.0341	3.94%
510	Refrigerator Repair	0.0118	1.85%
511	Range Repair	0.0124	1.71%
512	Roof Repair	0.0569	8.51%
513	Air Conditioner Repair	0.0088	2.09%
514	Floor Maint. #1, Studio	0.0003	4.75%
515	Floor Maint. #2, 1 Br.	0.0005	4.92%
516	Floor Maint. #3, 2 Br.	0.0045	4.90%
	CONTRACTOR SERVICES	**0.0730**	**4.06%**

Spec #	Item Description	Weights	Price Relative
	ADMINISTRATIVE COSTS, LEGAL	**0.0926**	**3.66%**
601	Management Fees	0.8057	4.04%
602	Accountant Fees	0.1491	3.71%
604	Newspaper Ads	0.0051	5.72%
605	Agency Fees	0.0065	13.64%
606	Lease Forms	0.0108	1.54%
607	Bill Envelopes	0.0123	2.14%
608	Ledger Paper	0.0105	3.61%
	ADMINISTRATIVE COSTS - OTHER	**0.0951**	**4.01%**
701	INSURANCE COSTS	**0.2053**	**14.70%**
801	Light Bulbs	0.0379	0.82%
802	Light Switch	0.0480	0.00%
803	Wet Mop	0.0426	1.81%
804	Floor Wax	0.0392	3.27%
805	Paint	0.2270	0.32%
806	Pushbroom	0.0362	2.68%
807	Detergent	0.0331	2.94%
808	Bucket	0.0396	2.60%
809	Washers	0.0968	0.92%
811	Pine Disinfectant	0.0478	0.89%
812	Window/Glass Cleaner	0.0517	1.59%
813	Switch Plate	0.0460	1.88%
814	Duplex Receptacle	0.0338	0.00%
815	Toilet Seat	0.1004	0.70%
816	Deck Faucet	0.1198	1.72%
	PARTS AND SUPPLIES	**0.0187**	**1.18%**
901	Refrigerator #1	0.0952	1.54%
902	Refrigerator #2	0.4652	0.45%
903	Air Conditioner #1	0.0180	0.00%
904	Air Conditioner #2	0.0220	0.41%
905	Floor Runner	0.0934	3.50%
906	Dishwasher	0.0473	0.89%
907	Range #1	0.0464	0.78%
908	Range #2	0.2126	1.06%
	REPLACEMENT COSTS	**0.0149**	**0.99%**
	ALL ITEMS	**1.0000**	**8.20%**

B.9 Changes in the Price Index of Operating Costs, Expenditure Weights and Price Relatives, Apartments, 1994-2004

	1994		1995		1996		1997		1998	
	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
Taxes	0.259	2.3%	0.260	1.4%	0.263	3.0%	0.255	2.4%	0.255	1.2%
Labor Costs	0.161	4.3%	0.165	4.1%	0.171	3.1%	0.167	2.3%	0.166	2.7%
Fuel	0.104	-0.5%	0.101	-12.7%	0.088	29.6%	0.108	0.4%	0.106	-15.0%
Utilities	0.147	2.1%	0.147	-4.0%	0.141	7.8%	0.143	2.9%	0.144	2.3%
Contractor Services	0.150	0.9%	0.149	2.4%	0.152	1.8%	0.146	3.4%	0.147	2.7%
Administrative Costs	0.080	3.7%	0.081	3.8%	.0.084	3.5%	0.082	3.9%	0.083	3.3%
Insurance Costs	0.064	0.8%	0.063	5.2%	0.066	5.0%	0.066	1.9%	0.065	-1.5%
Parts and Supplies	0.024	1.0%	0.024	-0.5%	0.024	0.8%	0.023	1.5%	0.023	1.9%
Replacement Costs	0.010	1.6%	0.010	0.2%	0.010	1.0%	0.010	1.0%	0.010	0.6%
All Items		**2.0%**		**0.1%**		**6.0%**		**2.4%**		**0.1%**
Pre '47										
Taxes	0.178	2.3%	0.179	1.4%	0.182	3.0%	0.175	2.4%	0.175	1.2%
Labor Costs	0.140	4.3%	0.143	3.8%	0.150	3.3%	0.145	2.4%	0.145	2.7%
Fuel	0.145	-0.8%	0.141	-12.7%	0.124	28.9%	0.149	0.7%	0.147	-14.8%
Utilities	0.149	2.3%	0.149	-4.1%	0.144	7.6%	0.145	3.3%	0.146	2.6%
Contractor Services	0.183	1.0%	0.181	2.5%	0.186	1.9%	0.178	3.3%	0.179	2.7%
Administrative Costs	0.077	3.6%	0.078	3.8%	0.082	3.4%	0.079	3.7%	0.080	3.2%
Insurance Costs	0.085	0.8%	0.084	5.2%	0.088	5.0%	0.087	1.9%	0.086	-1.5%
Parts and Supplies	0.029	1.0%	0.028	-0.5%	0.028	0.8%	0.027	1.5%	0.026	2.0%
Replacement Costs	0.016	1.5%	0.016	0.2%	0.016	0.9%	0.015	1.0%	0.015	0.7%
All Items		**1.8%**		**-0.4%**		**6.8%**		**2.5%**		**-0.5%**
Post '46										
Taxes	0.337	2.3%	0.337	1.4%	0.340	3.0%	0.332	2.4%	0.332	1.2%
Labor Costs	0.197	4.2%	0.200	4.3%	0.207	3.0%	0.202	2.1%	0.202	2.7%
Fuel	0.075	0.4%	0.073	-12.6%	0.064	31.9%	0.080	-0.5%	0.078	-15.6%
Utilities	0.125	1.6%	0.125	-3.8%	0.119	8.2%	0.122	2.2%	0.122	1.8%
Contractor Services	0.104	0.5%	0.102	2.2%	0.104	1.4%	0.122	2.2%	0.101	2.6%
Administrative Costs	0.091	3.8%	0.092	3.7%	0.095	3.5%	0.093	4.1%	0.095	3.4%
Insurance Costs	0.044	0.8%	0.043	5.2%	0.045	5.0%	0.045	1.9%	0.045	-1.5%
Parts and Supplies	0.019	1.0%	0.019	-0.4%	0.019	0.9%	0.018	1.4%	0.018	1.9%
Replacement Costs	0.008	1.6%	0.008	0.2%	0.008	1.0%	0.008	1.0%	0.008	0.6%
All Items		**2.3%**		**0.6%**		**5.4%**		**2.3%**		**0.5%**

1999		2000		2001		2002		2003		2004	
Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
0.258	0.4%	0.259	5.2%	0.253	5.5%	0.245	6.6%	0.266	14.8%	0.261	16.2%
0.171	3.4%	0.176	2.6%	0.168	4.0%	0.160	4.0%	0.170	3.5%	0.150	4.5%
0.090	-18.4%	0.073	54.8%	0.095	33.3%	0.116	-36.1%	0.076	66.9%	0.108	-2.8%
0.147	-0.4%	0.147	5.7%	0.154	15.0%	0.163	-9.9%	0.149	21.7%	0.155	0.8%
0.151	3.5%	0.156	4.6%	0.152	3.6%	0.145	3.9%	0.153	4.8%	0.137	4.1%
0.086	2.9%	0.089	4.0%	0.085	4.1%	0.082	4.6%	0.087	5.4%	0.078	4.0%
0.064	3.5%	0.067	0.7%	0.062	4.9%	0.060	16.5%	0.071	40.5%	0.085	14.7%
0.023	2.2%	0.023	1.9%	0.022	0.8%	0.021	0.9%	0.021	0.4%	0.018	1.2%
0.010	1.7%	0.010	0.8%	0.010	1.0%	0.009	-0.6%	0.009	1.4%	0.008	1.0%
	0.03%		**7.8%**		**8.7%**		**-1.6%**		**16.9%**		**6.9%**
0.178	0.4%	0.180	5.2%	0.174	5.5%	0.166	6.6%	0.183	14.8%	0.178	16.8%
0.150	3.8%	0.156	2.7%	0.147	4.1%	0.139	4.4%	0.150	3.6%	0.131	4.7%
0.126	-17.9%	0.104	52.9%	0.118	33.1%	0.143	-35.4%	0.095	64.3%	0.132	-2.3%
0.151	0.1%	0.152	5.0%	0.174	18.9%	0.188	-11.4%	0.172	22.2%	0.177	2.4%
0.185	3.6%	0.192	4.5%	0.185	3.7%	0.174	3.9%	0.187	4.9%	0.166	4.1%
0.083	1.5%	0.084	2.6%	0.080	2.7%	0.074	4.4%	0.080	5.2%	0.071	3.9%
0.086	3.5%	0.089	0.7%	0.082	4.9%	0.078	16.5%	0.094	40.5%	0.112	14.7%
0.027	2.2%	0.028	2.0%	0.026	0.8%	0.024	0.9%	0.025	0.4%	0.021	1.2%
0.016	1.5%	0.016	0.8%	0.015	1.0%	0.013	-0.6%	0.014	1.4%	0.012	1.0%
	-0.4%		**8.8%**		**10.1%**		**-3.2%**		**18.4%**		**6.4%**
0.335	0.4%	0.336	5.2%	0.330	5.5%	0.322	6.6%	0.345	14.8%	0.341	15.2%
0.206	2.9%	0.212	2.5%	0.203	3.9%	0.195	3.6%	0.203	3.3%	0.181	4.3%
0.065	-20.0%	0.052	60.7%	0.073	34.1%	0.091	-38.8%	0.056	77.7%	0.085	-5.0%
0.124	-1.5%	0.122	7.1%	0.127	14.5%	0.135	-10.5%	0.121	24.9%	0.131	-1.7%
0.103	3.2%	0.107	4.7%	0.104	3.4%	0.100	3.6%	0.104	4.7%	0.094	3.9%
0.097	2.5%	0.100	3.6%	0.096	3.8%	0.092	4.9%	0.098	5.7%	0.089	4.0%
0.044	3.5%	0.045	0.7%	0.043	4.9%	0.041	16.5%	0.048	40.5%	0.059	14.7%
0.018	2.2%	0.019	1.9%	0.018	0.8%	0.017	1.0%	0.017	0.4%	0.015	1.2%
0.008	2.0%	0.008	0.7%	0.008	1.0%	0.007	-0.7%	0.007	1.4%	0.006	1.0%
	0.02%		**7.2%**		**7.9%**		**-0.6%**		**16.2%**		**6.9%**

Appendix C: Income and Expense Study

C.1 Cross-Sectional Income and Expense Study: Estimated Average Operating & Maintenance Cost (2002) per Apartment per Month by Building Size and Location, Structures Built Before 1947

	Taxes	Labor	Fuel	Water/Sewer	Light & Power	Maint.	Admin.	Insurance	Misc.	Total
Citywide	**$119**	**$59**	**$49**	**$32**	**$20**	**$111**	**$68**	**$34**	**$50**	**$543**
11-19 units	$153	$36	$58	$36	$22	$127	$76	$40	$63	$611
20-99 units	$108	$54	$48	$32	$17	$108	$63	$34	$46	$510
100+ units	$158	$122	$43	$28	$37	$117	$93	$28	$60	$686
Bronx	$66	$46	$53	$33	$17	$102	$52	$38	$39	$447
11-19 units	$70	$39	$68	$39	$27	$131	$48	$44	$64	$530
20-99 units	$67	$44	$52	$33	$17	$100	$52	$38	$38	$440
100+ units	$56	$82	$47	$35	$17	$99	$55	$35	$31	$456
Brooklyn	$86	$39	$49	$31	$16	$90	$50	$31	$39	$433
11-19 units	$92	$24	$64	$35	$18	$110	$58	$36	$58	$494
20-99 units	$85	$39	$48	$30	$15	$88	$49	$31	$37	$422
100+ units	$89	$61	$40	$30	$16	$83	$47	$27	$33	$426
Manhattan	$170	$82	$48	$31	$25	$133	$92	$34	$65	$680
11-19 units	$215	$45	$53	$36	$25	$140	$99	$43	$70	$725
20-99 units	$150	$73	$47	$32	$19	$130	$82	$34	$60	$627
100+ units	$217	$160	$44	$25	$54	$137	$128	$26	$81	$870
Queens	$106	$43	$46	$30	$15	$90	$51	$32	$34	$448
11-19 units	$101	$19	$58	$31	$13	$95	$39	$32	$35	$422
20-99 units	$106	$41	$44	$31	$16	$88	$53	$32	$32	$443
100+ units	$119	$98	$40	$28	$15	$101	$51	$34	$46	$531
Staten Island*	-	-	-	-	-	-	-	-	-	-
Core Man	$224	$96	$43	$30	$30	$138	$107	$33	$75	$775
11-19 units	$229	$45	$50	$35	$24	$136	$99	$43	$71	$731
20-99 units	$212	$82	$41	$30	$20	$137	$97	$33	$70	$722
100+ units	$250	$180	$42	$24	$62	$144	$142	$25	$92	$962
Upper Man	$73	$61	$57	$34	$20	$127	$68	$36	$49	$524
11-19 units	$72	$51	$82	$41	$29	$175	$104	$45	$68	$667
20-99 units	$73	$61	$55	$34	$18	$122	$64	$35	$48	$510
100+ units	$65	$68	$54	$26	$19	$102	$61	$27	$32	$455
City w/o Core Manhattan	$79	$46	$52	$32	$17	$102	$54	$35	$40	$457

* The number of Pre-47 rent stabilized buildings in Staten Island was too small to calculate reliable statistics.

Notes: The sum of the lines may not equal the total due to rounding. Totals in this table may not match those in Table 3 due to rounding. Data in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The category "Utilities" used in the I&E report is the sum of "Water & Sewer" and "Light & Power".

Source: NYC Department of Finance, RPIE Filings.

C.2 Cross-Sectional Income and Expense Study: Estimated Average Operating & Maintenance Cost (2002) per Apartment per Month by Building Size and Location, Structures Built After 1946

	Taxes	Labor	Fuel	Water/Sewer	Light & Power	Maint.	Admin.	Insurance	Misc.	Total
Citywide	**$170**	**$106**	**$38**	**$29**	**$29**	**$108**	**$81**	**$28**	**$54**	**$644**
11-19 units	$167	$25	$40	$30	$26	$117	$71	$35	$57	$569
20-99 units	$124	$66	$40	$30	$24	$98	$61	$29	$43	$516
100+ units	$219	$153	$36	$27	$34	$118	$103	$28	$65	$784
Bronx*	$105	$65	$42	$31	$23	$88	$58	$33	$46	$492
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$95	$54	$45	$30	$21	$90	$55	$34	$43	$468
100+ units	-	-	-	-	-	-	-	-	-	-
Brooklyn*	$107	$75	$43	$30	$22	$103	$62	$29	$45	$515
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$107	$64	$44	$31	$20	$104	$60	$28	$45	$502
100+ units	$104	$110	$41	$27	$27	$98	$67	$29	$45	$547
Manhattan	$327	$186	$35	$25	$38	$134	$140	$30	$84	$999
11-19 units	$250	$24	$42	$30	$33	$143	$110	$38	$109	$780
20-99 units	$229	$89	$30	$27	$25	$119	$93	$26	$59	$698
100+ units	$359	$219	$36	$25	$42	$139	$156	$31	$92	$1,097
Queens	$127	$85	$37	$30	$28	$100	$62	$26	$43	$537
11-19 units	$136	$32	$42	$29	$24	$97	$59	$32	$33	$483
20-99 units	$121	$66	$39	$30	$27	$90	$55	$28	$38	$495
100+ units	$131	$111	$34	$29	$29	$110	$69	$24	$47	$585
St. Island*	$102	$79	$42	$29	$23	$125	$53	$28	$42	$522
20+ units	$94	$85	$43	$29	$22	$126	$50	$28	$40	$502
Core Man	$350	$189	$34	$25	$38	$139	$146	$30	$86	$1,039
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$257	$95	$28	$27	$25	$127	$102	$25	$62	$747
100+ units	$381	$223	$36	$25	$42	$143	$160	$31	$93	$1,134
Upper Man*	$85	$148	$41	$21	$39	$83	$88	$25	$69	$599
City w/o Core Manhattan	$114	$83	$39	$30	$26	$98	$62	$28	$44	$524

* The number of Post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Staten Island, Core and Upper Manhattan as well as buildings with 20-99 and 100+ units in Upper Manhattan were too small to calculate reliable statistics.

Notes: The sum of the lines may not equal the total due to rounding. Totals in this table may not match those in Appendix Table 3 due to rounding. Data in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The category "Utilities" used in the I&E report is the sum of "Water & Sewer" and "Light & Power".

Source: NYC Department of Finance, RPIE Filings.

C.3 Cross-Sectional Income and Expense Study, Estimated Average Rent and Income (2002) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**$990**	**$1,088**	**$644**	**$760**	**$848**	**$543**	**$821**	**$912**	**$570**
11-19 units	$785	$911	$569	$754	$954	$611	$757	$951	$608
20-99 units	$758	$804	$515	$726	$792	$510	$733	$795	$511
100+ units	$1,247	$1,398	$784	$1,003	$1,105	$686	$1,153	$1,284	$746
Bronx	$714	$750	$492	$587	$614	$448	$608	$637	$455
11-19 units	-	-	-	$585	$640	$530	$578	$629	$516
20-99 units	$655	$679	$468	$585	$611	$440	$594	$619	$443
100+ units	-	-	-	$613	$633	$456	$706	$736	$487
Brooklyn	$712	$747	$515	$627	$651	$433	$643	$669	$449
11-19 units	-	-	-	$640	$698	$494	$646	$709	$496
20-99 units	$695	$731	$502	$620	$638	$422	$639	$661	$442
100+ units	$752	$780	$547	$654	$677	$426	$696	$721	$479
Manhattan	$1,695	$1,956	$999	$949	$1,120	$680	$1,081	$1,268	$736
11-19 units	$1,036	$1,289	$780	$880	$1,220	$725	$885	$1,222	$727
20-99 units	$1,122	$1,261	$698	$892	$1,025	$627	$908	$1,041	$632
100+ units	$1,884	$2,184	$1,097	$1,276	$1,442	$870	$1,601	$1,839	$992
Queens	$784	$832	$537	$687	$713	$448	$745	$783	$501
11-19 units	$683	$740	$483	$612	$632	$422	$629	$658	$436
20-99 units	$745	$783	$495	$691	$718	$443	$720	$752	$470
100+ units	$829	$884	$585	$767	$791	$531	$822	$874	$579
St. Island	$716	$751	$509	-	-	-	$716	$751	$509
Core Man	$1,771	$2,053	$1,039	$1,119	$1,334	$775	$1,262	$1,492	$833
11-19 units	-	-	-	$897	$1,257	$731	$904	$1,260	$734
20-99 units	$1,215	$1,374	$747	$1,081	$1,259	$722	$1,095	$1,271	$724
100+ units	$1,959	$2,278	$1,134	$1,420	$1,611	$962	$1,700	$1,957	$1,051
Upper Man	$873	$927	$600	$665	$750	$524	$683	$765	$531
11-19 units	-	-	-	$719	$869	$667	$719	$869	$667
20-99 units	-	-	-	$661	$739	$510	$662	$739	$510
100+ units	-	-	-	$623	$679	$455	$805	$860	$563
City w/o Core Manhattan	$758	$801	$524	$627	$665	$457	$664	$703	$476

Notes: City and borough totals are weighted, while figures for building size categories are unweighted. Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Staten Island, Core and Upper Manhattan as well as buildings with 20-99 and 100+ units in Upper Manhattan were too small to calculate reliable statistics, as was the number of Pre-47 buildings in Staten Island. Borough averages without building size figures for Post-46 Staten Island are provided.

Source: NYC Department of Finance, RPIE Filings.

C.4 Cross-Sectional Income and Expense Study, Net Operating Income in 2002 per Apartment per Month by Building Size and Location

	Post-46	Pre-47	All
Citywide	**$444**	**$305**	**$342**
11-19 units	$343	$343	$343
20-99 units	$289	$282	$283
100+ units	$614	$419	$538
Bronx	$258	$167	$182
11-19 units	-	$109	$113
20-99 units	$211	$171	$176
100+ units	-	$177	$249
Brooklyn	$232	$217	$220
11-19 units	-	$203	$213
20-99 units	$229	$215	$218
100+ units	$233	$250	$243
Manhattan	$957	$440	$532
11-19 units	$509	$495	$495
20-99 units	$562	$399	$410
100+ units	$1,086	$571	$847
Queens	$295	$265	$282
11-19 units	$257	$211	$222
20-99 units	$288	$275	$282
100+ units	$299	$259	$295
St. Island	$241	$0	$241

	Post-46	Pre-47	All
Core Man	$1,014	$559	$659
11-19 units	-	$525	$526
20-99 units	$627	$537	$547
100+ units	$1,144	$648	$906
Upper Man	$328	$226	$234
11-19 units	-	$201	$201
20-99 units	-	$229	$230
100+ units	-	$224	$297
City w/o Core	$277	$208	$227

Notes: City and borough totals are weighted, while figures for building size categories are unweighted. Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of Post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Staten Island and Upper Manhattan as well as buildings with 20-99 and 100+ units in Upper Manhattan were too small to calculate reliable statistics, as was the number of Pre-47 buildings in Staten Island. Borough averages without building size figures for Post-46 Staten Island are provided.

Source: NYC Department of Finance, RPIE Filings.

C.5 Cross-Sectional Distribution of Operating Costs in 2002, by Building Size and Age

	Taxes	Maint.	Labor	Admin.	Utilities	Fuel	Misc.	Insurance	Total
Pre-47	22.0%	20.5%	10.9%	12.6%	9.5%	9.0%	9.1%	6.3%	100.0%
11-19 units	25.1%	20.7%	5.9%	12.5%	9.4%	9.5%	10.3%	6.6%	100.0%
20-99 units	21.1%	21.2%	10.6%	12.4%	9.6%	9.5%	9.0%	6.7%	100.0%
100+ units	23.0%	17.0%	17.7%	13.6%	9.4%	6.3%	8.8%	4.1%	100.0%
Post-46	26.5%	16.8%	16.5%	12.6%	8.9%	5.9%	8.4%	4.4%	100.0%
11-19 units	29.4%	20.5%	4.5%	12.6%	9.9%	7.0%	10.0%	6.2%	100.0%
20-99 units	24.2%	19.0%	12.9%	11.8%	10.5%	7.8%	8.3%	5.6%	100.1%
100+ units	27.9%	15.1%	19.5%	13.2%	7.8%	4.6%	8.3%	3.6%	100.0%
All Bldgs.	23.3%	19.4%	12.6%	12.6%	9.3%	8.1%	8.9%	5.7%	100.0%
11-19 units	25.4%	20.7%	5.8%	12.5%	9.4%	9.3%	10.3%	6.6%	100.0%
20-99 units	21.4%	21.0%	10.7%	12.4%	9.6%	9.4%	8.9%	6.6%	100.0%
100+ units	23.4%	16.8%	17.9%	13.6%	9.3%	6.2%	8.8%	4.0%	100.0%

Source: NYC Department of Finance, RPIE Filings.

C.6 Cross-Sectional Distribution of "Distressed" Buildings, 2002 RPIE Filings

Pre-47	Citywide	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Core Man	Upper Man
11-19 units	267	42	53	147	23	2	120	27
20-99 units	596	225	106	236	28	1	107	129
100+ units	18	3	0	15	0	0	8	7
All	881	270	159	398	51	3	235	163
Post-46	Citywide	Bronx	Brooklyn	Manhattan	Queens	St. Island	Core Man	Upper Man
11-19 units	13	4	1	6	2	0	5	1
20-99 units	31	12	8	3	7	1	2	1
100+ units	7	0	3	2	2	0	1	1
All	51	16	12	11	11	1	8	3
All Bldgs.	Citywide	Bronx	Brooklyn	Manhattan	Queens	St. Island	Core Man	Upper Man
11-19 units	280	46	54	153	25	2	125	28
20-99 units	627	237	114	239	35	2	109	130
100+ units	25	3	3	17	2	0	9	8
All	932	286	171	409	62	4	243	166

Source: NYC Department of Finance, RPIE Filings.

C.7 Cross-Sectional Sample, 2002 RPIE Filings

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
Citywide	**1,441**	**158,517**	**10,905**	**442,144**	**12,346**	**600,661**
11-19 units	118	1,761	2,527	38,178	2,645	39,939
20-99 units	824	48,562	7,994	333,847	8,818	382,409
100+ units	499	108,194	384	70,119	883	178,313
Bronx	217	15,085	2,180	106,912	2,465	121,997
11-19 units	11	156	186	2,758	197	2,914
20-99 units	177	10,477	1,994	93,027	2,171	103,504
100+ units	29	4,452	68	11,127	97	15,579
Brooklyn	275	26,883	2,284	92,095	2,559	118,978
11-19 units	12	179	469	7,093	481	7,272
20-99 units	187	12,420	1,755	77,737	1,942	90,157
100+ units	76	14,284	60	7,265	136	21,549
Manhattan	390	62,716	5,131	192,117	5,521	254,833
11-19 units	36	555	1,560	23,541	1,596	24,096
20-99 units	163	8,342	3,373	124,822	3,536	133,164
100+ units	191	53,819	198	43,754	389	97,573
Queens	503	49,879	1,224	50,184	1,727	100,063
11-19 units	46	683	306	4,684	352	5,367
20-99 units	267	16,122	863	37,857	1,130	53,979
100+ units	190	33,074	55	7,643	245	40,717
St. Island	56	3,954	18	836	74	4,790
11-19 units	13	188	6	102	19	290
20-99 units	30	1,201	9	404	39	1,605
100+ units	13	2,565	3	330	16	2,895
Core Man	347	57,293	3,643	125,856	3,990	183,149
11-19 units	33	509	1,416	21,333	1,449	21,842
20-99 units	136	6,812	2,085	68,696	2,221	75,508
100+ units	178	49,972	142	35,827	320	85,799
Upper Man	43	5,423	1,488	66,261	1,531	71,684
11-19 units	3	46	144	2,208	147	2,254
20-99 units	27	1,530	1,288	56,126	1,315	57,656
100+ units	13	3,847	56	7,927	69	11,774

Source: NYC Department of Finance, RPIE Filings.

C.8 Longitudinal Income and Expense Study, Estimated Average Rent and Income Changes (2001-2002) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	**2.7%**	**3.1%**	**6.7%**	**4.6%**	**4.6%**	**7.0%**	**4.0%**	**4.1%**	**6.9%**
11-19 units	1.6%	1.2%	1.5%	5.3%	5.8%	7.8%	5.0%	5.4%	7.2%
20-99 units	4.5%	4.4%	5.6%	4.8%	4.9%	6.7%	4.8%	4.8%	6.5%
100+ units	1.1%	1.8%	7.7%	3.2%	2.3%	7.6%	1.8%	2.0%	7.7%
Bronx	3.4%	2.9%	5.0%	4.9%	5.2%	7.0%	4.6%	4.8%	6.6%
11-19 units	-	-	-	8.8%	9.6%	10.0%	8.2%	9.0%	9.7%
20-99 units	3.2%	2.3%	5.6%	5.0%	5.4%	6.9%	4.8%	4.9%	6.7%
100+ units	-	-	-	-0.3%	-0.1%	4.7%	2.1%	2.2%	4.8%
Brooklyn	4.6%	5.4%	4.8%	5.4%	5.5%	5.9%	5.2%	5.4%	5.6%
11-19 units	-	-	-	7.0%	7.6%	8.9%	7.3%	7.5%	8.7%
20-99 units	4.5%	5.6%	5.1%	5.1%	5.1%	5.3%	4.9%	5.2%	5.2%
100+ units	5.3%	5.2%	4.3%	5.2%	5.0%	5.4%	5.2%	5.2%	4.7%
Manhattan	-0.4%	0.6%	8.3%	4.2%	4.1%	7.5%	2.9%	3.1%	7.7%
11-19 units	-3.2%	-1.6%	-1.0%	4.2%	4.8%	7.0%	3.9%	4.6%	6.7%
20-99 units	3.7%	2.3%	4.8%	4.6%	4.6%	7.4%	4.5%	4.4%	7.2%
100+ units	-1.0%	0.3%	9.1%	3.1%	2.0%	8.3%	0.5%	0.9%	8.8%
Queens	4.8%	4.8%	6.1%	5.1%	5.3%	6.0%	4.9%	5.0%	6.1%
11-19 units	5.2%	4.0%	1.1%	5.3%	5.3%	7.2%	5.3%	4.9%	5.5%
20-99 units	5.3%	5.3%	6.1%	5.1%	5.3%	5.6%	5.2%	5.3%	5.9%
100+ units	4.4%	4.4%	6.4%	5.0%	5.1%	7.9%	4.5%	4.5%	6.6%
Staten Island	4.9%	3.7%	6.3%	-	-	-	4.9%	3.7%	6.3%
Core Manhattan‡	-0.5%	0.5%	8.3%	3.7%	3.4%	7.4%	2.3%	2.5%	7.6%
11-19 units	-	-	-	1.9%	2.8%	5.1%	1.7%	2.6%	4.8%
20-99 units	3.6%	2.1%	5.2%	4.1%	4.1%	7.3%	4.1%	3.8%	7.1%
100+ units	-1.2%	0.3%	9.1%	3.4%	2.2%	8.8%	0.6%	1.0%	9.0%
Upper Manhattan‡	1.0%	1.7%	8.5%	5.9%	6.1%	8.0%	5.3%	5.7%	8.1%
11-19 units	-	-	-	13.9%	14.8%	14.3%	14.0%	14.9%	14.3%
20-99 units	4.3%	4.7%	0.6%	5.6%	5.7%	7.6%	5.5%	5.7%	7.5%
100+ units	-	-	-	-2.6%	-3.1%	1.4%	-0.7%	-0.3%	7.1%
All City w/o Core Manhattan	4.3%	3.1%	5.9%	5.4%	5.6%	6.8%	5.0%	4.8%	6.6%

Notes: City and borough totals are weighted, while figures for building size categories are unweighted. Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Core and Upper Manhattan as well as buildings with 20-99 units and 100+ units in Upper Manhattan were too small to calculate reliable statistics as was the number of Pre-47 buildings in Staten Island. Borough averages without building size figures for Staten Island are provided.

‡ The data for Core and Upper Manhattan on this chart combine two calculations of rents, income and costs in all their respective categories to take into account inconsistencies between the all-Manhattan values and the combination of the Core and Upper Manhattan figures.

Source: NYC Department of Finance, RPIE Filings.

C.9 Longitudinal Income and Expense Study, Net Operating Income Changes (2001-2002) by Building Size and Location

	Post-46	Pre-47	All
Citywide	**-1.7%**	**0.7%**	**-0.1%**
11-19 units	0.8%	2.4%	2.3%
20-99 units	2.4%	1.8%	1.9%
100+ units	-4.9%	-4.9%	-4.9%
Bronx	-1.0%	0.8%	0.4%
11-19 units	-	7.6%	6.1%
20-99 units	-4.6%	1.6%	0.6%
100+ units	-	-10.1%	-2.3%
Brooklyn	6.7%	4.6%	5.0%
11-19 units	-	4.8%	4.8%
20-99 units	6.7%	4.7%	5.2%
100+ units	7.1%	4.2%	6.2%
Manhattan	-6.4%	-0.8%	-2.6%
11-19 units	-2.5%	1.8%	1.6%
20-99 units	-0.7%	0.5%	0.4%
100+ units	-7.2%	-6.1%	-6.9%
Queens	2.3%	4.1%	3.0%
11-19 units	9.8%	1.7%	3.8%
20-99 units	4.0%	4.9%	4.4%
100+ units	0.5%	-0.1%	0.5%
St. Island	-1.5%		-1.5%

	Post-46	Pre-47	All
Core Manhattan	-6.3%	-1.2%	-3.0%
11-19 units	-	0.7%	0.5%
20-99 units	-1.7%	-0.1%	-0.3%
100+ units	-7.1%	-5.0%	-6.4%
Upper Manhattan	-8.7%	2.5%	1.1%
11-19 units	-	17.3%	17.3%
20-99 units	12.2%	1.8%	2.0%
100+ units	--	-9.4%	-11.0%
All City w/o Core Manhattan	-2.0%	3.0%	1.3%

Notes: City and borough totals are weighted, while figures for building size categories are unweighted. Cost figures in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The number of post-46 rent stabilized buildings with fewer than 20 units in the Bronx, Brooklyn, Core and Upper Manhattan as well as buildings with 20-99 units and 100+ units in Upper Manhattan were too small to calculate reliable statistics as was the number of Pre-47 buildings in Staten Island. Borough averages without building size figures for Staten Island are provided.

Source: NYC Department of Finance, RPIE Filings.

C.10 Longitudinal Sample, 2001 & 2002 RPIE Filings

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
Citywide	**1,328**	**146,317**	**9,727**	**401,205**	**11,055**	**547,522**
11-19 units	99	1,490	2,116	32,098	2,215	33,588
20-99 units	770	45,629	7,267	306,246	8,037	351,875
100+ units	459	99,198	344	62,861	803	162,059
Bronx	204	14,396	2,035	96,985	2,239	111,381
11-19 units	10	144	149	2,232	159	2,376
20-99 units	166	9,930	1,823	85,176	1,989	95,106
100+ units	28	4,322	63	9,577	91	13,899
Brooklyn	256	24,884	2,002	83,430	2,258	108,314
11-19 units	10	149	361	5,439	371	5,588
20-99 units	175	11,626	1,588	71,655	1,763	83,281
100+ units	71	13,109	53	6,336	124	19,445
Manhattan	364	59,175	4,567	173,648	4,931	232,823
11-19 units	34	531	1,333	20,219	1,367	20,750
20-99 units	150	7,704	3,059	114,015	3,209	121,719
100+ units	180	50,940	175	39,414	355	90,354
Queens	457	44,373	1,109	46,402	1,566	90,775
11-19 units	37	553	268	4,122	305	4,675
20-99 units	251	15,286	790	35,076	1,041	50,362
100+ units	169	28,534	51	7,204	220	35,738
St. Island	47	3,489	14	740	61	4,229
11-19 units	8	113	5	86	13	199
20-99 units	28	1,083	7	324	35	1,407
100+ units	11	2,293	2	330	13	2,623
Core Manhattan	324	53,926	3,235	114,222	3,559	168,148
11-19 units	31	485	1,218	18,456	1,249	18,941
20-99 units	126	6,348	1,885	62,228	2,011	68,576
100+ units	167	47,093	132	33,538	299	80,631
Upper Manhattan	40	5,249	1,332	59,426	1,372	64,675
11-19 units	3	46	115	1,763	118	1,809
20-99 units	24	1,356	1,174	51,787	1,198	53,143
100+ units	13	3,847	43	5,876	56	9,723

Source: NYC Department of Finance, RPIE Filings.

Appendix D: 2002 Housing and Vacancy Survey, Summary Tables

D.1 Occupancy Status

	ALL UNITS	Owner Units	Renter Units	Stabilized
Total Number of Units (occupied, vacant available, and vacant not available)	3,208,588@			
Number of Units (occupied and vacant, available)	3,081,772	997,003	2,084,769	1,013,954
Occupied Units	3,005,318	981,814	2,023,504	988,393
Bronx	462,878	103,993	358,885	204,839
Brooklyn	879,557	252,021	627,536	265,208
Manhattan	720,072	162,580	557,492	328,574
Queens	783,734	360,529	423,205	181,068
Staten Island	159,078	102,692	56,386	8,705
Vacant Units	203,270			
Vacant, for rent or sale	76,454	15,189	61,265	25,561
Bronx	14,201	2,001	12,200	6,725
Brooklyn	21,642	4,030	17,612	6,818
Manhattan	26,864	4,475	22,389	9,256
Queens	11,151	3,493	7,658	2,578
Staten Island	2,597	1,190	1,407	184
Asking Rent				
<$300	-	-	983	0
$300-$399	-	-	2,295	753
$400-$499	-	-	2,965	746
$500-$599	-	-	2,371	1,597
$600-$699	-	-	4,902	2,972
$700-$799	-	-	7,102	4,237
$800-$899	-	-	7,985	3,298
$900-$999	-	-	5,716	3,133
$1000-$1249	-	-	8,975	3,481
$1250+	-	-	17,968	5,345
Vacant, not for rent or sale	126,816	-	-	-
Bronx	13,928	-	-	-
Brooklyn	28,887	-	-	-
Manhattan	51,925	-	-	-
Queens	25,819	-	-	-
Staten Island	6,258	-	-	-
Dilapidated	5,481	-	-	-
Rented-Not Yet Occupied	6,016	-	-	-
Sold-Not Yet Occupied	7,889	-	-	-
Undergoing Renovation	21,951	-	-	-
Awaiting Renovation	17,958	-	-	-
Non-Residential Use	598	-	-	-
Legal Dispute	10,631	-	-	-
Awaiting Conversion	377	-	-	-
Held for Occasional Use	42,902	-	-	-
Unable to Rent or Sell	7,240	-	-	-
Held Pending Sale of Building	1,430	-	-	-
Held for Planned Demolition	200	-	-	-
Held for Other Reasons	3,279	-	-	-
(Not Reported)	863	-	-	-

@ All housing units, including owner-occupied, renter-occupied, vacant for rent, vacant for sale, and vacant unavailable.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Total Number of Units
773,673	240,282	59,324	65,189	178,074	103,249	664,977	Number of Units (occupied and vacant, available)
752,130	236,263	59,324	63,818	174,490	99,111	638,368	Occupied Units
168,423	36,416	5,496	18,866	42,657	14,669	72,358	Bronx
208,442	56,766	15,949	21,053	57,894	22,564	244,868	Brooklyn
274,059	54,515	27,537	14,418	54,850	42,326	89,787	Manhattan
99,025	82,042	10,342	7,986	16,018	16,190	191,602	Queens
2,182	6,523	0	1,494	3,071	3,362	39,754	Staten Island
							Vacant Units
21,543	4,019	0	1,371	3,584	4,138	26,609	Vacant, for rent or sale
5,876	849	0	362	936	633	3,544	Bronx
5,661	1,158	0	830	1,328	898	7,736	Brooklyn
8,256	1,000	0	179	841	2,102	10,010	Manhattan
1,750	828	0	0	206	180	4,694	Queens
0	184	0	0	273	325	625	Staten Island
							Asking Rent
0	0	-	0	965	18	0	<$300
753	0	-	0	455	285	802	$300-$399
746	0	-	0	1,768	237	214	$400-$499
1,170	426	-	407	0	209	159	$500-$599
2,132	839	-	407	223	211	1,090	$600-$699
4,090	147	-	378	0	458	2,029	$700-$799
2,619	679	-	0	0	571	4,116	$800-$899
2,491	642	-	0	174	0	2,409	$900-$999
3,227	254	-	179	0	455	4,860	$1000-$1249
4,313	1,032	-	0	0	1,693	10,930	$1250+
-	-	-	-	-	-	-	Vacant, not for rent or sale
-	-	-	-	-	-	-	Bronx
-	-	-	-	-	-	-	Brooklyn
-	-	-	-	-	-	-	Manhattan
-	-	-	-	-	-	-	Queens
-	-	-	-	-	-	-	Staten Island
-	-	-	-	-	-	-	Dilapidated
-	-	-	-	-	-	-	Rented-Not Yet Occupied
-	-	-	-	-	-	-	Sold-Not Yet Occupied
-	-	-	-	-	-	-	Undergoing Renovation
-	-	-	-	-	-	-	Awaiting Renovation
-	-	-	-	-	-	-	Non-Residential Use
-	-	-	-	-	-	-	Legal Dispute
-	-	-	-	-	-	-	Awaiting Conversion
-	-	-	-	-	-	-	Held for Occasional Use
-	-	-	-	-	-	-	Unable to Rent or Sell
-	-	-	-	-	-	-	Held Pending Sale of Building
-	-	-	-	-	-	-	Held for Planned Demolition
-	-	-	-	-	-	-	Held for Other Reasons
-	-	-	-	-	-	-	(Not Reported)

* Other Regulated Rentals encompasses *In Rem* units, as well as those regulated by HUD, Article 4 or 5, and the New York City Loft Board.

** Other Rentals encompasses dwellings which have never been regulated, units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.1 Occupancy Status (Continued)

	ALL UNITS	Owner Units	Renter Units	Stabilized
Total Number of Units (occupied, vacant available, and vacant not available)	3,208,588@			
Number of Units (occupied and vacant, available)	3,081,772	32.4%	67.6%	32.9%
Occupied Units	3,005,318	32.7%	67.3%	32.9%
Bronx	15.4%	10.6%	17.7%	20.7%
Brooklyn	29.3%	25.7%	31.0%	26.8%
Manhattan	24.0%	16.6%	27.6%	33.2%
Queens	26.1%	36.7%	20.9%	18.3%
Staten Island	5.3%	10.5%	2.8%	0.9%
Vacant Units	203,270			
Vacant, for rent or sale	76,454	19.9%	80.1%	33.4%
Bronx	18.6%	13.2%	19.9%	26.3%
Brooklyn	28.3%	26.5%	28.7%	26.7%
Manhattan	35.1%	29.5%	36.5%	36.2%
Queens	14.6%	23.0%	12.5%	10.1%
Staten Island	3.4%	7.8%	2.3%	0.7%
Asking Rent				
<$300	-	-	1.6%	0.0%
$300-$399	-	-	3.7%	2.9%
$400-$499	-	-	4.8%	2.9%
$500-$599	-	-	3.9%	6.2%
$600-$699	-	-	8.0%	11.6%
$700-$799	-	-	11.6%	16.6%
$800-$899	-	-	13.0%	12.9%
$900-$999	-	-	9.3%	12.3%
$1000-$1249	-	-	14.6%	13.6%
$1250+	-	-	29.3%	20.9%
Vacant, not for rent or sale	126,816			
Bronx	11.0%	-	-	-
Brooklyn	22.8%	-	-	-
Manhattan	40.9%	-	-	-
Queens	20.4%	-	-	-
Staten Island	4.9%	-	-	-
Dilapidated	4.3%	-	-	-
Rented-Not Yet Occupied	4.7%	-	-	-
Sold-Not Yet Occupied	6.2%	-	-	-
Undergoing Renovation	17.3%	-	-	-
Awaiting Renovation	14.2%	-	-	-
Non-Residential Use	0.5%	-	-	-
Legal Dispute	8.4%	-	-	-
Awaiting Conversion	0.3%	-	-	-
Held for Occasional Use	33.8%	-	-	-
Unable to Rent or Sell	5.7%	-	-	-
Held Pending Sale of Building	1.1%	-	-	-
Held for Planned Demolition	0.2%	-	-	-
Held for Other Reasons	2.6%	-	-	-
(Not Reported)	0.7%	-	-	-

@ All housing units, including owner-occupied, renter-occupied, vacant for rent, vacant for sale, and vacant unavailable.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Total Number of Units
76.3%	23.7%	1.9%	2.1%	5.8%	3.4%	21.6%	Number of Units (occupied and vacant, available)
76.1%	23.9%	2.0%	2.1%	5.8%	3.3%	21.2%	Occupied Units
22.4%	15.4%	9.3%	29.6%	24.4%	14.8%	11.3%	Bronx
27.7%	24.0%	26.9%	33.0%	33.2%	22.8%	38.4%	Brooklyn
36.4%	23.1%	46.4%	22.6%	31.4%	42.7%	14.1%	Manhattan
13.2%	34.7%	17.4%	12.5%	9.2%	16.3%	30.0%	Queens
0.3%	2.8%	0.0%	2.3%	1.8%	3.4%	6.2%	Staten Island
							Vacant Units
28.2%	5.3%	0.0%	1.8%	4.7%	5.4%	34.8%	Vacant, for rent or sale
27.3%	21.1%	0.0%	26.4%	26.1%	15.3%	13.3%	Bronx
26.3%	28.8%	0.0%	60.5%	37.1%	21.7%	29.1%	Brooklyn
38.3%	24.9%	0.0%	13.1%	23.5%	50.8%	37.6%	Manhattan
8.1%	20.6%	0.0%	0.0%	5.7%	4.3%	17.6%	Queens
0.0%	4.6%	0.0%	0.0%	7.6%	7.9%	2.3%	Staten Island
							Asking Rent
0.0%	0.0%	0.0%	0.0%	26.9%	0.4%	0.0%	<$300
3.5%	0.0%	0.0%	0.0%	12.7%	6.9%	3.0%	$300-$399
3.5%	0.0%	0.0%	0.0%	49.3%	5.7%	0.8%	$400-$499
5.4%	10.6%	0.0%	29.7%	0.0%	5.1%	0.6%	$500-$599
9.9%	20.9%	0.0%	29.7%	6.2%	5.1%	4.1%	$600-$699
19.0%	3.7%	0.0%	27.6%	0.0%	11.1%	7.6%	$700-$799
12.2%	16.9%	0.0%	0.0%	0.0%	13.8%	15.5%	$800-$899
11.6%	16.0%	0.0%	0.0%	4.9%	0.0%	9.1%	$900-$999
15.0%	6.3%	0.0%	13.1%	0.0%	11.0%	18.3%	$1000-$1249
20.0%	25.7%	0.0%	0.0%	0.0%	40.9%	41.1%	$1250+
							Vacant, not for rent or sale
-	-	-	-	-	-	-	Bronx
-	-	-	-	-	-	-	Brooklyn
-	-	-	-	-	-	-	Manhattan
-	-	-	-	-	-	-	Queens
-	-	-	-	-	-	-	Staten Island
-	-	-	-	-	-	-	Dilapidated
-	-	-	-	-	-	-	Rented-Not Yet Occupied
-	-	-	-	-	-	-	Sold-Not Yet Occupied
-	-	-	-	-	-	-	Undergoing Renovation
-	-	-	-	-	-	-	Awaiting Renovation
-	-	-	-	-	-	-	Non-Residential Use
-	-	-	-	-	-	-	Legal Dispute
-	-	-	-	-	-	-	Awaiting Conversion
-	-	-	-	-	-	-	Held for Occasional Use
-	-	-	-	-	-	-	Unable to Rent or Sell
-	-	-	-	-	-	-	Held Pending Sale of Building
-	-	-	-	-	-	-	Held for Planned Demolition
-	-	-	-	-	-	-	Held for Other Reasons
-	-	-	-	-	-	-	(Not Reported)

* Other Regulated Rentals encompasses *In Rem* units, as well as those regulated by HUD, Article 4 or 5, and the New York City Loft Board.

** Other Rentals encompasses dwellings which have never been regulated, units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.2 Economic Characteristics

	All Households@	Owner Households	Renter Households	Stabilized
Monthly Contract Rent				
$0-$199	-	-	99,102	17,078
$200-$299	-	-	75,588	19,921
$300-$399	-	-	81,855	29,516
$400-$499	-	-	141,552	72,267
$500-$599	-	-	225,024	144,249
$600-$699	-	-	280,697	170,874
$700-$799	-	-	265,526	151,395
$800-$899	-	-	214,879	106,687
$900-$999	-	-	145,813	69,461
$1000-$1249	-	-	199,773	88,748
$1250-$1499	-	-	75,456	40,722
$1500-$1749	-	-	58,259	32,254
$1750+	-	-	115,000	27,865
(No Cash Rent)	-	-	(44,985)	(17,357)
Mean	-	-	$832	$795
Mean/Room	-	-	$276	$300
Median	-	-	$706	$700
Median/Room	-	-	$208	$226
Monthly Cost of Electricity				
Mean	$70	$91	$56	$53
Median	$57	$75	$50	$47
Monthly Cost of Utility Gas				
Mean	$75	$127	$36	$27
Median	$35	$100	$25	$20
Monthly Cost of Water/Sewer				
Mean	$36	$36	$34	-
Median	$33	$33	$33	-
Monthly Cost of Other Fuels				
Mean	$125	$127	$86	-
Median	$100	$100	$37	-
Monthly Mortgage Payments				
Mean	-	$1,363	-	-
Median	-	$1,208	-	-
Monthly Insurance Payments				
Mean	-	$74	-	-
Median	-	$63	-	-
Monthly Property Taxes				
Mean	-	$159	-	-
Median	-	$142	-	-

@ All households, including owners and renters.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Monthly Contract Rent
12,964	4,114	4,593	3,107	58,514	13,951	1,859	$0-$199
16,276	3,645	5,941	4,878	30,471	8,289	6,088	$200-$299
25,105	4,410	7,958	2,225	23,056	8,478	10,622	$300-$399
62,553	9,714	7,523	6,868	30,793	3,976	20,125	$400-$499
116,085	28,164	8,735	8,551	16,871	7,592	39,026	$500-$599
131,000	39,874	5,061	12,349	10,614	6,570	75,229	$600-$699
112,997	38,398	4,625	10,424	2,316	7,922	88,844	$700-$799
75,265	31,422	3,494	4,928	354	9,405	90,011	$800-$899
46,688	22,773	1,366	3,626	336	6,964	64,060	$900-$999
65,190	23,557	2,575	4,388	147	10,015	93,900	$1000-$1249
30,450	10,272	1,121	1,406	348	3,994	27,865	$1250-$1499
25,716	6,538	1,836	550	0	2,574	21,045	$1500-$1749
19,439	8,427	1,995	174	669	8,521	75,776	$1750+
(12,403)	(4,954)	(2,503)	(345)	(0)	(862)	(23,918)	(No Cash Rent)
$780	$843	$612	$649	$337	$805	$1,038	Mean
$295	$317	$181	$203	$88	$305	$302	Mean/Room
$700	$750	$500	$635	$290	$700	$850	Median
$219	$250	$146	$183	$76	$200	$216	Median/Room
							Monthly Cost of Electricity
$52	$55	$50	$59	$55	$54	$62	Mean
$46	$50	$40	$50	$50	$45	$50	Median
							Monthly Cost of Utility Gas
$27	$31	$28	$34	$35	$31	$48	Mean
$20	$23	$20	$20	$24	$23	$30	Median
							Monthly Cost of Water/Sewer
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Other Fuels
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Mortgage Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Insurance Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Property Taxes
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 or 5, and the New York City Loft Board.
** Other Rentals encompass dwellings which have never been regulated, units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
Monthly Contract Rent				
$0-$199	-	-	5.0%	1.8%
$200-$299	-	-	3.8%	2.1%
$300-$399	-	-	4.1%	3.0%
$400-$499	-	-	7.2%	7.4%
$500-$599	-	-	11.4%	14.9%
$600-$699	-	-	14.2%	17.6%
$700-$799	-	-	13.4%	15.6%
$800-$899	-	-	10.9%	11.0%
$900-$999	-	-	7.4%	7.2%
$1000-$1249	-	-	10.1%	9.1%
$1250-$1499	-	-	3.8%	4.2%
$1500-$1749	-	-	2.9%	3.3%
$1750+	-	-	5.8%	2.9%
(No Cash Rent)	-	-	-	-
Mean	-	-	-	-
Mean/Room	-	-	-	-
Median	-	-	-	-
Median/Room	-	-	-	-
Monthly Cost of Electricity				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Utility Gas				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Water/Sewer				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Cost of Other Fuels				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Mortgage Payments				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Insurance Payments				
Mean	-	-	-	-
Median	-	-	-	-
Monthly Property Taxes				
Mean	-	-	-	-
Median	-	-	-	-

@ All households, including owners and renters.
Totals may not add to 100% due to rounding.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Monthly Contract Rent
1.8%	1.8%	8.1%	4.9%	33.5%	14.2%	0.3%	$0-$199
2.2%	1.6%	10.5%	7.7%	17.5%	8.4%	1.0%	$200-$299
3.4%	1.9%	14.0%	3.5%	13.2%	8.6%	1.7%	$300-$399
8.5%	4.2%	13.2%	10.8%	17.6%	4.0%	3.3%	$400-$499
15.7%	12.2%	15.4%	13.5%	9.7%	7.7%	6.4%	$500-$599
17.7%	17.2%	8.9%	19.5%	6.1%	6.7%	12.2%	$600-$699
15.3%	16.6%	8.1%	16.4%	1.3%	8.1%	14.5%	$700-$799
10.2%	13.6%	6.1%	7.8%	0.2%	9.6%	14.6%	$800-$899
6.3%	9.8%	2.4%	5.7%	0.2%	7.1%	10.4%	$900-$999
8.8%	10.2%	4.5%	6.9%	0.1%	10.2%	15.3%	$1000-$1249
4.1%	4.4%	2.0%	2.2%	0.2%	4.1%	4.5%	$1250-$1499
3.5%	2.8%	3.2%	0.9%	0.0%	2.6%	3.4%	$1500-$1749
2.6%	3.6%	3.5%	0.3%	0.4%	8.7%	12.3%	$1750+
-	-	-	-	-	-	-	(No Cash Rent)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Mean/Room
-	-	-	-	-	-	-	Median
-	-	-	-	-	-	-	Median/Room
							Monthly Cost of Electricity
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Utility Gas
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Water/Sewer
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Cost of Other Fuels
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Mortgage Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Insurance Payments
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							Monthly Property Taxes
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 or 5, and the New York City Loft Board.

** Other Rentals encompass dwellings which have never been regulated, units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

Totals may not add to 100% due to rounding.

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
2001 Total Household Income				
Loss, no income or <$5000	173,194	32,965	140,230	67,300
$5000-$9999	268,014	33,060	234,954	97,566
$10,000-$19,999	411,519	89,831	321,687	159,627
$20,000-$29,999	338,684	81,638	257,045	127,669
$30,000-$39,999	328,312	79,836	248,476	123,178
$40,000-$49,999	275,506	84,735	190,771	96,910
$50,000-$59,999	225,280	79,369	145,911	72,176
$60,000-$69,999	194,951	83,068	111,883	58,873
$70,000-$79,999	158,938	65,337	93,601	51,325
$80,000-$89,999	119,938	59,117	60,821	32,650
$90,000-$99,999	83,576	43,674	39,902	19,470
$100,000+	427,40	249,183	178,223	81,647
(Not Reported)	-	-	-	-
Mean	$57,858	$83,156	$45,583	$46,439
Median	$38,880	$60,000	$31,000	$32,000
Contract Rent to Income Ratio				
<10%	-	-	162,234	80,260
10%-19%	-	-	501,891	258,654
20%-29%	-	-	438,243	199,594
30%-39%	-	-	231,276	110,110
40%-49%	-	-	142,056	67,087
50%-59%	-	-	91,201	42,190
60%-69%	-	-	71,710	35,925
70%+	-	-	272,252	142,117
(Not Computed)	-	-	(112,639)	(52,456)
Mean	-	-	33.9%	34.3%
Median	-	-	26.4%	25.7%
Households in Poverty				
Households Below 100% of Poverty Level	525,420	70,865	454,555	204,386
Households at or Above 100% of Poverty Level	2,479,898	910,950	1,568,948	784,007
(Not Reported)	-	-	-	-
Households Below 125% of Poverty Level	675,142	100,425	574,717	262,316
Households at or Above 125% of Poverty Level	2,330,176	881,390	1,448,786	726,077
(Not Reported)	-	-	-	-
Households Receiving Public Assistance¥	353,410	40,950	312,460	145,280
Households Not Receiving Public Assistance	2,258,983	801,063	1,457,920	721,755
(Do Not Know)	(12,200)	(2,564)	(9,636)	(4,660)
(Not Reported)	(380,724)	(137,237)	(243,487)	(116,698)
Households Receiving TANF§	56,535	2,245	54,290	29,342
Households Receiving Safety Net	16,887	918	15,969	9,941
Households Receiving SSI	166,582	21,869	144,713	61,688
Households Receiving Other Public Assistance	149,961	18,328	131,633	61,778
Households Receiving Rent Subsidy				
Households Receiving Section 8 Certif./Voucher	-	-	119,135	67,128
Households Receiving Shelter Allowance	-	-	73,419	37,300
Households Receiving SCRIE∞	-	-	29,439	20,726
Households Receiving Another Federal Housing Subsidy	-	-	21,739	5,600
Households Receiving Another State/City Housing Subsidy	-	-	32,632	12,463

§Temporary Assistance for Needy Families
∞Senior Citizens Rent Increase Exemption
@ All households, including owners and renters.

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
Pre-1947	*Post-1946*	Controlled	Lama	Housing	Regulated*	Rentals**	
							2001 Total Household Income
55,492	11,809	5,143	5,956	22,322	*39,508°*		Loss, no income or <$5000
75,941	21,625	10,464	9,803	55,088	*62,033°*		$5000-$9999
119,403	40,224	13,811	10,715	41,773	*95,761°*		$10,000-$19,999
102,193	25,476	6,532	9,502	22,797	*90,547°*		$20,000-$29,999
96,693	26,486	4,572	9,323	13,728	*97,676°*		$30,000-$39,999
75,854	21,056	5,711	7,240	7,249	*73,661°*		$40,000-$49,999
52,306	19,870	3,129	2,601	4,545	*63,460°*		$50,000-$59,999
41,449	17,424	2,134	2,811	1,769	*46,296°*		$60,000-$69,999
37,224	14,101	2,281	1,980	1,999	*36,015°*		$70,000-$79,999
22,772	9,878	1,190	1,265	0	*25,715°*		$80,000-$89,999
13,651	5,818	1,118	220	1,336	*17,758°*		$90,000-$99,999
59,152	22,495	3,240	2,401	1,885	*89,049°*		$100,000+
-	-	-	-	-	-		(Not Reported)
$46,099	$47,521	$36,003	$31,358	$19,009	*$52,726°*		Mean
$31,000	$35,650	$20,120	$25,600	$11,988	*$37,000°*		Median
							Contract Rent to Income Ratio
61,433	18,827	8,431	5,033	17,292	*51,218°*		<10%
192,396	66,257	11,973	13,501	34,763	*183,001°*		10%-19%
153,086	46,509	9,544	13,103	51,483	*164,517°*		20%-29%
87,001	23,109	5,057	9,069	25,988	*81,053°*		30%-39%
48,824	18,263	5,059	3,531	12,473	*53,907°*		40%-49%
31,945	10,245	4,683	2,093	6,842	*35,393°*		50%-59%
27,830	8,095	1,293	2,771	3,418	*28,303°*		60%-69%
109,295	32,822	8,807	11,786	15,138	*94,405°*		70%+
(40,321)	(12,135)	(4,476)	(2,932)	(7,093)	*(45,682)°*		(Not Computed)
34.5%	33.9%	33.8%	37.7%	30.8%	*33.8%°*		Mean
26.0%	24.8%	27.3%	29.0%	27.6%	*26.3%°*		Median
							Households in Poverty
167,548	36,838	14,584	16,844	87,010	33,405	98,326	Households Below 100% of Poverty Level
584,583	199,425	44,739	46,974	87,480	65,706	540,042	Households at or Above 100% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
213,876	48,440	17,927	21,931	101,550	41,357	129,636	Households Below 125% of Poverty Level
538,255	187,823	41,396	41,887	72,940	57,754	508,732	Households at or Above 125% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
115,317	29,962	5,651	12,009	63,015	*86,506°*		Households Receiving Public Assistance¥
544,056	177,700	44,087	42,044	96,688	*553,346°*		Households Not Receiving Public Assistance
(3,878)	(782)	(549)	(371)	(1,382)	*(2,674)°*		(Do Not Know)
(88,879)	(27,819)	(9,036)	(9,394)	(13,405)	*(94,953)°*		(Not Reported)
25,131	4,211	582	1,834	13,040	2,315	7,177	Households Receiving TANF§
9,302	639	0	1,310	1,454	1,148	2,116	Households Receiving Safety Net
46,096	15,592	2,372	7,224	34,860	13,116	25,453	Households Receiving SSI
49,331	12,447	2,899	3,094	21,353	9,175	33,334	Households Receiving Other Public Assistance
							Households Receiving Rent Subsidy
58,318	8,810	125	7,166	5,808	17,875	21,033	Households Receiving Section 8 Certif./Voucher
34,070	3,229	551	2,352	15,376	4,569	13,271	Households Receiving Shelter Allowance
11,942	8,784	2,651	775	754	3,355	1,178	Households Receiving SCRIE∞
5,026	574	204	3,604	4,806	4,594	2,931	Households Receiving Another Federal Housing Subsidy
7,988	4,475	535	3,238	12,443	2,159	1,794	Households Receiving Another State/City Housing Subsidy

° Separate public assistance figures cannot be run for "Other Regulated" and "Other Rentals" households. The households receiving assistance for these two categories are reported together.

¥ Because households can receive more than one type of public assistance, the sum of the households receiving each category of assistance (TANF, Safety Net, etc.) exceed the total households receiving public assistance.

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
2001 Total Household Income				
Loss, no income or <$5000	5.8%	3.4%	6.9%	6.8%
$5000-$9999	8.9%	3.4%	11.6%	9.9%
$10,000-$19,999	13.7%	9.1%	15.9%	16.2%
$20,000-$29,999	11.3%	8.3%	12.7%	12.9%
$30,000-$39,999	10.9%	8.1%	12.3%	12.5%
$40,000-$49,999	9.2%	8.6%	9.4%	9.8%
$50,000-$59,999	7.5%	8.1%	7.2%	7.3%
$60,000-$69,999	6.5%	8.5%	5.5%	6.0%
$70,000-$79,999	5.3%	6.7%	4.6%	5.2%
$80,000-$89,999	4.0%	6.0%	3.0%	3.3%
$90,000-$99,999	2.8%	4.4%	2.0%	2.0%
$100,000+	14.2%	25.4%	8.8%	8.3%
(Not Reported)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-
Contract Rent to Income Ratio				
<10%	-	-	8.5%	8.6%
10%-19%	-	-	26.3%	27.6%
20%-29%	-	-	22.9%	21.3%
30%-39%	-	-	12.1%	11.8%
40%-49%	-	-	7.4%	7.2%
50%-59%	-	-	4.8%	4.5%
60%-69%	-	-	3.8%	3.8%
70%+	-	-	14.2%	15.2%
(Not Computed)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-
Households in Poverty				
Households Below 100% of Poverty Level	17.5%	7.2%	22.5%	20.7%
Households at or Above 100% of Poverty Level	82.5%	92.8%	77.5%	79.3%
(Not Reported)	-	-	-	-
Households Below 125% of Poverty Level	22.5%	10.2%	28.4%	26.5%
Households at or Above 125% of Poverty Level	77.5%	89.8%	71.6%	73.5%
(Not Reported)	-	-	-	-
Households Receiving Public Assistance¥	13.5%	4.9%	17.6%	16.8%
(Not Reported)	-	-	-	-
Households Receiving TANF§	2.2%	0.3%	3.1%	3.4%
Households Receiving Safety Net	0.7%	0.1%	0.9%	1.2%
Households Receiving SSI	6.4%	2.6%	8.2%	7.2%
Households Receiving Other Public Assistance	5.8%	2.2%	7.6%	7.2%
Households Receiving Rent Subsidy				
Households Receiving Section 8 Certif./Voucher	-	-	7.1%	8.1%
Households Receiving Shelter Allowance	-	-	4.4%	4.5%
Households Receiving SCRIE∞	-	-	7.8%	12.3%
Households Receiving Another Federal Housing Subsidy	-	-	1.3%	0.7%
Households Receiving Another State/City Housing Subsidy	-	-	2.0%	1.5%

§Temporary Assistance for Needy Families
∞Senior Citizens Rent Increase Exemption
@ All households, including owners and renters.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							2001 Total Household Income
7.4%	5.0%	8.7%	9.3%	12.8%	*5.4%°*		Loss, no income or<$5000
10.1%	9.2%	17.6%	15.4%	31.6%	*8.4%°*		$5000-$9999
15.9%	17.0%	23.3%	16.8%	23.9%	*13.0%°*		$10,000-$19,999
13.6%	10.8%	11.0%	14.9%	13.1%	*12.3%°*		$20,000-$29,999
12.9%	11.2%	7.7%	14.6%	7.9%	*13.2%°*		$30,000-$39,999
10.1%	8.9%	9.6%	11.3%	4.2%	*10.0%°*		$40,000-$49,999
7.0%	8.4%	5.3%	4.1%	2.6%	*8.6%°*		$50,000-$59,999
5.5%	7.4%	3.6%	4.4%	1.0%	*6.3%°*		$60,000-$69,999
4.9%	6.0%	3.8%	3.1%	1.1%	*4.9%°*		$70,000-$79,999
3.0%	4.2%	2.0%	2.0%	0.0%	*3.5%°*		$80,000-$89,999
1.8%	2.5%	1.9%	0.3%	0.8%	*2.4%°*		$90,000-$99,999
7.9%	9.5%	5.5%	3.8%	1.1%	*12.1%°*		$100,000+
-	-	-	-	-	-		(Not Reported)
-	-	-	-	-	-		Mean
-	-	-	-	-	-		Median
							Contract Rent to Income Ratio
8.6%	8.4%	15.4%	8.3%	10.3%	*7.4%°*		<10%
27.0%	29.6%	21.8%	22.2%	20.8%	*26.5%°*		10%-19%
21.5%	20.8%	17.4%	21.5%	30.8%	*23.8%°*		20%-29%
12.2%	10.3%	9.2%	14.9%	15.5%	*11.7%°*		30%-39%
6.9%	8.1%	9.2%	5.8%	7.5%	*7.8%°*		40%-49%
4.5%	4.6%	8.5%	3.4%	4.1%	*5.1%°*		50%-59%
3.9%	3.6%	2.4%	4.6%	2.0%	*4.1%°*		60%-69%
15.4%	14.6%	16.1%	19.4%	9.0%	*13.6%°*		70%+
-	-	-	-	-	-		(Not Computed)
-	-	-	-	-	-		Mean
-	-	-	-	-	-		Median
							Households in Poverty
22.3%	15.6%	24.6%	26.4%	49.9%	33.7%	15.4%	Households Below 100% of Poverty Level
77.7%	84.4%	75.4%	73.6%	50.1%	66.3%	84.6%	Households at or Above 100% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
28.4%	20.5%	30.2%	34.4%	58.2%	41.7%	20.3%	Households Below 125% of Poverty Level
71.6%	79.5%	69.8%	65.6%	41.8%	58.3%	79.7%	Households at or Above 125% of Poverty Level
-	-	-	-	-	-	-	(Not Reported)
17.5%	14.4%	11.4%	22.2%	39.5%	*13.5%°*		Households Receiving Public Assistance¥
-	-	-	-	-	-		(Not Reported)
3.8%	2.0%	1.2%	3.4%	8.2%	2.7%	1.3%	Households Receiving TANF§
1.4%	0.3%	0.0%	2.4%	0.9%	1.3%	0.4%	Households Receiving Safety Net
7.0%	7.5%	4.8%	13.4%	21.9%	15.3%	4.6%	Households Receiving SSI
7.6%	6.1%	6.0%	5.8%	13.7%	10.8%	6.1%	Households Receiving Other Public Assistance
							Households Receiving Rent Subsidy
9.2%	4.5%	0.3%	14.0%	3.8%	21.5%	4.1%	Households Receiving Section 8 Certif./Voucher
5.4%	1.6%	1.1%	4.6%	10.0%	5.4%	2.6%	Households Receiving Shelter Allowance
11.3%	14.2%	7.6%	4.5%	1.5%	10.2%	1.6%	Households Receiving SCRIE∞
0.8%	0.3%	0.4%	7.1%	3.2%	5.5%	0.6%	Households Receiving Another Federal Housing Subsidy
1.3%	2.3%	1.1%	6.5%	8.2%	2.6%	0.4%	Households Receiving Another State/City Housing Subsidy

° Separate public assistance figures cannot be run for "Other Regulated" and "Other Rentals" households. The households receiving assistance for these two categories are reported together.

¥ Because households can receive more than one type of public assistance, the sum of the households receiving each category of assistance (TANF, Safety Net, etc.) exceed the total households receiving public assistance.

D.3 Demographic Characteristics

	All Households@	Owner Households	Renter Households	Stabilized
Year Moved Into Current Dwelling				
1999-2002	888,822	172,499	716,323	323,475
1996-1998	507,151	139,544	367,607	177,973
1993-1995	319,815	94,210	225,605	124,205
1990-1992	253,173	90,145	163,028	89,155
1987-1989	155,940	69,203	86,737	41,488
1984-1986	121,278	56,947	64,331	34,167
1981-1983	116,060	45,258	70,802	43,064
1971-1980	357,504	151,764	205,740	122,253
Prior to 1971	285,576	162,245	123,331	32,613
Household Composition				
Married Couples	1,167,823	535,148	632,675	290,379
Children <18 Years of Age	408,187	159,129	249,058	113,575
w/o Children <18 Years of Age	187,123	105,083	82,040	33,992
Other Household Members	146,573	74,114	72,459	32,447
w/o Other Household Members	425,940	196,822	229,118	110,365
(Not Reported)	-	-	-	-
Female Householder	1,184,201	291,895	892,306	439,085
Children <18 Years of Age	192,206	22,512	169,694	77,066
w/o Children <18 Years of Age	261,699	75,328	186,371	89,927
Other Household Members	145,214	28,861	116,353	56,559
w/o Other Household Members	585,082	165,194	419,888	215,533
(Not Reported)	-	-	-	-
Male Householder	653,297	154,773	498,524	258,928
Children <18 Years of Age	17,403	4,279	13,124	5,708
w/o Children <18 Years of Age	189,587	41,715	147,872	72,571
Other Household Members	40,412	10,143	30,269	15,474
w/o Other Household Members	405,895	98,636	307,259	165,175
(Not Reported)	-	-	-	-
(Sex Not Reported)	-	-	-	-
Race of Householder				
White, non-Hispanic	1,334,138	568,164	765,974	382,152
Black, non-Hispanic	717,575	209,524	508,051	214,228
Puerto Rican	266,213	40,528	225,685	104,011
Other Spanish/Hispanic	398,620	60,314	338,306	206,037
Asian/Pacific Islander	266,922	96,045	170,877	74,061
American/Aleut/Eskimo	5,587	2,353	3,234	1,174
Two or more races	16,262	4,888	11,374	6,730
(Not Reported)	-	-	-	-
Age of Householder				
Under 25 years	106,159	8,701	97,458	49,430
25-34	583,047	87,347	495,700	252,676
35-44	729,652	212,424	517,228	252,636
45-54	596,395	231,631	364,764	189,711
55-61	305,769	134,393	171,376	83,307
62-64	97,172	41,721	55,451	25,559
65-74	316,907	143,251	173,656	79,472
75-84	198,356	91,398	106,958	43,517
85 or more years	71,860	30,947	40,913	12,083
(Not Reported)	-	-	-	-
Mean	48	54	46	45
Median	45	52	42	42

@ All households, including owners and renters.

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
Pre-1947	*Post-1946*	Controlled	Lama	Housing	Regulated*	Rentals**	
							Year Moved Into Current Dwelling
249,218	74,256	2,925	16,466	29,098	26,227	318,133	1999-2002
141,367	36,606	1,526	9,247	25,919	15,999	136,943	1996-1998
99,950	24,255	915	6,403	16,786	10,024	67,272	1993-1995
70,338	18,817	961	8,442	14,175	11,089	39,206	1990-1992
33,571	7,918	1,282	3,264	16,470	6,496	17,736	1987-1989
25,067	9,100	599	3,336	7,775	5,607	12,847	1984-1986
34,453	8,611	535	3,662	8,396	5,791	9,354	1981-1983
84,658	37,595	5,291	11,083	30,236	10,713	26,164	1971-1980
13,509	19,104	45,290	1,915	25,635	7,166	10,712	Prior to 1971
							Household Composition
211,429	78,950	10,868	18,974	27,588	25,935	258,931	Married Couples
88,349	25,226	1,215	5,928	9,968	7,596	110,776	Children <18 Years of Age
25,515	8,477	1,746	4,404	4,861	2,646	34,391	w/o Children <18 Years of Age
24,252	8,195	550	2,124	3,337	2,101	31,900	Other Household Members
73,313	37,052	7,357	6,518	9,422	13,592	81,864	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
335,137	103,947	33,593	33,649	119,870	52,356	213,754	Female Householder
62,648	14,418	1,628	4,564	35,362	8,303	42,771	Children <18 Years of Age
69,893	20,035	4,954	5,673	21,610	9,340	54,866	w/o Children <18 Years of Age
46,576	9,982	824	4,370	19,602	5,477	29,522	Other Household Members
156,020	59,512	26,187	19,042	43,296	29,236	86,595	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
205,563	53,365	14,863	11,195	27,033	20,821	165,684	Male Householder
4,735	973	342	694	2,525	542	3,313	Children <18 Years of Age
60,292	12,279	4,284	2,189	3,642	3,480	61,706	w/o Children <18 Years of Age
12,377	3,096	207	544	2,364	1,000	10,681	Other Household Members
128,159	37,017	10,030	7,768	18,502	15,799	89,984	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	(Sex Not Reported)
							Race of Householder
271,449	110,703	40,013	18,659	13,450	34,281	277,419	White, non-Hispanic
162,330	51,898	8,683	27,746	85,990	27,109	144,295	Black, non-Hispanic
86,904	17,107	3,834	7,144	50,106	16,472	44,118	Puerto Rican
169,129	36,909	5,256	5,218	19,364	14,441	87,989	Other Hispanic
56,688	17,372	1,537	4,365	4,630	6,319	79,966	Asian/Pacific Islander
587	587	0	342	248	33	1,437	American/Aleut/Eskimo
-	-	-	-	-	-	-	(Not Reported)
							Age of Householder
40,716	8,715	380	1,674	3,822	1,534	40,617	Under 25 years
202,580	50,096	2,517	8,372	23,209	15,036	193,890	25-34
203,059	49,577	5,214	15,150	41,473	21,744	181,011	35-44
147,637	42,074	4,697	13,247	31,419	15,931	109,759	45-54
58,785	24,522	7,859	6,885	21,324	9,874	42,127	55-61
17,095	8,464	3,351	1,337	8,512	3,247	13,445	62-64
52,616	26,857	13,201	9,205	24,722	15,433	31,622	65-74
24,372	19,145	12,671	5,955	15,007	10,930	18,878	75-84
5,270	6,813	9,432	1,992	5,003	5,383	7,020	85 or more years
-	-	-	-	-	-	-	(Not Reported)
43	49	66	52	52	54	42	Mean
40	47	68	49	51	52	39	Median

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 or 5, and the New York City Loft Board.

** Other Rentals encompass dwellings which have never been regulated, units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.3 Demographic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
Year Moved Into Current Dwelling				
1999-2002	29.6%	17.6%	35.4%	32.7%
1996-1998	16.9%	14.2%	18.2%	18.0%
1993-1995	10.6%	9.6%	11.1%	12.6%
1990-1992	8.4%	9.2%	8.1%	9.0%
1987-1989	5.2%	7.0%	4.3%	4.2%
1984-1986	4.0%	5.8%	3.2%	3.5%
1981-1983	3.9%	4.6%	3.5%	4.4%
1971-1980	11.9%	15.5%	10.2%	12.4%
Prior to 1971	9.5%	16.5%	6.1%	3.3%
Household Composition				
Married Couples	38.9%	54.4%	31.3%	29.4%
Children <18 Years of Age	13.6%	16.2%	12.3%	11.5%
w/o Children <18 Years of Age	6.2%	10.7%	4.1%	3.4%
Other Household Members	4.9%	7.5%	3.6%	3.3%
w/o Other Household Members	14.2%	20.0%	11.3%	11.2%
(Not Reported)	-	-	-	-
Female Householder	39.4%	29.7%	44.1%	44.4%
Children <18 Years of Age	6.4%	2.3%	8.4%	7.8%
w/o Children <18 Years of Age	8.7%	7.7%	9.2%	9.1%
Other Household Members	4.8%	2.9%	5.8%	5.7%
w/o Other Household Members	19.5%	16.8%	20.8%	21.8%
(Not Reported)	-	-	-	-
Male Householder	21.7%	15.6%	24.6%	26.2%
Children <18 Years of Age	0.6%	0.4%	0.6%	0.6%
w/o Children <18 Years of Age	6.3%	4.2%	7.3%	7.3%
Other Household Members	1.3%	1.0%	1.5%	1.6%
w/o Other Household Members	13.5%	10.0%	15.2%	16.7%
(Not Reported)	-	-	-	-
(Sex Not Reported)	-	-	-	-
Race of Householder				
White, non-Hispanic	44.4%	57.9%	37.9%	38.7%
Black, non-Hispanic	23.9%	21.3%	25.1%	21.7%
Puerto Rican	8.9%	4.1%	11.2%	10.5%
Other Hispanic	13.3%	6.1%	16.7%	20.8%
Asian/Pacific Islander	8.9%	9.8%	8.4%	7.5%
American/Aleut/Eskimo	0.2%	0.2%	0.2%	0.1%
2 or more races	0.5%	0.5%	0.6%	0.7%
(Not Reported)	-	-	-	-
Age of Householder				
Under 25 years	3.5%	0.9%	4.8%	5.0%
25-34	19.4%	8.9%	24.5%	25.6%
35-44	24.3%	21.6%	25.6%	25.6%
45-54	19.8%	23.6%	18.0%	19.2%
55-61	10.2%	13.7%	8.5%	8.4%
62-64	3.2%	4.2%	2.7%	2.6%
65-74	10.5%	14.6%	8.6%	8.0%
75-84	6.6%	9.3%	5.3%	4.4%
85 or more years	2.4%	3.2%	2.0%	1.2%
(Not Reported)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-

@ All households, including owners and renters. Totals may not add to 100% due to rounding.

Totals may not add to 100% due to rounding.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Year Moved Into Current Dwelling
33.1%	31.4%	4.9%	25.8%	16.7%	26.5%	49.8%	1999-2002
18.8%	15.5%	2.6%	14.5%	14.9%	16.1%	21.5%	1996-1998
13.3%	10.3%	1.5%	10.0%	9.6%	10.1%	10.5%	1993-1995
9.4%	8.0%	1.6%	13.2%	8.1%	11.2%	6.1%	1990-1992
4.5%	3.4%	2.2%	5.1%	9.4%	6.6%	2.8%	1987-1989
3.3%	3.9%	1.0%	5.2%	4.5%	5.7%	2.0%	1984-1986
4.6%	3.6%	0.9%	5.7%	4.8%	5.8%	1.5%	1981-1983
11.3%	15.9%	8.9%	17.4%	17.3%	10.8%	4.1%	1971-1980
1.8%	8.1%	76.3%	3.0%	14.7%	7.2%	1.7%	Prior to 1971
							Household Composition
28.0%	33.5%	18.2%	29.7%	15.8%	26.2%	40.6%	Married Couples
11.7%	10.7%	2.0%	9.3%	5.7%	7.7%	17.4%	Children <18 Years of Age
3.4%	3.6%	2.9%	6.9%	2.8%	2.7%	5.4%	w/o Children <18 Years of Age
3.2%	3.5%	0.9%	3.3%	1.9%	2.1%	5.0%	Other Household Members
9.7%	15.7%	12.4%	10.2%	5.4%	13.7%	12.8%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
44.5%	44.0%	56.6%	52.7%	68.7%	52.8%	33.5%	Female Householder
8.3%	6.1%	2.7%	7.2%	20.3%	8.4%	6.7%	Children <18 Years of Age
9.3%	8.5%	8.4%	8.9%	12.4%	9.4%	8.6%	w/o Children <18 Years of Age
6.2%	4.2%	1.4%	6.8%	11.2%	5.5%	4.6%	Other Household Members
20.7%	25.2%	44.1%	29.8%	24.8%	29.5%	13.6%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
27.2%	22.6%	25.0%	17.6%	15.5%	20.9%	26.0%	Male Householder
0.6%	0.4%	0.6%	1.1%	1.4%	0.5%	0.5%	Children <18 Years of Age
8.0%	5.2%	7.2%	3.4%	2.1%	3.5%	9.7%	w/o Children <18 Years of Age
1.6%	1.3%	0.3%	0.9%	1.4%	1.0%	1.7%	Other Household Members
17.0%	15.7%	16.9%	12.2%	10.6%	15.9%	14.1%	w/o Other Household Members
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	(Sex Not Reported)
							Race of Householder
36.1%	46.9%	67.4%	29.2%	7.7%	34.6%	43.5%	White, non-Hispanic
21.6%	22.0%	14.6%	43.5%	49.3%	27.4%	22.6%	Black, non-Hispanic
11.6%	7.2%	6.5%	11.2%	28.7%	16.6%	6.9%	Puerto Rican
22.5%	15.6%	8.9%	8.2%	11.1%	14.6%	13.8%	Other Hispanic
7.5%	7.4%	2.6%	6.8%	2.7%	6.4%	12.5%	Asian/Pacific Islander
0.1%	0.2%	0.0%	0.5%	0.1%	0.0%	0.2%	American/Aleut/Eskimo
0.7%	0.7%	0.0%	0.5%	0.4%	0.5%	0.5%	2 or more races
-	-	-	-	-	-	-	(Not Reported)
							Age of Householder
5.4%	3.7%	0.6%	2.6%	2.2%	1.5%	6.4%	Under 25 years
26.9%	21.2%	4.2%	13.1%	13.3%	15.2%	30.4%	25-34
27.0%	21.0%	8.8%	23.7%	23.8%	21.9%	28.4%	35-44
19.6%	17.8%	7.9%	20.8%	18.0%	16.1%	17.2%	45-54
7.8%	10.4%	13.2%	10.8%	12.2%	10.0%	6.6%	55-61
2.3%	3.6%	5.6%	2.1%	4.9%	3.3%	2.1%	62-64
7.0%	11.4%	22.3%	14.4%	14.2%	15.6%	5.0%	65-74
3.2%	8.1%	21.4%	9.3%	8.6%	11.0%	3.0%	75-84
0.7%	2.9%	15.9%	3.1%	2.9%	5.4%	1.1%	85 or more years
-	-	-	-	-	-	-	(Not Reported)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 or 5, and the New York City Loft Board.

** Other Rentals encompass dwellings which have never been regulated, units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.4 Housing / Neighborhood Quality Characteristics

	All Units@	Owner Units	Renter Units	Stabilized
Maintenance Quality				
(Units Experiencing:)				
Additional Heating Required	307,789	44,390	263,399	139,147
Additional Heating Not Required	2,320,061	802,140	1,517,921	732,248
(Not Reported)	(377,468)	(135,285)	(242,183)	(116,997)
Heating Breakdowns	310,635	44,433	266,202	157,439
No Breakdowns	2,300,316	799,428	1,500,888	706,574
(Not Reported)	(394,367)	(137,954)	(256,413)	(124,381)
Broken Plaster/Peeling Paint	389,348	50,387	338,961	199,462
No Broken Plaster/Peeling Paint	2,223,324	790,720	1,432,604	665,813
(Not Reported)	(392,645)	(140,707)	(251,938)	(123,118)
Cracked Interior Walls or Ceilings	313,025	31,224	281,801	174,679
No Cracked Interior Walls or Ceilings	2,321,735	816,418	1,505,317	699,472
(Not Reported)	(370,559)	(134,172)	(236,387)	(114,243)
Holes in Floor	147,137	9,802	137,335	92,282
No Holes in Floor	2,413,403	811,860	1,601,543	756,186
(Not Reported)	(444,778)	(160,153)	(284,625)	(139,924)
Rodent Infestation	594,503	82,102	512,401	309,550
No Infestation	2,038,178	765,971	1,272,207	562,544
(Not Reported)	(372,638)	(133,742)	(238,896)	(116,299)
Toilet Breakdown	237,539	56,803	180,736	93,278
No Toilet Breakdown/No Facilities	2,371,737	786,037	1,585,700	771,136
(Not Reported)	(396,045)	(138,975)	(257,070)	(123,980)
Water Leakage Inside Unit	456,304	77,427	378,877	237,436
No Water Leakage	2,172,108	769,970	1,402,138	633,272
(Not Reported)	(376,907)	(134,418)	(242,489)	(117,685)
Units in Buildings w. No Maintenance Defects	1,331,360	562,750	768,610	312,994
Units in Buildings w. 1 Maintenance Defect	544,883	161,195	383,688	190,493
Units in Buildings w. 2 Maintenance Defects	277,414	54,848	222,566	125,556
Units in Buildings w. 3 Maintenance Defects	149,541	14,364	135,177	81,496
Units in Buildings w. 4 Maintenance Defects	88,268	3,839	84,429	56,228
Units in Buildings w. 5+ Maintenance Defects	69,277	2,093	67,184	42,308
(Not Reported)	(544,575)	(182,725)	(361,850)	(179,318)
Condition of Neighboring Buildings				
Excellent	552,834	290,566	262,268	109,877
Good	1,431,942	465,086	966,856	455,543
Fair	539,705	82,389	457,316	254,020
Poor Quality	100,884	7,398	93,486	50,906
(Not Reported)	(379,955)	(136,375)	(243,580)	(118,048)
Boarded Up Structures in Neighborhood	340,173	87,661	252,512	125,214
Units Not Close to " "	2,310,467	764,736	1,545,731	753,600
(Not Reported)	(354,678)	(129,417)	(225,261)	(109,578)

@ All housing units, including owners and renters.

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
Pre-1947	*Post-1946*	Controlled	Lama	Housing	Regulated*	Rentals**	
							Maintenance Quality (Units Experiencing:)
113,833	25,314	7,095	7,090	35,302	12,728	62,037	Additional Heating Required
548,068	184,180	44,333	47,320	125,408	75,429	493,183	Additional Heating Not Required
(90,229)	(26,769)	(7,895)	(9,408)	(13,780)	(10,954)	(83,148)	(Not Reported)
131,648	25,791	7,303	5,306	29,742	14,962	51,450	Heating Breakdowns
525,683	180,891	43,715	48,033	129,388	72,512	500,666	No Breakdowns
(94,799)	(29,581)	(8,305)	(10,479)	(15,360)	(11,637)	(86,252)	(Not Reported)
165,205	34,257	14,555	4,676	40,235	16,277	63,756	Broken Plaster/Peeling Paint
492,421	173,392	36,632	49,151	119,415	70,786	490,807	No Broken Plaster/Peeling Paint
(94,504)	(28,614)	(8,136)	(9,991)	(14,839)	(12,049)	(83,805)	(Not Reported)
151,487	23,192	11,238	3,541	26,830	16,143	49,370	Cracked Interior Walls or Ceilings
512,933	186,538	40,401	50,650	134,755	72,057	507,983	No Cracked Interior Walls or Ceilings
(87,710)	(26,533)	(7,685)	(9,627)	(12,905)	(10,911)	(81,016)	(Not Reported)
86,316	5,967	4,638	998	9,922	6,726	22,768	Holes in Floor
560,530	195,656	46,270	51,770	146,357	80,065	520,895	No Holes in Floor
(105,284)	(34,640)	(8,415)	(11,050)	(18,211)	(12,320)	(94,705)	(Not Reported)
260,675	48,875	12,301	10,687	43,341	30,809	105,713	Rodent Infestation
402,560	159,984	39,185	43,724	117,595	57,359	451,800	No Infestation
(88,895)	(27,404)	(7,837)	(9,408)	(13,554)	(10,943)	(80,855)	(Not Reported)
77,189	16,088	7,202	6,966	21,118	9,144	43,029	Toilet Breakdown
579,953	191,184	43,780	47,221	138,331	78,025	507,206	No Toilet Breakdown/No Facilities
(94,988)	(28,992)	(8,341)	(9,631)	(15,041)	(11,943)	(88,134)	(Not Reported)
195,577	41,859	12,000	8,246	32,334	18,992	69,869	Water Leakage Inside Unit
465,787	167,485	39,376	45,744	128,964	69,176	485,606	No Water Leakage
(90,766)	(26,920)	(7,947)	(9,828)	(13,192)	(10,943)	(82,893)	(Not Reported)
217,965	95,029	19,656	28,167	59,741	36,110	311,942	Units in Buildings w. No Maintenance Defects
140,559	49,934	12,150	11,117	36,705	18,081	115,142	Units in Buildings w. 1 Maintenance Defect
101,376	24,179	7,663	5,615	22,592	13,895	47,246	Units in Buildings w. 2 Maintenance Defects
69,730	11,766	3,858	3,821	13,414	7,221	25,367	Units in Buildings w. 3 Maintenance Defects
48,795	7,434	3,756	192	9,024	3,771	11,457	Units in Buildings w. 4 Maintenance Defects
37,830	4,478	1,695	771	6,894	4,120	11,396	Units in Buildings w. 5+ Maintenance Defects
(135,875)	(43,443)	(10,545)	(14,135)	(26,120)	(15,914)	(115,818)	(Not Reported)
							Condition of Neighboring Buildings
73,906	35,970	10,042	5,152	8,597	12,173	116,428	Excellent
335,035	120,508	29,409	33,565	73,278	48,069	326,992	Good
208,092	45,928	9,886	12,354	61,551	21,145	98,360	Fair
44,241	6,665	1,613	3,133	16,923	6,126	14,785	Poor Quality
(90,856)	(27,192)	(8,374)	(9,615)	(14,141)	(11,599)	(81,803)	(Not Reported)
106,942	18,272	4,284	6,401	22,257	15,739	78,617	Boarded Up Structures in Neighborhood
561,990	191,610	47,759	48,263	139,583	73,291	483,235	Units Not Close to " "
(83,198)	(26,380)	(7,281)	(9,154)	(12,650)	(10,082)	(76,516)	(Not Reported)

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 or 5, and the New York City Loft Board.

** Other Rentals encompass dwellings which have never been regulated, units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

D.4 Housing/Neighborhood Quality Characteristics (Continued)

	All Dwellings@	Owner Units	Rental Units	Stabilized
Maintenance Quality				
(Units Experiencing:)				
Additional Heating Required	11.7%	5.2%	14.8%	16.0%
Additional Heating Not Required	88.3%	94.8%	85.2%	84.0%
(Not Reported)	-	-	-	-
Heating Breakdowns	11.9%	5.3%	15.1%	18.2%
No Breakdowns	88.1%	94.7%	84.9%	81.8%
(Not Reported)	-	-	-	-
Broken Plaster/Peeling Paint	14.9%	6.0%	19.1%	23.1%
No Broken Plaster/Peeling Paint	85.1%	94.0%	80.9%	76.9%
(Not Reported)	-	-	-	-
Cracked Interior Walls or Ceilings	11.9%	3.7%	15.8%	20.0%
No Cracked Interior Walls or Ceilings	88.1%	96.3%	84.2%	80.0%
(Not Reported)	-	-	-	-
Holes in Floor	5.7%	1.2%	7.9%	10.9%
No Holes in Floor	94.3%	98.8%	92.1%	89.1%
(Not Reported)	-	-	-	-
Rodent Infestation	22.6%	9.7%	28.7%	35.5%
No Infestation	77.4%	90.3%	71.3%	64.5%
(Not Reported)	-	-	-	-
Toilet Breakdown	9.1%	6.7%	10.2%	10.8%
No Toilet Breakdown	90.9%	93.3%	89.8%	89.2%
(Not Reported)	-	-	-	-
Water Leakage Inside Unit	17.4%	9.1%	21.3%	27.3%
No Water Leakage	82.6%	90.9%	78.7%	72.7%
(Not Reported)	-	-	-	-
Units in Buildings w. No Maintenance Defects	54.1%	70.4%	46.3%	38.7%
Units in Buildings w. 1 Maintenance Defect	22.1%	20.2%	23.1%	23.5%
Units in Buildings w. 2 Maintenance Defects	11.3%	6.9%	13.4%	15.5%
Units in Buildings w. 3 Maintenance Defects	6.1%	1.8%	8.1%	10.1%
Units in Buildings w. 4 Maintenance Defects	3.6%	0.5%	5.1%	6.9%
Units in Buildings w. 5+ Maintenance Defects	2.8%	0.3%	4.0%	5.2%
(Not Reported)	-	-	-	-
Condition of Neighboring Buildings				
Excellent	21.1%	34.4%	14.7%	12.6%
Good	54.5%	55.0%	54.3%	52.3%
Fair	20.6%	9.7%	25.7%	29.2%
Poor Quality	3.8%	0.9%	5.3%	5.8%
(Not Reported)	-	-	-	-
Boarded Up Structures in Neighborhood	12.8%	10.3%	14.0%	14.2%
Units Not Close to " "	87.2%	89.7%	86.0%	85.8%
(Not Reported)	-	-	-	-

@ All housing units, including owners and renters.

Totals may not add to 100% due to rounding.

Rent Stabilized Units *Pre-1947*	Rent Stabilized Units *Post-1946*	Rent Controlled	Mitchell-Lama	Public Housing	Other Regulated*	Other Rentals**	
							Maintenance Quality (Units Experiencing:)
17.2%	12.1%	13.8%	13.0%	22.0%	14.4%	11.2%	Additional Heating Required
82.8%	87.9%	86.2%	87.0%	78.0%	85.6%	88.8%	Additional Heating Not Required
-	-	-	-	-	-	-	(Not Reported)
20.0%	12.5%	14.3%	9.9%	18.7%	17.1%	9.3%	Heating Breakdowns
80.0%	87.5%	85.7%	90.1%	81.3%	82.9%	90.7%	No Breakdowns
-	-	-	-	-	-	-	(Not Reported)
25.1%	16.5%	28.4%	8.7%	25.2%	18.7%	11.5%	Broken Plaster/Peeling Paint
74.9%	83.5%	71.6%	91.3%	74.8%	81.3%	88.5%	No Broken Plaster/Peeling Paint
-	-	-	-	-	-	-	(Not Reported)
22.8%	11.1%	21.8%	6.5%	16.6%	18.3%	8.9%	Cracked Interior Walls or Ceilings
77.2%	88.9%	78.2%	93.5%	83.4%	81.7%	91.1%	No Cracked Interior Walls or Ceilings
-	-	-	-	-	-	-	(Not Reported)
13.3%	3.0%	9.1%	1.9%	6.3%	7.7%	4.2%	Holes in Floor
86.7%	97.0%	90.9%	98.1%	93.7%	92.3%	95.8%	No Holes in Floor
-	-	-	-	-	-	-	(Not Reported)
39.3%	23.4%	23.9%	19.6%	26.9%	34.9%	19.0%	Rodent Infestation
60.7%	76.6%	76.1%	80.4%	73.1%	65.1%	81.0%	No Infestation
-	-	-	-	-	-	-	(Not Reported)
11.8%	7.8%	14.1%	12.9%	13.2%	10.5%	7.8%	Toilet Breakdown
88.2%	92.2%	85.9%	87.1%	86.8%	89.5%	92.2%	No Toilet Breakdown
-	-	-	-	-	-	-	(Not Reported)
29.6%	20.0%	23.4%	15.3%	20.0%	21.5%	12.6%	Water Leakage Inside Unit
70.4%	80.0%	76.6%	84.7%	80.0%	78.5%	87.4%	No Water Leakage
-	-	-	-	-	-	-	(Not Reported)
35.4%	49.3%	40.3%	56.7%	40.3%	43.4%	59.7%	Units in Buildings w. No Maintenance Defects
22.8%	25.9%	24.9%	22.4%	24.7%	21.7%	22.0%	Units in Buildings w. 1 Maintenance Defect
16.5%	12.5%	15.7%	11.3%	15.2%	16.7%	9.0%	Units in Buildings w. 2 Maintenance Defects
11.3%	6.1%	7.9%	7.7%	9.0%	8.7%	4.9%	Units in Buildings w. 3 Maintenance Defects
7.9%	3.9%	7.7%	0.4%	6.1%	4.5%	2.2%	Units in Buildings w. 4 Maintenance Defects
6.1%	2.3%	3.5%	1.6%	4.6%	5.0%	2.2%	Units in Buildings w. 5+ Maintenance Defects
-	-	-	-	-	-	-	(Not Reported)
							Condition of Neighboring Buildings
11.2%	17.2%	19.7%	9.5%	5.4%	13.9%	20.9%	Excellent
50.7%	57.6%	57.7%	61.9%	45.7%	54.9%	58.8%	Good
31.5%	22.0%	19.4%	22.8%	38.4%	24.2%	17.7%	Fair
6.7%	3.2%	3.2%	5.8%	10.6%	7.0%	2.7%	Poor Quality
-	-	-	-	-	-	-	(Not Reported)
16.0%	8.7%	8.2%	11.7%	13.8%	17.7%	14.0%	Boarded Up Structures in Neighborhood
84.0%	91.3%	91.8%	88.3%	86.2%	82.3%	86.0%	Units Not Close to " "
-	-	-	-	-	-	-	(Not Reported)

* Other Regulated Rentals encompass *In Rem* units, as well as those regulated by HUD, Article 4 or 5, and the New York City Loft Board.

** Other Rentals encompass dwellings which have never been regulated, units which have been deregulated (including those in buildings with fewer than 6 apartments) and unregulated rentals in cooperatives or condominiums.

Totals may not add to 100% due to rounding.

Appendix E: Mortgage Survey

E.1 Interest Rates and Terms for New and Refinanced Mortgages, 2004

	New Mortgages					Refinanced Mortgages				
Instn	Rate (%)	Points	Term (yrs)	Type	Volume	Rate (%)	Points	Term (yrs)	Type	Volume
5	5.50%	0.50	5-10	Fxd	20	5.50%	0.25	5-10	Fxd	40
7	6.00%	0.50	10/30 π	Both	18	6.00%	0.50	10/30 π	Both	19
8	5.00%	0.50	5+5	Fxd	41	5.00%	0.50	5+5	Fxd	27
10	5.25%	NR	5/7	Fxd	1361	5.25%	NR	5/7	Fxd	441
11	6.00%	0.00	25/30 Adj/15 Fxd	Both	NR	6.00%	0.00	25/30 Adj/15 Fxd	Both	NR
14	4.75%	0.00	5+5	Adj	200	4.75%	0.00	5+5	Adj	450
15	NR	0.00	5/7/10	Fxd	NR	NR	0.00	5/7/10	Fxd	NR
16	5.38%	0.75	5+5/7+5/10+5	Fxd	1200	5.38%	0.75	5+5/7+5/10+5	Fxd	1000
17	6.00%	1.00	15 (5/5/5)	Adj	12	6.00%	1.00	15 (5/5/5)	Adj	5
18	5.25%	1.00	5	Fxd	75	5.25%	1.00	5	Fxd	17
23	5.50%	0.75	5	Fxd	39	5.50%	0.75	5	Fxd	41
30	6.75%	1.00	up to 30	Fxd	50	6.75%	1.00	up to 30	Fxd	20
31	4.88%	0.50	5-10	Fxd	12	4.88%	0.50	5-10	Fxd	80
32	5.50%	0.75	3-10	Fxd	2	5.50%	0.75	3-10	Fxd	1
33	6.13%	0.00	15/25 & 5	Adj	NR	5.75%	0.00	15/25 & 5	Adj	NR
35	6.25%	0.50	15	Fxd	69	6.25%	0.50	15	Fxd	28
36	5.40%	1.00	10/9.5/30	Fxd	4	5.40%	1.00	10/9.5/30	Fxd	4
37	7.65%	1.50	10	Fxd	11	7.65%	1.50	7/10 or 10	Fxd	0
41	6.94%	0.00	10-25	Both	NR	6.94%	0.00	10-25	Both	NR
50	NR	1.00	5/15	Adj	20	NR	1.00	5/15	Adj	20
107	4.75%	0.00	5	Fxd	51	4.75%	0.00	5	Fxd	937
116	5.45%	1.00	5 or 10	Fxd	NR	5.45%	1.00	5 or 10	Fxd	NR
117	5.00%	0.50	5	Fxd	150	5.00%	0.50	5	Fxd	325
208	6.00%	1.00	10	Fxd	12	6.00%	1.00	10	Fxd	6
210	7.00%	2.00	15	Fxd	10	N/A	N/A	N/A	0	N/A
252	5.60%	1.00	7, 10, 15, 20, 25, 30	Fxd	0	5.60%	1.00	7, 10, 15, 20, 25, 30	Fxd	4
AVERAGE	**5.75%**	**0.67**	†	†	**160**	**5.68%**	**0.60**	†	†	**173**

π Amortization
† No average computed
 =Standard 10 yr, rate adj after 5
NR = no response to this question

Fxd = fixed rate mortgage
Adj = adjustable rate mortgage

Note: The average for interest rates, points and terms is calculated by using the midpoint when a range of values is given by the lending institution. Five year terms with one or more five year options are considered to have 5-year maturities when calculating the mean.

Source: 2004 Rent Guidelines Board Mortgage Survey

E.2 Typical Characteristics of Rent Stabilized Buildings, 2004

Lending Institution	Maximum Loan-to-Value Standard	Debt Service Coverage	Vacancy & Collection Losses	Typical Building Size	Average Monthly O&M Cost/Unit	Average Monthly Rent/Unit
5	75.0%	1.25%	3.0%	20-49	$900	$2,000
7	75.0%	1.25%	5.0%	50-99	$650	$1,500
8	75.0%	1.25%	3.0%	20-49	$353	$875
10	0.0%	1.25%	3.0%	20-49	$350	$750
11	75.0%	1.25%	NR	1-10	NR	NR
14	75.0%	1.25%	3.0%	20-49	$350	$1,000
15	70.0%	1.25%	5.0%	20-49	$525	$925
16	75.0%	1.30%	3.0%	20-49	$388	$750
17	75.0%	1.20%	5.0%	11-19	$333	$650
18	75.0%	1.25%	3.0%	20-49	$333	$900
23	75.0%	1.25%	2.0%	50-99	$625	$1,200
30	80.0%	1.25%	3.5%	11-49	$350	$600
31	75.0%	1.25%	3.0%	20-49	$350	$750
32	75.0%	1.30%	3.0%	50-99	$450	$1,500
33	75.0%	1.25%	4.0%	11-19	$320	$600
35	65.0%	1.15%	3.0%	11-19	$400	$800
36	80.0%	1.25%	3.0%	50-99	$1,050	$2,475
37	57.5%	1.20%	0.5%	11-19	$475	$875
41	75.0%	1.20%	4.0%	1-10	$250	$900
50	75.0%	1.10%	5.0%	8-16	$675	$725
107	75.0%	1.30%	3.0%	20-49	$275	$700
116	65.0%	1.50%	3.0%	20-49	NR	NR
117	75.0%	1.30%	5.0%	50-99	$367	$800
208	75.0%	1.25%	2.0%	11-19	$490	$1,000
210	80.0%	1.20%	8.0%	1-10	$350	$600
252	80.0%	1.25%	4.0%	20-49	NR	$850
AVERAGE	**74.1%**	**1.25%**	**3.56%**	†	**$461**	**$989**

NR indicates no response to this question.

† No average computed.

Note: Average loan-to-value (LTV) and debt service coverage ratios were calculated using the midpoint when a range was given by the lending institution.

Source: 2004 Rent Guidelines Board Mortgage Survey

E.3 Interest Rates and Terms for New Financing, Longitudinal Study

	Interest Rates		Points		Term		Type	
Lending Inst.	2004	2003	2004	2003	2004	2003	2004	2003
5	5.50%	NR	0.50	1.0	5-10	5+10	Fxd	Fxd
7	6.00%	6.00%	0.50	0.0	10/30 amort	10	Both	Fxd
10	5.25%	6.25%	NR	0.0	5/7	5	Fxd	Fxd
11	6.00%	7.00%	0.00	0.0	25/30 Adj/15 Fxd	15	Both	Fxd
14	4.75%	5.50%	0.00	0.5	5+5	5+5	Adj	Adj
15	NR	NR	0.00	0.0	5/7/10	5/7/10	Fxd	Fxd
16	5.38%	5.69%	0.75	0.8	5+5/7+5/10+5	5+5/7+5/10+5	Fxd	Fxd
17	6.00%	6.38%	1.00	0.8	15 (5/5/5)	15/25 amort	Adj	Fxd
18	5.25%	5.25%	1.00	1.0	5	5/25 or 10/25	Fxd	Fxd
23	5.50%	6.00%	0.75	1.0	5	5	Fxd	Fxd
30	6.75%	7.00%	1.00	1.0	up to 30	up to 30 yrs	Fxd	Fxd
31	4.88%	5.25%	0.50	0.5	5-10	5-10	Fxd	Fxd
32	5.50%	5.72%	0.75	0.8	3-10	3-10	Fxd	Fxd
35	6.25%	6.75%	0.50	0.5	15	15	Fxd	Fxd
36	5.40%	5.50%	1.00	0.8	10/9.5/30	7-30	Fxd	Fxd
37	7.65%	8.25%	1.50	2.0	10	7/10 or 10	Fxd	NR
41	6.94%	6.56%	0.00	0.0	10-25	10-25	Both	Both
50	NR	6.87%	1.00	1.0	5/15	α	Adj	Adj
116	5.45%	5.17%	1.00	1.0	5 or 10	5,7, or 10	Fxd	Fxd
117	5.00%	5.13%	0.50	1.0	5	5	Fxd	Fxd
210	7.00%	7.00%	2.00	2.0	15	15	Fxd	Fxd
Avg.	**5.81%**	**6.17%**	**0.71**	**0.74**	†	†	†	†

NR indicates no response to this question. † No average computed α Standard 10 yr, rate adj after 5

Note: Averages for interest rates and points are calculated by using the midpoint when a range of values is given by the lending institution.
Source: 2003 and 2004 Rent Guidelines Board Mortgage Surveys

E.4 Interest Rates and Terms for Refinanced Loans, Longitudinal Study

	Interest Rates		Points		Term		Type	
Lending Inst.	2004	2003	2004	2003	2004	2003	2004	2003
5	5.50%	NR	0.25	0.75	5-10	5+10	Fxd	Fxd
7	6.00%	6.00%	0.50	0.00	10/30 amort	10	Both	Fxd
10	5.25%	6.25%	NR	0.00	5/7	5	Fxd	Fxd
11	6.00%	7.00%	0.00	0.00	25/30 Adj/15 Fxd	15	Both	Fxd
14	4.75%	5.50%	0.00	0.50	5+5	5+5	Adj	Adj
15	NR	NR	0.00	0.00	5/7/10	5/7/10	Fxd	Fxd
16	5.38%	5.69%	0.75	0.75	5+5/7+5/10+5	5+5/7+5/10+5	Fxd	Fxd
17	6.00%	6.38%	1.00	0.75	15 (5/5/5)	15/25 amort	Adj	Fxd
18	5.25%	5.25%	1.00	1.00	5	5/25 or 10/25	Fxd	Fxd
23	5.50%	6.00%	0.75	1.00	5	5	Fxd	Fxd
30	6.75%	7.00%	1.00	1.00	up to 30	up to 30 yrs	Fxd	Fxd
31	4.88%	5.25%	0.50	0.50	5-10	5-10	Fxd	Fxd
32	5.50%	5.72%	0.75	0.75	3-10	3-10	Fxd	Fxd
35	6.25%	6.75%	0.50	0.50	15	15	Fxd	Fxd
36	5.40%	5.50%	1.00	0.75	10/9.5/30	7-30	Fxd	Fxd
37	7.65%	8.25%	1.50	2.00	7/10 or 10	7/10 or 10	Fxd	NR
41	6.94%	6.56%	0.00	0.00	10-25	10-25	Both	Both
50	NR	6.87%	1.00	1.00	5/15	α	Adj	Adj
116	5.45%	5.17%	1.00	1.00	5 or 10	5,7, or 10	Fxd	Fxd
117	5.00%	5.13%	0.50	1.00	5	5	Fxd	Fxd
210	N/A	7.00%	N/A	1.50	N/A	15	N/A	Fxd

NR indicates no response to this question. † No average computed α Standard 10 yr, rate adj after 5

Note: Averages for interest rates and points are calculated by using the midpoint when a range of values were given by the lending institution.

E.5 Lending Standards and Relinquished Rental Income, Longitudinal Study

	Max Loan-to-Value		Debt Service Coverage		V&C Losses	
Lending Inst.	2004	2003	2004	2003	2004	2003
5	75.0%	75.0%	1.25%	1.20%	3.0%	5.0%
7	75.0%	75.0%	1.25%	1.30%	5.0%	5.0%
10	NR	80.0%	1.25%	1.25%	3.0%	3.0%
11	75.0%	75.0%	1.25%	1.20%	NR	3.0%
14	75.0%	75.0%	1.25%	1.20%	3.0%	3.0%
15	70.0%	70.0%	1.25%	1.25%	5.0%	5.0%
16	75.0%	75.0%	1.30%	1.30%	3.0%	5.0%
17	75.0%	75.0%	1.20%	1.20%	5.0%	4.0%
18	75.0%	75.0%	1.25%	1.25%	3.0%	5.0%
23	75.0%	75.0%	1.25%	1.25%	2.0%	3.0%
30	80.0%	80.0%	1.25%	1.25%	3.5%	5.0%
31	75.0%	75.0%	1.25%	1.25%	3.0%	4.0%
32	75.0%	75.0%	1.30%	1.35%	3.0%	5.0%
35	65.0%	65.0%	1.15%	1.15%	3.0%	3.0%
36	80.0%	80.0%	1.25%	1.25%	3.0%	5.0%
37	57.5%	62.5%	1.20%	1.20%	0.5%	0.5%
41	75.0%	75.0%	1.20%	1.20%	4.0%	4.0%
50	75.0%	75.0%	1.10%	1.10%	5.0%	5.0%
116	65.0%	70.0%	1.50%	1.50%	3.0%	5.0%
117	75.0%	75.0%	1.30%	1.35%	5.0%	5.0%
210	80.0%	80.0%	1.20%	1.20%	8.0%	8.0%
Avg.	**73.6%**	**74.4%**	**1.25%**	**1.25%**	**3.64%**	**4.31%**

NR indicates no response to this question.
Note: Average loan-to-value and debt service coverage ratios are calculated using the midpoint when a range is given by the lending institution.
Source: 2003 and 2004 Rent Guidelines Board Mortgage Surveys

E.6 Retrospective of New York City's Housing Market

Year	Interest Rates for New Mortgages	Permits for New Housing Units in NYC and northern suburbs	Permits for New Housing Units in NYC only
1982	16.3%	11,598 b	7,649
1983	13.0%	17,249 b	11,795
1984	13.5%	15,961	11,566
1985	12.9%	25,504	20,332
1986	10.5%	15,298	9,782
1987	10.2%	18,659	13,764
1988	10.8%	13,486	9,897
1989	12.0%	13,896	11,546
1990	11.2%	9,076	6,858
1991	10.7%	6,406	4,699
1992	10.1%	5,694	3,882
1993	9.2%	7,314	5,173
1994	8.6%	6,553	4,010
1995	10.1%	7,296	5,135
1996	8.6%	11,457	8,652
1997	8.8%	11,619	8,987
1998	8.5%	13,532	10,387
1999	7.8%	15,326	12,421
2000	8.7%	18,077	15,050
2001	8.4%	19,636 f	16,856
2002	7.4%	21,423 f	18,500
2003	6.7%	23,517 s	21,218 s
2004	5.8%	•	•

b Prior to 1984, Bergen Co., NJ permit figures are included.
f These figures have been revised from prior years to reflect the final adjusted count.
s These figures are preliminary.
Notes: Interest rate data was collected in January and represents a 12-month average of the preceding year. Permit data is for the entire 12-month period of the shown year. The northern suburbs include Putnam, Rockland, and Westchester counties.
Sources: Rent Guidelines Board, Annual Mortgage Surveys; U.S. Bureau of the Census, Manufacturing & Construction Division, Residential Construction Branch.

E.7 2004 Survey of Mortgage Financing for Multifamily Properties

New York City Rent Guidelines Board
51 Chambers Street, Suite 202 • New York, NY 10007 • (212) 385-2934
Fax (212) 385-2554 • www.housingnyc.com
Contact: Danielle Burger, (212) 385-2934 ext. 19 or
email: Danielle.Burger@housingNYC.com

2004 Survey of Mortgage Financing for Multifamily Properties

Directions: Please provide your ***best estimate*** for the following questions regarding your institution's permanent mortgage loan financing for **rent stabilized apartment buildings in New York City**. Please answer as many questions as possible. After you have completed the survey, please return in the enclosed self-addressed envelope or fax to (212) 385-2554. Thank you for your assistance.

Please note: All the information you supply through this survey will be kept in the ***strictest confidence*** and will only be used for statistical purposes by the Rent Guidelines Board.

Name of Lending Institution: _____

Name of Person Completing Survey: _____

Title & Department: _____

Telephone : _____ Fax : _____

Street Address: _____ Suite / Floor: _____

City: _____ State: _____ Zip Code: _____

E-mail address: _____

CONFIDENTIAL

I. Financing Availability and Terms for Multifamily Buildings

1a. Do you currently offer **new permanent financing** *(i.e., loans secured by a property not previously mortgaged by your institution)* for *rent stabilized building s*?

- ☐ **Yes.** *(Indicate typical terms and conditions at right.)*
- ☐ **No.** *(Please inform our office that you do not offer primary financing at this time)*

Interest rate : _____% (current) _____% (12 mo. average for 2003)
Points : _____
Terms : _____
Type: Fixed / Adjustable *(circle one)*
Special conditions: _____

1b. How many loans were made by your institution in 2003 for new permanent financing of *rent stabilized building s*?

Number of loans: _____

2a. Do you currently offer **refinancing** of mortgages on *rent stabilized building s*?

- ☐ **Yes.** *(Indicate typical terms and conditions at right.)*
- ☐ **No.** *(Skip to question 4 a if you do not offer refinancing.)*

Interest rate : _____% (current) _____% (12 mo. average for 2003)
Points : _____
Terms : _____
Type: Fixed / Adjustable *(circle one)*
Special conditions: _____ (if any)

2b. How many loans did your institution refinance in 2003 for *rent stabilized building s*?

Number of loans: _____

3a. In the past year, has the total **volume of new and refinanced loans** underwritten by your institution changed significantly (by at least 5%)?

- ☐ Yes, we have experienced a significant _____ (increase / decrease) of about _____%.
- ☐ No, it is about the same. *(Please skip Question 3b).*

3b. If loan volume has changed significantly, is the change attributable to:

(Please check and fill in all applicable choices.)

- ☐ A significant _____ (increase / decrease) in the volume of loan **applications** of about _____%.
- ☐ A significant _____ (increase / decrease) in the rate of application **approvals** of about _____%.

Are there any trends related to financing availability and terms on which you wish to comment?

_____

_____

_____

_____

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II. Underwriting Criteria for Rent Stabilized Buildings

4a. What **standards** does your institution employ when assessing loan applications for *rent stabilized building s*?

*(Provide the **maximum** criteria.)*

- Loan-to-Value Ratio: _____ ☐ N.A.
- Debt Service Coverage: _____ ☐ N.A.
- Appraised Value of Building: _____ ☐ N.A.

4b. Please provide any **other standards** your institution employs when assessing loan applications. If you do not employ the standard given, place an "X" in the "N.A." column.

*(Indicate an **average, minimum, or maximum** criteria.)*

- Number of Units in Building: _____ ☐ N.A.
- Building Age: _____ ☐ N.A.
- Borrower Lives in Building: _____ ☐ N.A.
- Overall Building Maintenance: _____ ☐ N.A.
- Co-op / Condo Conversion Potential: _____ ☐ N.A.
- Other *(Please Specify)*: _____ ☐ N.A.

5. Did your institution change its **underwriting practices** for financing or refinancing *rent stabilized building s* over the past year?

- ☐ Yes.
- ☐ No. *(If no, please skip to Question 7).*

6. Yes, we changed our underwriting practices for *rent stabilized building s* to:

(Please check and fill in all applicable choices.)

- ☐ Use _____ (more / less) stringent approvals.
- ☐ Require _____ (higher / lower) fees (i.e., points or fees).
- ☐ _____ (Increase / Decrease) loan-to-value ratio.
- ☐ _____ (Increase / Decrease) monitoring requirements.
- ☐ _____ (Discontinue / Reduce / Expand) lending to rent stabilized buildings.
- ☐ Other : _____

III. Additional Mortgage Questions

7. How many **dwelling units** are contained in the average *rent stabilized building* financed by your institution? *(Please check only one)*

☐ 1 - 10 ☐ 11 - 19 ☐ 20 - 49
☐ 50 - 99 ☐ 100 or more

8. Which of the following best describes the average **vacancy and collection loss** for *rent stabilized buildings* during the past year? *(Please check only one)*

☐ < 1% ☐ 1% ☐ 2%
☐ 3% ☐ 4% ☐ 5%
☐ 6% ☐ 7% ☐ > 7%

9. Approximately what percentage of your loans to *rent stabilized building s* are currently **non-performing**?

- ☐ None
- ☐ Approximately _____%

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10. Approximately what percentage of your loans to *rent stabilized building s* are currently in **foreclosure**?

- ☐ None
- ☐ Approximately _____%

11a. Does your institution retain the mortgages you offer or do you sell any to secondary markets?

- ☐ We retain all the mortgages sold. *(If so, please skip to question 12.)*
- ☐ We sell all our mortgages to secondary markets.
- ☐ We sell ____% of our mortgages to secondary markets.

11b. To whom do you sell your mortgages?

(Please check and fill in all applicable choices.)

- ☐ Fannie Mae
- ☐ Freddie Mac
- ☐ Other: _____

12. In your sector, who are your major competitors in multi-family lending?

_____

_____

13. Do the mortgages offered to *rent stabilized building s* include any commercial space?

- ☐ No
- ☐ Yes. Approximately what percentage of buildings in your portfolio have commercial space? _____%

14. What is your best estimate of average **operating and maintenance costs** per unit per month in the *rent stabilized building s* financed by your institution?

$ _____ ***per unit per month***

(Include the following operating and maintenance costs in your estimate: Real Estate & Other Taxes, Labor, Fuel, Utilities, Contractor Services, Administration — including Legal, Management and other costs — Insurance, Parts & Supplies, and Replacement Costs.)

15. What is your best estimate of average **rent** per unit per month in the *rent stabilized building s* financed by your institution?

$ _____ ***per unit per month***

Are there any additional trends relating to underwriting criteria, non-performing loans & foreclosure, or the mortgage market in general on which you wish to comment?

_____

_____

_____

_____

Thank you for taking the time to complete the survey.

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F.1 Average Annual Employment Statistics by Area, 1992-2003

Unemployment Rate	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Bronx	12.5%	11.9%	10.0%	9.6%	10.6%	11.6%	10.0%	8.1%	7.3%	7.4%	9.3%	10.4%
Brooklyn	12.0%	11.2%	9.7%	9.2%	10.0%	10.7%	9.4%	7.8%	6.8%	6.7%	8.6%	9.2%
Manhattan	9.0%	8.8%	7.6%	7.0%	7.4%	7.8%	6.8%	5.7%	4.9%	6.0%	8.2%	8.2%
Queens	10.5%	9.5%	8.2%	7.6%	8.1%	8.5%	7.0%	5.9%	4.8%	5.1%	6.5%	6.9%
Staten Island	10.4%	9.2%	7.8%	7.4%	7.8%	8.4%	6.9%	5.8%	4.8%	4.8%	6.5%	7.4%
NYC	**11.0%**	**10.4%**	**8.7%**	**8.2%**	**8.8%**	**9.4%**	**8.0%**	**6.7%**	**5.7%**	**6.1%**	**7.9%**	**8.4%**
U.S.	**7.5%**	**6.9%**	**6.1%**	**5.6%**	**5.4%**	**4.9%**	**4.5%**	**4.2%**	**4.0%**	**4.7%**	**5.8%**	**6.0%**
Labor Force Participation Rate												
NYC Δ	56.4%	56.0%	55.5%	55.2%	56.7%	58.5%	58.9%	59.3%	59.9%	58.4%	59.4%	58.4%
U.S.	66.4%	66.3%	66.6%	66.6%	66.8%	67.1%	67.1%	67.1%	67.1%	66.8%	66.6%	66.2%
Employment-Population Ratio												
NYC Δ	50.2%	50.2%	50.7%	50.7%	51.7%	53.0%	54.1%	55.3%	56.5%	54.9%	54.7%	53.5%
U.S.	61.5%	61.7%	62.5%	62.9%	63.2%	63.8%	64.1%	64.3%	64.4%	63.7%	62.7%	62.3%
Gross City Product (NYC)												
(thousands, in 2000 $)	310.5	314.6	322.1	334.5	351.5	370.3	394.7	415.3	437.8	431.8	415.4	406.3
% Change	2.68%	1.32%	2.38%	3.85%	5.08%	5.35%	6.59%	5.22%	5.42%	-1.37%	-3.80%	-2.19%
Gross Domestic Product (U.S.)												
(thousands, in 1996 $)	7,336.6	7,532.7	7,835.5	8,031.7	8,328.9	8,703.5	9,066.9	9,470.3	9,817.0	9,866.6	10,083.0	10,397.7
% Change	3.33%	2.67%	4.02%	2.50%	3.70%	4.50%	4.17%	4.45%	3.66%	0.51%	2.19%	3.12%

Notes: The New York City Comptroller's Office revises the Gross City Product periodically. The GCP & GDP figures presented here may not be the same as those reported in prior years. Note that GCP and GDP figures are preliminary.

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis, U.S. Department of Commerce; NYS Department of Labor; NYC Comptroller's Office.

Δ Unpublished data from the Bureau of Labor Statistics.

F.2 Average Payroll Employment by Industry for NYC, 1994-2003 (in thousands)

Industry Employment	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2002-2003 Change
Manufacturing	211.8	207.8	200.5	201.2	195.9	186.8	176.8	155.5	139.4	126.2	-9.5%
Construction	87.9	89.6	90.7	93.3	101.1	112.3	120.4	122.0	115.7	112.4	-2.85%
Natural Resources & Mining	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0%
Trade, Transport & Utilities	525.5	532.5	533.0	538.3	542.0	556.3	569.6	557.3	536.5	533.4	-0.6%
Leisure & Hospitality	200.8	208.5	216.6	227.9	235.8	243.7	256.7	260.1	255.3	258.0	1.1%
Financial Activities	471.8	467.2	464.2	467.7	477.3	481.0	488.8	473.6	445.1	434.1	-2.5%
Information	152.4	154.4	158.9	162.6	166.5	172.8	187.3	200.4	176.9	164.1	-7.2%
Management of Companies	52.6	53.7	56.4	56.2	58.5	57.3	52.6	54.7	58.4	59.1	1.2%
Professional & Business Svcs.	436.8	444.8	468.4	493.7	525.2	552.9	586.5	581.9	550.4	535.6	-2.7%
Educational & Health Svcs.	536.2	551.6	565.5	576.2	588.7	605.7	620.1	627.1	646.0	659.1	2.0%
Other Services	120.7	122.6	125.2	129.3	133.9	141.5	147.4	148.7	149.7	148.9	-0.5%
Total Private Sector	2,744.0	2,779.2	2,823.2	2,890.4	2,966.5	3,053.2	3,153.6	3,126.7	3,015.0	2,971.8	-1.4%
Government	578.3	560.1	546.0	551.5	561.5	567.5	569.5	565.4	568.6	556.7	-2.1%
New York City	455.0	439.0	429.9	438.4	448.1	453.3	451.8	450.8	456.2	447.6	-1.9%
Total	**3,322.3**	**3,339.3**	**3,369.2**	**3,441.9**	**3,528.0**	**3,620.7**	**3,723.1**	**3,692.0**	**3,583.5**	**3,528.5**	**-1.5%**

Notes: Totals may not add up due to rounding. Categories and figures have been revised from prior years due to new classification system used by the US Bureau of Labor Statistics and the NYS Department of Labor. Total excludes farm employment but includes unclassified jobs. Local government figures have been revised from prior years to include those employed by the City of New York as well as city-based public corporations such as the HHC (Health and Hospitals Corporation) and the MTA.

Source: NYS Department of Labor

F.3 Average Real Wage Rates by Industry for NYC, 1996-2002 (1996 dollars)

	SIC CLASSIFICATION SYSTEM						NAICS CLASSIFICATION SYSTEM			
Industry	1996	1997	1998	1999	2000	2001	2000	2001	2002	2001-02 % Change
Construction	$43,663	$42,871	$44,423	$45,388	$47,214	$48,940	$47,701	$49,382	$48,778	-1.2%
Manufacturing	$44,317	$45,370	$49,874	$49,837	$53,289	$54,837	$32,661	$34,042	$35,130	3.2%
Transportation	$46,806	$46,688	$48,736	$48,861	$49,338	$49,892	$35,369	$36,376	$36,551	0.5%
Trade	$30,480	$31,130	$31,973	$32,351	$31,795	$31,612	$35,332	$35,493	$35,351	-0.4%
FIRE	$94,898	$103,642	$111,230	$115,153	$134,178	$136,176	$130,580	$132,617	$117,758	-11.2%
Services	$37,495	$38,176	$39,964	$41,018	$42,415	$42,189	$39,237	$39,016	$38,280	-1.9%
Information	Ω	Ω	Ω	Ω	Ω	Ω	$68,747	$70,168	$68,101	-2.9%
Management of Cos.	Ω	Ω	Ω	Ω	Ω	Ω	$135,967	$131,768	$136,868	3.9%
Private Sector	$47,078	$48,987	$51,733	$52,708	$56,294	$56,791	$56,294	$56,791	$53,685	-5.5%
Government	$41,078	$41,680	$40,667	$41,689	$41,560	$41,547	$41,559	$41,547	$41,382	-0.4%
Total Industries	**$46,253**	**$47,877**	**$49,999**	**$50,997**	**$54,051**	**$54,455**	**$54,051**	**$54,455**	**$51,715**	**-5.0%**

Note: The New York State Department of Labor revises the statistics annually. Real wages reflect 1996 dollars and differ from those found in this table in prior years.

Ω Statistic not available. These categories were created when the NYS Dept. of Labor began tracking wages with the NAICS Classification System in 2000.

Source: New York State Department of Labor, Research and Statistics Division.

F.4 Average Nominal Wage Rates by Industry for NYC, 1996-2002

	SIC CLASSIFICATION SYSTEM						NAICS CLASSIFICATION SYSTEM			
Industry	1996	1997	1998	1999	2000	2001	2000	2001	2002	2001-02 % Change
Construction	$43,663	$43,873	$46,207	$48,134	$51,627	$54,863	$52,160	$55,359	$56,085	1.3%
Manufacturing	$44,317	$46,430	$51,876	$52,853	$58,270	$61,474	$35,714	$38,162	$40,392	5.8%
Transportation	$46,806	$47,779	$50,693	$51,817	$53,949	$55,930	$38,675	$40,779	$42,026	3.1%
Trade	$30,480	$31,857	$33,256	$34,309	$34,767	$35,438	$38,635	$39,789	$40,646	2.2%
FIRE	$94,898	$106,064	$115,695	$122,121	$146,720	$152,658	$142,785	$148,668	$135,397	-8.9%
Services	$37,495	$39,068	$41,569	$43,500	$46,380	$47,295	$42,904	$43,738	$44,014	0.6%
Information	Ω	Ω	Ω	Ω	Ω	Ω	$75,173	$78,660	$78,302	-0.5%
Management of Cos.	Ω	Ω	Ω	Ω	Ω	Ω	$148,676	$147,716	$157,370	6.5%
Private Sector	$47,078	$50,132	$53,810	$55,898	$61,556	$63,665	$61,556	$63,665	$61,726	-3.0%
Government	$41,078	$42,654	$42,300	$44,212	$45,444	$46,576	$45,444	$46,576	$47,581	2.2%
Total Industries	**$46,253**	**$48,996**	**$52,006**	**$54,083**	**$59,103**	**$61,046**	**$59,103**	**$61,046**	**$59,461**	**-2.6%**

Note: The New York State Department of Labor revises the statistics annually.

Ω Statistic not available. These categories were created when the NYS Dept. of Labor began tracking wages with the NAICS Classification System in 2000.

Source: New York State Department of Labor, Research and Statistics Division.

F.5 New York City Population Statistics, 1900-2002

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Citywide	Citywide Change from Prior Decade/Year
1900	200,507	1,166,582	1,850,093	152,999	67,021	3,437,202	--
1910	430,980	1,634,351	2,331,542	284,041	85,969	4,766,883	38.7%
1920	732,016	2,018,356	2,284,103	469,042	116,531	5,620,048	17.9%
1930	1,265,258	2,560,401	1,867,312	1,079,129	158,346	6,930,446	23.3%
1940	1,394,711	2,698,285	1,889,924	1,297,634	174,441	7,454,995	7.6%
1950	1,451,277	2,738,175	1,960,101	1,550,849	191,555	7,891,957	5.9%
1960	1,424,815	2,627,319	1,698,281	1,809,578	221,991	7,781,984	-1.4%
1970	1,471,701	2,602,012	1,539,233	1,986,473	295,443	7,894,862	1.5%
1980	1,168,972	2,230,936	1,428,285	1,891,325	352,121	7,071,639	-10.4%
1990	1,203,789	2,300,664	1,487,536	1,951,598	378,977	7,322,564	3.5%
2000	1,332,650	2,465,326	1,537,195	2,229,379	443,728	8,008,278	9.4%
2002	**1,354,068**	**2,488,194**	**1,546,856**	**2,237,815**	**457,383**	**8,084,316**	**0.3%**

Note: 1900-2000 figures as of April 1 of each year. 2001-2002 figures as of July 1 of each year. Percent population change between 1990 and 2000 has not been adjusted to take into account the increased number of households surveyed for the 2000 Census.

Source: U.S. Census Bureau, Population Division

F.6 Consumer Price Index for All Urban Consumers, NY-Northeastern NJ, 1993-2003

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
March	154.1	157.9	160.9	166.5	170.7	173.0	175.5	181.5	186.4	191.1	197.1
June	154.2	157.8	162.2	166.5	170.3	173.1	176.8	182.0	188.3	191.5	196.9
September	155.3	159.0	163.2	168.2	171.7	174.4	178.2	184.4	188.0	193.3	199.6
December	155.6	158.9	163.7	168.5	171.9	174.7	178.6	184.2	187.3	193.1	199.3
Quarterly Average	154.8	158.4	162.5	167.4	171.2	173.8	177.3	183.0	187.5	192.3	198.2
Yearly Average	**154.5**	**158.2**	**162.2**	**166.9**	**170.8**	**173.6**	**177.0**	**182.5**	**187.1**	**191.9**	**197.8**

12-month percentage change in the CPI

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
March	3.35%	2.47%	1.90%	3.48%	2.52%	1.35%	1.45%	3.42%	2.70%	2.52%	3.14%
June	3.14%	2.33%	2.79%	2.70%	2.28%	1.64%	2.14%	2.94%	3.46%	1.70%	2.82%
September	2.58%	2.38%	2.64%	3.06%	2.08%	1.57%	2.18%	3.48%	1.95%	2.82%	3.26%
December	2.44%	2.12%	3.02%	2.90%	2.02%	1.63%	2.23%	3.14%	1.68%	3.10%	3.21%
Quarterly Average	2.87%	2.33%	2.59%	3.03%	2.22%	1.55%	2.00%	3.24%	2.45%	2.53%	3.11%
Yearly Average	**3.00%**	**2.39%**	**2.53%**	**2.90%**	**2.34%**	**1.64%**	**1.96%**	**3.11%**	**2.52%**	**2.57%**	**3.07%**

Source: U.S. Bureau of Labor Statistics; Base Period: 1982-1984=100

F.7 Housing Court Actions, 1984-2003

Year	Filings	Calendared	Evictions & Possessions	Year	Filings	Calendared	Evictions & Possessions
1984	343,000	85,000	23,058	1994	294,000	123,000	23,970
1985	335,000	82,000	20,283	1995	266,000	112,000	22,806
1986	312,000	81,000	23,318	1996	278,000	113,000	24,370
1987	301,000	77,000	25,761	1997	274,000	111,000	24,995
1988	299,000	92,000	24,230	1998	278,156	127,851	23,454
1989	299,000	99,000	25,188	1999	276,142	123,399	22,676
1990	297,000	101,000	23,578	2000	276,159	125,787	23,830
1991	302,000	114,000	20,432	2001	277,440	130,897	21,369*
1992	289,000	122,000	22,098	2002	331,309	132,148	23,697
1993	295,000	124,000	21,937	**2003**	**318,077**	**133,074**	**Ω**

Note: "Filings" reflect non-payment proceedings initiated by rental property owners, while "Calendared" reflect those non-payment proceedings resulting in a court appearance. "Filings" and "Calendared" figures prior to 1998 were rounded to the nearest thousand. *Note: 2001 Evictions and Possessions data is incomplete as it excludes the work of one city marshal who died in May 2001 and whose statistics are unavailable.

Ω Statistic not yet available

Sources: NYC Civil Court, First Deputy Chief Clerk for Housing; NYC Department of Investigations, Bureau of City Marshals.

F.8 Housing and Vacancy Survey Data, Rent Stabilized Apartments, 1999 and 2002

	1999[1]		2002[2]	
	Number	Percent	Number	Percent
Household Income				
<$5,000/Loss/No Income	87,972	8.6%	67,300	6.8%
$5,000 to $9,999	119,961	11.8%	97,566	9.9%
$10,000 to $14,999	96,096	9.4%	85,967	8.7%
$15,000 to $19,999	83,572	8.2%	73,660	7.5%
$20,000 to $24,999	83,382	8.2%	66,351	6.7%
$25,000 to $29,999	71,311	7.0%	61,318	6.2%
$30,000 to $34,999	62,402	6.1%	73,339	7.4%
$35,000 to $39,999	59,447	5.8%	49,839	5.0%
$40,000 to $49,999	95,306	9.3%	96,910	9.8%
$50,000 to $59,999	70,391	6.9%	72,176	7.3%
$60,000 to $69,999	51,800	5.1%	58,873	6.0%
$70,000 to $79,999	37,205	3.6%	51,325	5.2%
$80,000 to $89,999	25,748	2.5%	32,650	3.3%
$90,000 to $99,999	17,045	1.7%	19,470	2.0%
$100,000 to $124,999	28,932	2.8%	34,549	3.5%
$125,000 or More	30,017	2.9%	47,098	4.8%
Median	$27,000	-	$32,000	-
Mean	$36,968	-	$46,439	-
Contract Rent				
<$100	1,693	0.2%	616	0.1%
$100 to $199	17,578	1.7%	16,462	1.7%
$200 to $299	23,600	2.3%	19,921	2.1%
$300 to $399	45,629	4.5%	29,516	3.0%
$400 to $499	117,972	11.7%	72,267	7.4%
$500 to $599	193,016	19.1%	144,249	14.9%
$600 to $699	187,148	18.5%	170,874	17.6%
$700 to $799	129,755	12.8%	151,395	15.6%
$800 to $899	84,499	8.4%	106,687	11.0%
$900 to $999	54,687	5.4%	69,461	7.2%
$1,000 to $1,249	72,136	7.1%	88,748	9.1%
$1,250 to $1,499	31,638	3.1%	40,722	4.2%
$1,500 to $1,749	26,570	2.6%	32,254	3.3%
$1,750 or More	25,025	2.5%	27,865	2.9%
No Cash Rent	9,642	-	17,357	-
Median	$650	-	$700	-
Mean	$731	-	$795	-
Contract-Rent-to-Income Ratio				
<10%	73,845	7.6%	80,260	8.6%
10% to 14%	122,515	12.6%	130,654	14.0%
15% to 19%	123,446	12.7%	128,000	13.7%
20% to 24%	117,829	12.1%	113,914	12.2%
25% to 29%	81,645	8.4%	85,680	9.2%
30% to 34%	71,259	7.3%	65,009	6.9%
35% to 39%	49,937	5.1%	45,101	4.8%
40% to 49%	72,447	7.4%	67,087	7.2%
50% to 59%	47,285	4.9%	42,190	4.5%
60% to 69%	38,718	4.0%	35,925	3.8%
70% to 79%	31,010	3.2%	24,776	2.6%
80% or More	142,613	14.7%	117,341	12.5%
Not Computed	48,039	-	52,456	-
Median	27.4%	-	25.7%	-
Mean	37.0%	-	34.3%	-

1. 1999 HVS reflects 1998 incomes.
2. 2002 HVS reflects 2001 incomes.

Note: 1999 and 2002 data values are imputed.

Source: 1999 and 2002 New York City Housing and Vacancy Survey, U.S. Bureau of the Census.

G.1 Permits Issued For Housing Units in New York City, 1960-2004

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	**Total**
1960	--	--	--	--	--	**46,792**
1961	--	--	--	--	--	**70,606**
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 (1st Qtr)Ω	478 (567)	1,545 (1,094)	419 (1,335)	1,235 (770)	305 (487)	**3,982 (4,253)**

Ω First three months of 2004. The number of permits issued in the first three months of 2003 is in parenthesis.

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

G.2 New Dwelling Units Completed in New York City, 1960-2003

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	**Total**
1960	4,970	9,860	5,018	14,108	1,292	**35,248**
1961	4,424	8,380	10,539	10,632	1,152	**35,127**
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	1,433	5,641	2,100	1,914	**12,473**
2001	1,617	2,449	5,447	1,275	2,198	**12,986**
2002	1,385	1,832	5,120	1,899	2,453	**12,689**
2003 π	**1,596**	**2,262**	**5,606**	**2,594**	**3,085**	**15,143**

Note: Dwelling unit count is based on the number of Final Certificates of Occupancy issued by NYC Department of Buildings, or equivalent action by the Empire State Development Corporation or NYS Dormitory Authority. In June of 2004, The NYC Department of City Planning revised 2002 Manhattan housing completions sharply downward, from 7,863 reported in the 2003 final report to 5,120.

π 2003 data is preliminary.

Source: New York City Department of City Planning, Certificates of Occupancy issued in Newly Constructed Buildings.

G.3 Number of Residential Cooperative and Condominium Plans Accepted for Filing By the NYS Attorney General's Office, 1999-2003

	1999	2000	2001	2002	2003
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
Private Plans					
New Construction	50 (1,123)	87 (1,911)	145 (3,833)	136 (2,576)	190 (4,870)
Rehabilitation	30 (1,029)	15 (220)	13 (124)	20 (348)	18 (418)
Conversion (Non-Eviction)	12 (359)	9 (738)	12 (1,053)	14 (1,974)	10 (639)
Conversion (Eviction)	1 (48)	1 (24)	0	0	0
Private Total	**93 (2,559)**	**112 (2,893)**	**170 (5,010)**	**170 (4,898)**	**218 (5,927)**
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
HPD Sponsored Plans					
New Construction	0	0	0	0	0
Rehabilitation	0	0	0	0	0
Conversion (Non-Eviction)	0	0	0	0	0
Conversion (Eviction)	26 (295)	8 (179)	2 (22)	15 (260)	0
HPD Total	**26 (295)**	**8 (179)**	**2 (22)**	**15 (260)**	**0**
Grand Total	**119 (2,854)**	**120 (3,072)**	**172 (5,032)**	**185 (5,158)**	**218 (5,927)**

Note: Figures exclude "Homeowner" and "Commercial" plans/units.
Source: New York State Attorney General's Office, Real Estate Financing Bureau.

G.4 Number of Units in Cooperative and Condominium Plans Accepted for Filing By the NYS Attorney General's Office, 1981-2003

Year	New Construction	Conversion Eviction	Conversion Non-Eviction	Rehabilitation	**Total New Construction Conversion & Rehab**	Units in HPD Sponsored Plans
1981	6,926	13,134	4,360	--	**24,420**	925
1982	6,096	26,469	16,439	--	**49,004**	1,948
1983	4,865	18,009	19,678	--	**42,552**	906
1984	4,663	7,432	25,873	--	**37,968**	519
1985	9,391	2,276	30,277	--	**41,944**	935
1986	11,684	687	39,874	--	**52,245**	195
1987	8,460	1,064	35,574	--	**45,098**	1,175
1988	9,899	1,006	32,283	--	**43,188**	1,159
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	21	0	149	271	**441**	0
1997	1,417	26	131	852	**2,426**	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

Note: Rehabilitated units were tabulated separately beginning in 1994. HPD Plans are a subset of all plans. Numbers were revised from prior years.

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

G.5 Tax Incentive Programs

Buildings Receiving Certificates for 421-a Exemptions, 2001-03

	2001		2002		2003	
	Certificates	Units	Certificates	Units	Certificates	Units
Bronx	7	350	9	405	14	422
Brooklyn	42	779	54	1,325	30	600
Manhattan	12	3,053	27	2,614	18	2,068
Queens	42	614	46	603	50	692
Staten Island	2	74	1	6	0	0
Total	**105**	**4,870**	**137**	**4,953**	**112**	**3,782**

Buildings Receiving J-51 Tax Abatements and Exemptions, 2001-03

	Buildings	Units	Certified Cost ($1,000s)	Buildings	Units	Certified Cost ($1,000s)	Buildings	Units	Certified Cost ($1,000s)
Bronx	380	12,659	25,674	169	8,228	16,162	184	9,760	30,409
Brooklyn	877	23,654	35,632	345	16,517	28,792	343	18,247	29,589
Manhattan	1,438	20,944	45,888	580	24,855	43,070	509	25,545	45,798
Queens	402	23,175	14,231	311	20,028	11,169	1,330	20,240	16,938
Staten Island	9	889	674	5	517	1,954	7	213	160
Total	**3,106**	**81,321**	**$122,099**	**1,410**	**70,145**	**$101,146**	**2,373**	**74,005**	**122,893**

Source: New York City Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.

G.6 Tax Incentive Programs - Units Receiving Initial Benefits, 1981-2003

Year	421-a	J-51
1981	3,505	--
1982	3,620	--
1983	2,088	--
1984	5,820	--
1985	5,478	--
1986	8,569	--
1987	8,286	--
1988	10,079	109,367
1989	5,342	64,392
1990	980	113,009
1991	3,323	115,031
1992	2,650	143,593
1993	914	122,000
1994	627	60,874
1995	2,284	77,072
1996	1,085	70,431
1997	2,099	145,316
1998	2,118	103,527
1999	6,123	82,121
2000	2,828	83,925
2001	4,870	81,321
2002	4,953	70,145
2003	**3,782**	**74,005**

Source: New York City Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.

G.7 City-Owned Properties, Fiscal Years 1985-2003

	Central Management				Alternative Management		Vestings		Buildings Sold
Fiscal Year	Occupied Units	Occupied Buildings	Vacant Units	Vacant Buildings	Units	Buildings	Units	Buildings	Buildings
1985	38,561	4,102	56,474	5,732	12,825	542	--	--	531
1986	39,632	4,033	55,782	5,662	13,375	583	--	--	275
1987	38,201	4,042	48,987	4,638	13,723	587	--	--	621
1988	37,355	3,628	37,734	3,972	14,494	624	--	--	58 +
1989	32,377	3,359	45,724	3,542	17,621	780	--	--	72
1990	33,851	3,303	37,951	3,110	14,800	705	3,323	292	112
1991	32,783	3,234	30,534	2,796	12,695	615	2,288	273	140
1992	32,801	3,206	22,854	2,368	--	--	1,462	197	--
1993	32,078	3,098	17,265	2,085	9,237	470	2,455	211	162
1994	30,358	2,992	13,675	1,763	8,606	436	715	69	81
1995	27,922	2,885	11,190	1,521	7,903	433	240	17	170
1996	24,503	2,684	9,971	1,349	6,915	393	49	2	386
1997	22,298	2,484	8,177	1,139	5,380	289	0	0	253
1998	19,084	2,232	7,511	1,021	6,086	305	0	0	206
1999	15,333	1,905	6,664	869	6,640	401	0	0	251
2000	13,613	1,730	6,295	805	6,282	382	0	0	136
2001	8,299	1,203	4,979	633	7,973	504	0	0	321
2002	5,715	919	3,762	524	7,756	477	0	0	302
2003	**4,049**	**610**	**2,370**	**367**	**7,064**	**441**	**0**	**0**	**184**

Note: HPD could not confirm vestings data prior to FY 1990.
Source: NYC Office of Operations, Fiscal 2003 *Mayor's Management Report*; NYC Department of Housing Preservation and Development.

G.8 Building Demolitions in New York City, 1985-2003

	Bronx		Brooklyn		Manhattan		Queens		Staten Island		Total	
Year	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**

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, and cannot specify whether buildings are residential, nor if they have 5+ units. Demolition statistics from 1985 though 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.

Appendix H: Changes to the Rent Stabilized Housing Stock

H.1 Additions to the Stabilized Housing Stock, 1994-2003

Year	421-a	J-51	Mitchell-Lama Buyouts State	Mitchell-Lama Buyouts City	Lofts	421-g	420-c	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**	**31,286**
2003	**1,929**	**171**	**0**	**278**	**20**	**41**	**1,781**	**4,220**

421-a Notes: 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 RPAD database 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. In 2003, 51% of 421-a units were rental units, therefore, of the 3,782 units created under the 421-a program in 2003, 1,929 were rentals that are rent stabilized.

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.

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

421-g and 420-c Notes: Counts for each year between 1994 and 2002 are not available; only an aggregate is available.

Sources: Department of Housing Preservation and Development, Office of Development, Division of Housing Finance, Tax Incentive Programs; NYS Division of Housing and Community Renewal annual registration data; NYC Loft Board; and Department of Housing Preservation and Development, Office of Housing Operations, Division of Housing Supervision, Mitchell-Lama.

H.2 Subtractions to the Stabilized Housing Stock due to High Rent/High Income Decontrol by Borough, 1994-2003

Year	Bronx	Brooklyn	Manhattan	Queens	S.I.	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
1994-2002	**13**	**3**	**2,926**	**14**	**0**	**2,956**
2003	**2**	**13**	**177**	**6**	**0**	**198**

Source: NYS Division of Housing and Community Renewal annual registration data, grants by year of filing petition cycle.

H.3 Subtractions to the Stabilized Housing Stock due to High Rent/Vacancy Decontrol by Borough, 1994-2003

Year	Bronx	Brooklyn	Manhattan	Queens	S.I.	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
1994-2002	**162**	**1,534**	**22,135**	**532**	**7**	**24,370**
2003	**83**	**640**	**7,048**	**416**	**17**	**8,204**

Note: Registration of deregulated units with DHCR was voluntary and not required from 1994-2000. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years. The NYC City Council required proof of registration with DHCR of the unit as exempt to be sent to the tenant beginning in March 2000 (see Endnote 5).

Source: NYS Division of Housing and Community Renewal annual registration data.

H.4 Subtractions from the Stabilized Housing Stock, 1994-2003

Year	High Rent/ High Income Decontrol	High Rent/ Vacancy Decontrol	Co-op/Condo Conversion	421-a Expiration	J-51 Expiration	Commercial/ Substantial Rehab	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
1994-2002	**2,956**	**24,370**	**32,660**	**15,288**	**11,188**	**4,491**	**1,528**	**12,940**	**105,421**
2003	**198**	**8,204**	**1,474**	**651**	**854**	**340**	**59**	**912**	**12,692**

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 Decontrol Note: See Appendix 3 note above.

Source: NYS Division of Housing and Community Renewal annual registration data.

1/40th Increase: See "Individual Apartment Improvement Rent Increases."

421-a Tax Incentive Program: Created in 1970. Offers tax exemptions to qualifying new multifamily properties containing three or more rental units. Apartments built with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Thus, 421-a tenants share the same tenancy protections as stabilized tenants and initial rents approved by HPD are then confined to increases established by the Rent Guidelines Board.

Adjustable Rate Mortgage (ARM): Similar to a variable rate mortgage except that interest rate adjustments are capped in order to protect lenders and borrowers from sudden upturns or downturns in a market index.

Affordable Housing: As defined by the United States Department of Housing and Urban Development, any housing accommodation for which a tenant household pays 30% or less of its income for shelter.

Balloon Loan: A type of loan that is partially amortized, which means that principal is partially paid throughout the term of the loan. At maturity, the borrower still has a substantial sum (balloon) that must be repaid or refinanced.

Class A Multiple Dwelling: As defined under the Multiple Dwelling Law, a multiple dwelling building which is generally occupied as a permanent residence. The class includes such buildings as apartment houses, apartment hotels, maisonette apartments, and all other multiple dwellings except Class B dwellings.

Class B Multiple Dwelling: A multiple dwelling which is occupied, as a rule, transiently, as the more or less temporary abode of individuals or families. This class includes such buildings as hotels, lodging houses, rooming houses, boarding schools, furnished room houses, college and school dormitories.

Condominium: A form of property ownership in which units are individually owned and the owners acquire shares in an association that owns and cares for common areas.

Cooperative: A form of property ownership in which a building or complex is owned by a corporation. Shares in the corporation are allocated per apartment and the owners of those shares, who are called proprietary lessees, may either live in the apartment for which the shares are allocated or rent that apartment to a sub-tenant.

Core Manhattan: The area of Manhattan south of 96th Street on the East Side and 110th Street on the West Side. See also "Upper Manhattan."

Cross-sectional: The type of analysis that provides a "snapshot" view of data as it appears in a singular moment or period of time.

Debt Service: Repayment of loan principal and interest; the projected debt service is the determining factor in setting the amount of the loan itself.

Debt Service Ratio: The net operating income divided by the debt service; it measures a borrower's ability to cover mortgage payments using a building's net operating income.

Decontrol: See "Deregulation."

Department of Housing Preservation and Development (HPD): The New York City agency with primary responsibility for promulgating and enforcing housing policy and laws in the City. (Also see DHCR)

Deregulation: Also known as "Decontrol" or "Destabilization." Deregulation occurs by action of the owner when an apartment under either rent control or rent stabilization legally meets the criteria for leaving regulation. When an apartment is deregulated, the rent may be set at 'market rate.' There are two types of deregulation, commonly referred to as Luxury Decontrol (also High-Income High-Rent Decontrol) and Vacancy Decontrol (also High-Rent Decontrol). See these terms for details.

Destabilization: See "Deregulation."

DHCR: See "Division of Housing and Community Renewal."

Discount Rate: The interest rate Federal Reserve Banks charge for loans to depository institutions.

Distressed Buildings: Buildings that have operating and maintenance expenses greater than gross income are considered distressed.

Division of Housing and Community Renewal (DHCR): The New York State agency with primary responsibility for formulating New York State housing policy, and monitoring and enforcing the provisions of the state's residential rent regulation laws.

Emergency Tenant Protection Act of 1974 (ETPA): Chapter 576 Laws of 1974: In Nassau, Rockland and Westchester counties, rent stabilization applies to non-rent controlled apartments in buildings of six or more units built before January 1, 1974 in localities that have declared an emergency and adopted ETPA. In order for rents to be placed under regulation, there has to be a rental vacancy rate of less than 5% for all or any class or classes of rental housing accommodations. Some municipalities limit ETPA to buildings of a specific size, for instance, buildings with 20 or more units. Each municipality declaring an emergency and adopting local legislation pays the cost of administering ETPA (in either Nassau, Rockland or Westchester County). In turn, each municipality can charge the owners of subject housing accommodations a fee (up to $10 per unit per year).

Eviction: An action by a building owner in a court of competent jurisdiction to obtain possession of a tenant's housing accommodation.

Fair Market Rents: In New York City, when a tenant voluntarily vacates a rent controlled apartment, the apartment becomes decontrolled. If that apartment is in a building containing six or more units, the apartment becomes rent stabilized. The owner may charge the first stabilized tenant a fair market rent. All future rent increases are subject to limitations under the Rent Stabilization Law, whether the same tenant renews the lease or the apartment is rented to another tenant. The Rent Stabilization Law permits the first stabilized tenant after decontrol to challenge the first rent charged after decontrol, through a Fair Market Rent Appeal, if the tenant believes that the rent set by the owner exceeds the fair market rent for the apartment. The Appeal is decided taking into consideration the Fair Market Rent Special Guideline and rents for comparable apartments.

Family Assistance Program (FAP): New York State's TANF program. See "Temporary Assistance to Needy Families."

Federal Deposit Insurance Corporation (FDIC): Established by the federal government in 1950 to insure the deposits of member banks and savings associations.

Federal Reserve Board: The central bank of the United States founded by Congress in 1913 to provide the nation with a safer, more flexible, and more stable monetary and financial system.

Federal Funds Rate: Set by the Federal Reserve, this is the rate banks charge each other for overnight loans.

Fixed Rate Mortgage (FRM): The interest rate is constant for the term of a mortgage.

Fuel Cost Adjustment: The New York City Rent Control Law allows separate adjustments based on the changes, up or down, in the price of various types of heating fuels. The adjustment will be based on fuel price changes between the beginning and end of the prior year. Only tenants in rent controlled apartments located in New York City are subject to this fuel cost adjustment. Early rent stabilized New York City Rent Guidelines Board orders also contained supplementary guidelines adjustments denominating fuel cost adjustments.

Gross City Product (GCP): The dollar measurement of the total citywide production of goods and services in a given year.

Guideline Rent Increases: The percentage increase of the Legal Regulated Rent that is allowed when a new or renewal lease is signed. This percentage is determined by the New York City Rent Guidelines Board for renewal leases signed between October 1 of the current year and September 30 of the following year. The percentage increase allowed is dependent on the term of the lease and whether the lease is a renewal or vacancy lease (see 'Vacancy Allowance'). Although the RGB customarily set increases for vacancy leases, it has not done so since the passage of the Rent Regulation Reform Act of 1997, which established statutory vacancy increases. Sometimes additional factors such as the amount of the rent, whether or not electricity is included in the rent and the past rental history have also resulted in varying adjustments.

Home Relief: See "Safety Net Assistance."

Hotel: Under rent stabilization, a multiple dwelling that provides all of the following services included in the rent:
(1) Maid service, consisting of general house cleaning at a frequency of at least once a week;
(2) Linen service, consisting of providing clean linens at a frequency of at least once a week;
(3) Furniture and furnishings, including at a minimum a bed, lamp, storage facilities for clothing, chair and mirror in a bedroom; such furniture to be maintained by the hotel owner in reasonable condition; and
(4) Lobby staffed 24 hours a day, seven days a week by at least one employee.

Housing Maintenance Code: The code, enforced by the New York City Department of Housing Preservation and Development, which provides for protection of the health and safety of apartment dwellers by setting standards for the operation, preservation and condition of buildings.

Housing and Vacancy Survey (HVS): A triennial survey of approximately 17,000 households conducted by the United States Census Bureau data. The survey is used, *inter alia*, to determine the vacancy rate for residential units in New York City, and gather other information necessary for HPD, RGB, DHCR and other housing officials to formulate policy.

HPD: See "Department of Housing Preservation and Development."

HUD: The United States Department of Housing and Urban Development, which is the federal agency primarily responsible for promulgating and enforcing federal housing policy and laws.

HVS: See "Housing and Vacancy Survey."

I&E: Refers to the annual *Income and Expense Study* performed by the Rent Guidelines Board drawn from summarized data on RPIE forms, the income and expense statements filed annually by owners of stabilized buildings with the New York City Department of Finance.

Individual Apartment Improvements (IAI or "1/40th"): An increase in rent based on increased services, new equipment, or improvements. This increase is a NYS policy and is in addition to the regular annual Rent Guidelines Board increases for rent stabilized apartments and Maximum Base Rent increases for rent controlled apartments. If owners add new services, improvements, or new equipment to an occupied rent regulated apartment, owners of rent regulated units can add 1/40th or 2.5% of the cost of qualifying improvements to the legal rent of those units excluding finance charges. E.g., (1) if an apartment's legal rent were $500, and (2) the landlord made $4,000 of qualifying improvements, then (3) the landlord thereafter could add 1/40th of the cost of those improvements—in this example, $100—to the apartment's existing legal monthly rent for a resulting new legal rent of $600. The 1/40th increase remains permanently in the monthly rent, even after the cost of the improvement is recouped. Owners must get the tenant's written consent to pay the increase and an order from DHCR is not required. If any apartment is vacant, the owner does not have to get written consent of a tenant to make the improvement and pass-on the 1/40th increase.

Initial Legal Registered Rent: Under rent stabilization, the lawful rent for the use and occupancy of housing accommodations under the Rent Stabilization Law or the Emergency Tenant Protection Act, as first registered with the DHCR, which has not been challenged pursuant to regulation, or if challenged, has been determined by the DHCR.

In Rem: *In Rem* units include those located in structures owned by the City of New York as a result of an *in rem* proceeding initiated by the City after the owner failed to pay tax on the property for one or more years. Though many of these units in multiple dwellings had previously been subject to either rent control or rent stabilization, they are exempt from both regulatory systems during the period of city ownership.

J-51 Program: A program governed by Sections 11-243 and 11-244 of the New York City Administrative Code (formerly numbered J-51) under which, in order to encourage development and rehabilitation, property tax abatements and exemptions are granted. In consideration of receiving these tax abatements and at least for the duration of the abatements, the owner of these buildings agrees to place under rent stabilization those apartments which would not otherwise be subject to rent stabilization (e.g., those in buildings with fewer than 6 apartments or buildings constructed after 12/31/73). This program provides real estate tax exemptions and abatements to existing residential buildings that are renovated or rehabilitated in ways that conform to the requirements of the statute. It also provides these benefits to residential buildings that were converted from commercial structures.

Legal Rent: The maximum rent level that a landlord is entitled to charge a tenant for a rent regulated unit. The landlord of such a unit must annually register that legal rent with DHCR. Also, the initial legal registered rent as adjusted in accordance with the Rent Stabilization Code, or the rent shown in the annual registration statement filed 4 years prior to the most recent registration statement (or if more recently filed, the initial registration statement), plus in each case, any subsequent lawful increases and adjustments.

Legislature: The New York State Legislature.

Loft Board: A New York City agency that regulates lofts. Lofts are governed by Article 7-C of the Multiple Dwelling Law, and are not (until brought up to Code) within DHCR's rent regulatory jurisdiction.

Loan-to-Value Ratio (LTV): An expression of the safety of a mortgage principal based on the value of the collateral (e.g., an LTV of 50% means that a lender is willing to provide a mortgage up to half the value of a building). A decline in LTV may indicate a tightening of lending criteria and vice versa.

Longitudinal: The type of analysis that provides a comparison of identical elements over time, such as comparing data from 2002 to the same data in 2003.

Low Rent Supplement: See "Supplemental Adjustment."

Luxury Decontrol: The change in an apartment's status from being rent regulated to being deregulated because the apartment's household has (1) a yearly income of $175,000, (2) in two or more consecutive years, and (3) the apartment's monthly rent is $2,000 or greater.

Major Capital Improvements (MCI): When owners make improvements or installations to a building subject to the rent stabilization or rent control laws, they may be permitted to increase the building's rent based on the actual, verified cost of the improvement. To be eligible for a rent increase, the MCI must be a new installation and not a repair to old equipment. For example, an owner may receive an MCI increase for a new boiler or a new roof but not for a repaired or rebuilt one. Other building-wide work may qualify as MCIs as well, such as "pointing and water-proofing" a complete building where necessary. The Rent Stabilization Code also stipulates that applications for MCI rent increases must be filed within two years of completion of the installation. MCI rent increases must be approved by DHCR.

Maximum Base Rent Program (MBR): The Maximum Base Rent Program is the mechanism for authorizing rent increases for New York City apartments subject to rent control so as to ensure adequate income for their operation and maintenance. New York City Local Law 30 (1970) stipulates that MBRs be established for rent controlled apartments according to a formula calculated to reflect real estate taxes, water and sewer charges, operating and maintenance expenses, return on capital value and vacancy and collection loss allowance. The MBR is updated every two years by a factor that incorporates changes in these operating costs.

Maximum Collectible Rent (MCR): The rent that rent controlled tenants actually pay or are obligated to pay to the owner. In any one calendar year, the collectible rent shall be increased by no more than 7.5% until the MBR is reached. Other increases not associated with the MBR system are possible in the same year, in addition to the 7.5%, such as fuel cost adjustments and approved increases for individual apartment improvements and/or major capital improvements. The MCR generally is less than the MBR. For example, if a tenant's rent (MCR) on 12/31/87 was $200, and his/her MBR was $233, then on 1/1/88 (effective date of MBR) his/her rent (MCR) would rise 7.5% to $215 and the MBR ceiling would rise by 16.4% (1988/89 MBR factor) to $271.22. On 1/1/89, the MBR would remain the same (since MBRs cover a two year period), but the MCR would rise by another 7.5% to $231.12.

Mean and Median Averages: The "mean" is an arithmetic average of numbers. Numbers at the extreme of a range can have a potentially distorting effect on the mean. The "median" is considered by many as a more constant measure of that same set of numbers because it moderates the distorting effect of any extremes or other aberrations, because it is the 50th percentile of the numbers under analysis, or the number in the middle.

Net Operating Income or NOI: The amount of income remaining after operating and maintenance expenses are paid is typically referred to as Net Operating Income (NOI). NOI can be used for mortgage payments, improvements, federal, state and local taxes and after all expenses are paid, profit.

New Law Tenement: A "Class A" multiple dwelling constructed between 1901 and 1929 and subject to the regulations of the Tenement House Law. Distinguished from the old law tenement in terms of reduction of hazardous conditions and improved access to light and air.

New York City Housing Authority (NYCHA): The New York City agency that administers public housing and rental assistance programs.

New York City Rent Guidelines Board: See "Rent Guidelines Board, New York City."

Nominal Dollars: Dollars not adjusted to take inflation into account. See also "Real Dollars."

Old Law Tenement: A "Class A" multiple dwelling constructed before 1901 and subject to the regulations of the Tenement House Law.

O&M: Refers to the operating and maintenance expenses in buildings.

Operating Cost Ratio: The "cost-to-income" ratio, or the percentage of income spent on O&M expenses, is traditionally used by the RGB to evaluate estimated profitability of stabilized housing, presuming that buildings are better off by spending a lower percentage of revenue on expenses.

Orders: See "Rent Guideline Orders."

Outer Boroughs: Queens, Brooklyn, the Bronx and Staten Island, or the boroughs of New York City not including Manhattan. These boroughs are often grouped together for purposes of analysis because their economic and demographic attributes are more similar to each other than those found in Manhattan.

PIOC: Price Index of Operating Costs. The major research instrument performed by the RGB staff to determine the annual change in prices for a market basket of goods and services used by owners to operate and maintain rent stabilized buildings.

Points: Up-front service fees charged by lenders.

Post-46 or Post-war: A common classification of residential buildings used by City agencies to describe buildings built after World War II. Buildings with six or more residential units constructed between 1947 and 1973, or after 1974 if the units received a tax abatement such as 421-a or J-51, are considered stabilized.

Preferential Rent: A rent charged by an owner to a tenant that is less than the established legal regulated rent. Owners are no longer required to base renewal lease increases on the preferential rent. Upon renewal, the current (or new) tenant may be charged the higher legal regulated rent previously established plus the most recent applicable guidelines increases and other such increases as are permitted, such as for new equipment. Also known as the "actual rent."

Pre-47 or Pre-war: A common classification of residential buildings used by City agencies to describe buildings built before the World War II. Specifically, pre-47 buildings are those with six or more units constructed before February 1, 1947, and are considered stabilized when the current tenant moved in on or after July 1, 1971.

Real Dollars: Dollars adjusted to take inflation into account. Real dollar figures offer a comparison between years that are pegged to the value of a dollar in a given year. See also "Nominal Dollars."

Registration: Owners are required to register all rent stabilized apartments with DHCR by filing an Annual Apartment Registration Form which lists rents, tenancy and services in effect on April 1st of each year.

Renewal Lease: The lease of a tenant in occupancy renewing the terms of the first, vacancy lease entered into between the tenant and owner for an additional term. Tenants in rent stabilized apartments have the right to select a lease renewal for a one- or two-year term. The renewal lease must be on the same terms and conditions as the expiring lease unless a change is necessary to comply with a specific law or regulation or is otherwise authorized by the rent regulation. The owner may charge the tenant a Rent Guidelines Board authorized increase based on the length of the renewal lease term selected by the tenant. The law permits the owner to raise the rent during the lease term if the Rent Guidelines rate was not finalized when the tenant signed the lease renewal offer. A renewal lease should go into effect on or after the date that it is signed and returned to the tenant and on the day following expiration of the prior lease. In general, the lease and any rent increase may not begin retroactively. Penalties may be imposed when an owner does not timely offer the tenant a renewal lease or timely return to the tenant an executed copy thereof.

Rent Control: The rent regulation program which generally applies to residential buildings constructed before February, 1947 in municipalities for which an end to the postwar rental housing emergency has not been declared. For an apartment to be under rent control, the tenant must generally have been living there continuously since before July 1, 1971 or for less time as a successor to a rent controlled tenant. When a rent controlled apartment becomes vacant, it either becomes rent stabilized or is removed from regulation, generally becoming stabilized if the building has six or more units and if the community has adopted Emergency Tenant Protection Act. Formerly controlled apartments may have been decontrolled on various other grounds. Rent control limits the rent an owner may charge for an apartment and restricts the right of an owner to evict tenants. It also obligates the owner to provide essential services and equipment. Inside New York City, rent increases are governed by the MBR system.

Rent Guidelines Board (RGB): The New York City agency responsible for setting the yearly rent-rate adjustments for the City's rent stabilized apartments, and also the agency which produced this publication. The Board is appointed by the Mayor and consists of two members who represent tenants, two members who represent the real estate industry and five public members.

RGB Rent Index: An index that measures the overall effect of the Board's annual rent increases on contract rents.

RGB: See "Rent Guidelines Board."

Rent Guideline Orders: Rent guideline orders are issued by the rent guidelines boards annually, usually about July 1. For the most part, they establish the percentage increases that may be given to rent stabilized/ETPA apartments upon lease renewal and for new leases. These increases are based on the review of operating expenses and other cost of living data.

RPIE Forms: Owners of stabilized buildings are required by Local Law 63 to file Real Property Income and Expense (RPIE) forms annually with the New York City Department of Finance. RPIE forms contain detailed financial information regarding the revenues earned and the costs accrued in the operation and maintenance of stabilized buildings. Buildings with fewer than 11 units, an assessed value of $80,000 or less, or exclusively residential cooperatives or condominiums are exempt from filing. RPIE forms are also known as I&E forms.

Rent Regulation Reform Act of 1997 (RRRA-97): The law passed by the New York State Legislature in June, 1997 which promulgated several new provisions for rent regulated units. See "Luxury Decontrol", "Special Low Rent Increase", "Vacancy Allowance", "Vacancy Bonus" and "Vacancy Decontrol". Also known as the 'Rent Act.'

Rent Stabilization: In New York City, rent stabilized apartments are generally those apartments in buildings of six or more units built between February 1, 1947 and January 1, 1974. Tenants in buildings built before February 1, 1947, who moved in after June 30, 1971 are also covered by rent stabilization. A third category of rent stabilized apartments covers buildings subject to regulation by virtue of various governmental supervision or tax benefit programs. Generally, these buildings are stabilized only while the tax benefits or governmental suspension continues. In some cases, a building with as few as three units may be stabilized. Similar to rent control, stabilization provides other protections to tenants besides regulation of rental amounts. Tenants are entitled to receive required services, to have their leases renewed, and not to be evicted except on grounds allowed by law. Leases may be entered into and renewed for one or two year terms, at the tenant's choice.

Rent Stabilization Code: The Rent Stabilization Code is the body of regulations used by DHCR to implement the Rent Stabilization Law and Emergency Tenant Protection Act in New York City. These regulations affect nearly 1 million rent stabilized apartments in New York City. Chapter 888 of the Laws of 1985 authorized DHCR to amend the Rent Stabilization Code for New York City. The current Rent Stabilization Code became effective on May 1, 1987.

Rental Vacancy Rate: The percentage of the total rental units in an area that are vacant and available for occupancy. The vacancy rate for New York City is determined every three years by the Housing and Vacancy Survey.

Rooming House: Under rent control, in addition to its customary usage, a building or portion of a building, other than an apartment rented for single-room occupancy, in which housing accommodations are rented, on a short-term basis of daily, weekly or monthly occupancy, to more than two occupants for whom rent is paid, not members of the landlord's immediate family. The term shall include boarding houses, dormitories, trailers not a part of a motor court, residence clubs, tourist homes and all other establishments of a similar nature, except a hotel or a motor court.

Safety Net Assistance (SNA): An income assistance program set up under the New York State Welfare Reform Act of 1997 to replace Home Relief (HR).

Section 8 Vouchers: A federally-funded housing assistance program that pays participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for very low income families at rents they can afford. Housing assistance payments are generally the difference between the local payment standard and 30% of the family's adjusted income. The family has to pay at least 10% of gross monthly income for rent. In NYC, the program is administered by NYCHA.

Section 8 Certificates: A federally-funded housing assistance program that provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for low income families in private market rental units at rents they can afford. This is primarily a tenant-based rental assistance program through which participants are assisted in rental units of their choice; however, a public housing agency may also attach up to 15% of its certificate funding to rehabilitated or newly constructed units under a project-based component of the program. All assisted units must meet program guidelines. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the family's required contribution towards rent. Assisted families must pay the highest of 30% of the monthly adjusted family income, 10% of gross monthly family income, or the portion of welfare assistance designated for the monthly housing cost of the family.

Senior Citizens' Rent Increase Exemption (SCRIE): If a New York City tenant or tenant's spouse is 62 years of age or over (living in a rent regulated apartment) and the combined household income is $20,000 per year or less and they are paying at least 1/3 of their income toward their rent, the tenant may apply for the Senior Citizen Rent Increase Exemption (SCRIE). In New York City, the Department for the Aging (DFTA) administers the SCRIE program. Outside of New York City, Senior Citizen Rent Increase Exemption is a local option, and communities have different income eligibility limits and regulations. If a New York City tenant qualifies for this program, the tenant is exempt from future rent guidelines increases, Maximum Base Rent increases, fuel cost adjustments, MCI increases, and increases based on the owner's economic hardship. New York City senior citizen tenants may also carry this exemption from one apartment to another upon moving, upon the proper application being made to DFTA.

Shelter Allowance: A rental grant provided to households receiving public assistance under the Temporary Assistance to Needy Families (TANF) program.

Single-Room Occupancy Housing (SRO): Residential properties in which some or all dwelling units do not contain bathroom or kitchen facilities. Under rent control, the occupancy by one or two persons of a single room, or of two or more rooms which are joined together, separated from all other rooms within an apartment in a multiple dwelling, so that the occupant or occupants thereof reside separately and independently of the other occupant or occupants of the same apartment.

Special Guideline: The New York City Rent Guidelines Board is obligated to promulgate special guidelines to aid the State Division of Housing and Community Renewal in its determination of initial legal regulated rents for housing accommodations previously subject to rent control. This is determined each year by the RGB as applicable to the determination of Fair Market Rent Appeals.

Special Low Rent Increase: This provision of the 1997 Rent Regulation Reform Act permits the landlords of units which rent for less than $300 to charge those vacancy allowances otherwise permitted (including the "vacancy bonus") plus $100. Moreover, if an apartment rented for between $300 and $500, this same provision of the Rent Act provides that "in no event shall the total increase pursuant to this [vacancy allowance provision of the Rent Act] be less than one hundred dollars per month."

Special Vacancy Allowance: See "Vacancy Bonus."

Statutory Vacancy Allowance: See "Vacancy Allowance."

Sublet: The temporary transfer of a tenant's legal interest in an apartment to another person. A tenant who sublets an apartment to another person is the prime tenant. The person to whom the apartment is sublet is the subtenant. In a sublet situation, the prime tenant must abide by the rent stabilization rules that govern the building owner.

Supplemental Adjustment: A rent increase that has been allowed in certain years in addition to a regular Guideline Rent increases for apartments. The supplementary adjustment amount is established for that guideline year by the New York City or County Rent Guidelines Boards based upon the date the lease was signed, the term of the lease and the county. Also known as the "Low Rent Supplement."

Surcharge: An added charge which is paid by the tenant but not included in the legal regulated rent and is not compounded by guidelines adjustments. Examples of surcharges are: the $5.00 a month charge for an air conditioner that protrudes beyond the window line; the electrical charge for air conditioners in electrical inclusion buildings; and for the installation of window guards.

Temporary Assistance to Needy Families (TANF): An income assistance program set up under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to replace Aid to Families with Dependent Children (AFDC). Under TANF block grant system, each state has the authority to determine who is eligible, the level of assistance, and how long it will last. The New York State's TANF program is called the Family Assistance Program (FAP).

Term: The length of time in which a mortgage is expected to be paid back to the lender; the shorter the term, the faster the principal must be repaid and consequently the higher the debt service and vice versa.

Transient Occupancy: Among the criteria that must be met for hotel rooms, tourist homes, and motor courts to be exempt from rent regulation is that they are used for transient occupancy. Whether occupancy is transient depends on a number of factors, including whether rates are charged by the day, week, or month, and the proportions of occupants who stay for various lengths of time.

Upper Manhattan: The area of Manhattan north of 96th Street on the East Side and 110th Street on the West Side. See also "Core Manhattan."

Vacancy Allowance: A provision in the Rent Regulation Reform Act of 1997 allowing owners of rent stabilized units to raise by a certain percentage the legal rent of a vacant unit. For an incoming tenant who opts for a two-year lease, the vacancy allowance is 20%. For an incoming tent who opts for a one-year lease, the vacancy allowance is 20% minus the percentage difference between the RGB's then current guidelines for a two-year and a one-year lease. Other factors affect these percentages as well (see also the "Vacancy Bonus" and the "Special Low Rent Increase.") Because the 2003/04 RGB guideline for a two-year lease is 7.5% and for a one-year lease is 4.5%, the difference is 3%. Thus, if an incoming tenant opts for a one-year lease, during 2003/04, a landlord would be entitled to raise the legal rent for that incoming tenant's unit by a minimum of 17%.

Vacancy Bonus: An additional rental increase allowed for units that become vacant after a long-term tenant has moved out. If the prior tenant had been in occupancy at least for eight years—and thus the unit had not "received" a vacancy allowance during that time—the Rent Regulation Reform Act of 1997 permits the landlord to charge an additional 0.6% for each year since the unit received its last vacancy allowance. For example, if (1) the incoming tenant opts for a two-year lease, after (2) the prior tenant had been in occupancy for ten years, then the landlord can charge the incoming tenant a 20% vacancy allowance (for a two-year lease) plus another 6% (ten years times 0.6%) for a total increase of 26% over the legal rent which had been paid by the departing tenant.

Vacancy Decontrol: A process by which a rent regulated unit becomes deregulated if (1) at the time it next becomes vacant, (2) the legal rent is $2,000 or greater. If the in-place tenant is rent regulated, vacancy decontrol cannot occur even if that in-place tenant's monthly rent eventually exceeds $2,000. Such decontrol can occur only following the next vacancy unless the unit is "luxury decontrolled" (See "Luxury Decontrol"). Further, the $2,000 level may be reached in a variety of ways, including (1) by already being at or over $2,000 when the next vacancy occurs, (2) reaching the $2,000 level as a result of the next "vacancy allowance," or (3) reaching the $2,000 level as a result of the next "vacancy allowance" coupled with any "1/40th/individual apartment improvement" increase or MCIs.

Vacancy Lease: When a person rents a rent stabilized apartment for the first time, or, when a new name (not the spouse or domestic partner) is added to an existing lease, this is a vacancy lease. This written lease is a contract between the owner and the tenant which includes the terms and conditions of the lease, the length of the lease and the rights and responsibilities of the tenant and the owner. The Rent Stabilization Law gives the new tenant (also called the vacancy tenant) the choice of a one or two-year lease term. The rent the owner can charge may not be more than the last legal regulated rent plus all increases authorized by the Rent Stabilization Code, including increases for improvements to the vacant apartment.

Warranty of Habitability: Real Property Law Section 235-b entitles tenants to a livable, safe and sanitary apartment and building and remedies are specified when these conditions are not met.

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