

Housing NYC: Rents, Markets & Trends 2012

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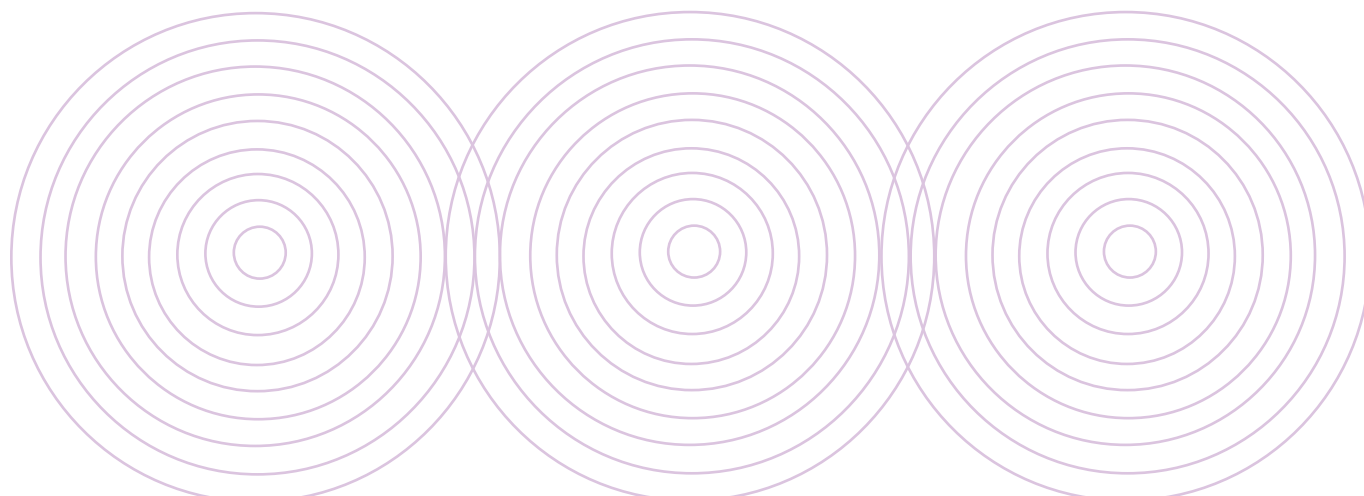


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Chairman's Acknowledgements

Each year the members of the Rent Guidelines Board are tasked with setting renewal lease adjustments for nearly one million rent stabilized housing units in New York City. The result of the Board's deliberation reflects the austere economic conditions faced by this city and its residents, both tenants and owners. While our decision, as usual, was not well received by all sectors of the housing community, I believe it was balanced and equitable based on the research and testimony presented.

The reports provided to the Board by its highly skilled and dedicated research staff are an important element of the guidelines adopted each year. These studies are contained in this year's annual compendium of housing research: *Housing NYC: Rents, Markets and Trends 2012*. These staff reports analyze various facets of the New York City housing market and economy, including statistics on the costs of operating residential buildings; affordability; housing availability; tenant income; changes to the housing stock; and much more. This publication is a valuable tool for the public looking for data on the NYC rental housing market. I am proud of the work done by our staff in preparing these reports. In addition to their research, they continue to provide an invaluable service by assisting members of the public, elected officials and the Board members throughout the year. Their professionalism and knowledge is greatly appreciated.

I would like to thank the multitude of elected officials; representatives of tenant and owner groups; and members of the public who spoke at our public hearings and meetings. Their views and opinions are an integral part of our deliberation process.

The members of the Board come from various backgrounds and represent different constituencies, all valuable to the process in determining our guidelines. I would like to thank each and every one of them for their hard work and dedication this year. They are a devoted group of individuals who should be commended for their service.

I hope you find *Housing NYC: Rents, Markets and Trends 2012* to be a helpful and informative resource.

Jonathan L. Kimmel,
Chairman

Executive Director's Acknowledgements

For more than 20 years, the NYC Rent Guidelines Board (RGB) has released a compilation of its annual research reports entitled *Housing NYC: Rents, Markets and Trends*. The primary purpose of this research is to assist the Board members in setting renewal lease guidelines for nearly one million rent stabilized housing units in NYC. It is my hope that you find the data contained in the 2012 edition informative and useful in understanding the complex landscape of the NYC rental housing market.

It is my pleasure to lead a talented team of researchers in this annual endeavor. Brian Hoberman, the RGB's Senior Research Associate, authored the *2012 Income and Expense Study*, *2012 Mortgage Survey Report* and *Changes to the Rent Stabilized Housing Stock in New York City in 2011*. In addition to his diligent work and admirable research skills, Brian uses his copious knowledge of IT matters to maintain our computers and in-house networks. Research Associate Danielle Burger used her exceptional research and analytical skills to complete the *2012 Income and Affordability Study* and the *2012 Housing Supply Report* and was a significant contributor to this year's *Price Index of Operating Costs*. Her attention to detail is perhaps her strongest trait as a researcher. Both Brian and Danielle also maintain and contribute content to the Board's website, nycrgb.org.

The most time-intensive report that the staff undertakes each year is the *Price Index of Operating Costs (PIOC)*. This report measures changes in operating and maintenance costs in rent stabilized buildings from year to year. In addition to the work performed by each member of the staff on behalf of the PIOC, the Board hires a temporary staff to help collect prices for insurance, non-union labor, contractors, building supplies, and replacement items. My thanks go out to our team of temporary data collectors, Michael Taylor and Grace Sserwadda, for their dedication and hard work on this project. I would also like to thank Jim Hudson for his review of the PIOC spreadsheets and the final written report. His many years of experience on this project, along with his exceptional statistical expertise, ensures that the data we present to the Board is accurate and concise.

In addition to the research staff, we are fortunate enough to have a dedicated administrative staff. Leon Klein, our Office Manager, carefully maintains our bookkeeping and makes sure our disbursements are timely made. He participates in gathering information for the PIOC and assists in answering a myriad of housing questions our office receives each day. His hard work and dedication help to maintain a smooth and efficient office.

This past August we said goodbye to a long-time member of the RGB administrative staff, Charmaine Superville. For ten years, Charmaine was the "voice" of the RGB. Her primary function was to answer housing questions by phone, in-person and electronically, that not only dealt with the RGB renewal lease guidelines but other rent stabilized issues. Not only was she thorough in answering these inquiries, but she also gained an excellent knowledge of where to refer both tenants and owners to relevant State and City agencies to meet their housing needs. In addition, she participated in the collection of the RGB's research data and the planning of public meetings and hearings. Ms. Superville always maintained a courteous demeanor when dealing with members of the public who were often upset, and at times, combative or rude based on their frustrations. I believe this trait comes from her kindness and sincerity that she brings to every aspect of her job and her life. Charmaine leaves us knowing that she helped thousands of tenants and owners navigate the choppy waters of the NYC rent stabilization system. She will be sorely missed and I wish her all the best in her future endeavors.

As Executive Director I work closely with the members of the Board. It is rare that they get public praise for their efforts for doing a job that, at best, is a difficult one. With this in mind, I would like to acknowledge their commitment to the Board and their public service to the City of New York. It was a pleasure to work with each and every one and I thank them for their hard work. I would especially like to extend my gratitude to Chairman Jonathan Kimmel. His dedication to the RGB is unparalleled. His sound advice and extensive knowledge of the issues that face both the Board and its staff makes my job that much easier. I thank him for his unwavering support of the RGB staff and its executive director.

Although RGB reports are produced entirely “in-house,” our research efforts would not be possible without assistance from many others. For both the information and expertise they provided, our gratitude goes out to: 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; Angela Orridge at the Department of Buildings, for City-wide demolition data; Floralba Paulino at the Bureau of City Marshals, for information on evictions and possessions; Juanita France at the NYS Attorney General's Office, for coop and condo plans; Norma Gomez at the NYC Department of Housing Preservation and Development (HPD), for information regarding cooperative and condominium developments; Eddy Valdez at the NYC Civil Court, for data on housing court proceedings; Eileen Lynch at the Department of Homeless Services, for help with homeless statistics; Emre Edev at the City Council's Finance Division for tax levy data; and Ana Champeny of the Independent Budget Office (IBO), for lending her expertise on real estate tax projections. At the Division of Housing and Community Renewal (DHCR), which is a division of New York State Homes and Community Renewal (HCR), we would like to thank Deputy Commissioner Woody Pascal, as well as Michael Berrios and Tracey Stock, for their assistance and expertise regarding owner registration data and Richmond McCurnin for his assistance with Mitchell-Lama data. In addition, our thanks goes out to the following staff members of HPD: Joseph Rosenberg, Senior Counsel for State Legal Affairs, for facilitating the collection of additional City-sponsored housing construction and sales data; Elaine R. Toribio of the Tax Incentives Program, who provided data on tax benefit programs; and Julie Walpert, Assistant Commissioner, Office of Housing Operations, who provides information regarding Mitchell-Lama units. We would like to thank the staff of NYC Department of Finance, in particular Leonard Linder, Director of Property Data Services and the following members of his staff: Ramon Castillo, Andreen McDonald, and Wendy Chong.

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; the Federal Deposit Insurance Corporation; U.S. Bankruptcy Court; 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; New York State Homes and Community Renewal, the Division of Housing and Community Renewal; the Bureau of Data Management and Analysis of the Office of Temporary and Disability Assistance; and the Department of Labor's Research and Statistics Division. Local level sources include: Civil Court of the City of New York; the Department of Finance; the Department of Buildings; the Department of City Planning; the Department of Homeless Services; the Human Resources Administration; the Comptroller's Office; Corporation Counsel; the Bureau of City Marshals; the NYC Loft Board; and the Department of Housing Preservation and Development.

Since the inception of an independent RGB staff in 1980, the Board has had a close working relationship with HPD. Their assistance with RGB administrative matters has been invaluable over the past year. In particular, we would like to thank Moon Wha Lee and Sheree West for their dedication and hard work on behalf of the RGB.

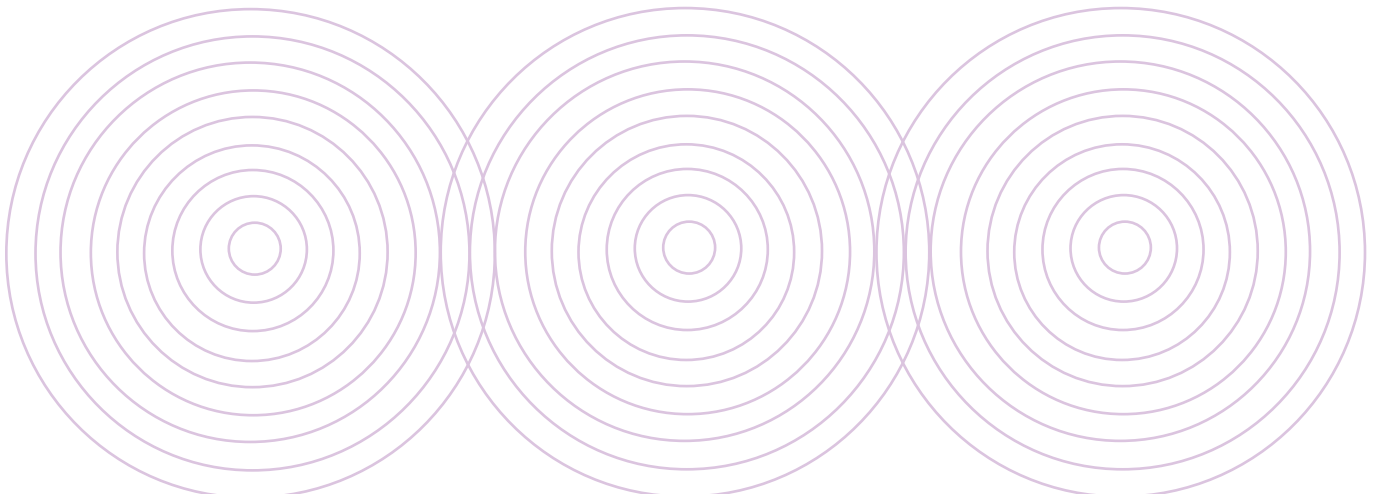
We would also like to thank Senior Policy Advisor Robert Goldrich, the Board's liaison to the Office of the Deputy Mayor for Economic Development, for his continued support of the RGB.

Finally, we give special thanks to those who testified at RGB meetings this year: from HPD, Joseph Rosenberg, Senior Counsel for State Legal Affairs; from the NYC Mayor's office of Long-Term Planning and Sustainability, Policy Advisor Steven Caputo; from the NYC Department of Environmental Protection, Geraldine Kelpin, Director of Air and Noise Enforcement and Policy Division; from the NYC Department of Buildings, Robert Daly, Technical Director of the Boiler Division; from the NYC Department of Finance, Assistant Commissioner Sara Meyers; and from HCR's Office of Rent Administration, Deputy Commissioner Woody Pascal, Assistant Commissioner Michael Rosenblatt and Assistant Commissioner Guy Alba.

Andrew McLaughlin
Executive Director

Income & Expense

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2012 Mortgage Survey Reportpg. 43



2012 Price Index Of Operating Costs

What's New

- ✓ The Price Index of Operating Costs (PIOC) for Rent Stabilized Apartment Buildings increased 2.8% this year.
- ✓ Costs in natural-gas heated buildings increased 0.6% and costs in fuel-oil heated buildings rose 3.9%.
- ✓ 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 5.0% this year.
- ✓ Fuel Oil costs rose 1.6%.
- ✓ Real estate taxes increased 7.5% due to a rise in assessments and tax rate for Class Two properties.
- ✓ Labor Costs rose 2.5%.
- ✓ The Utilities component decreased by 4.0%, primarily due to a decrease in natural gas costs.
- ✓ Insurance Costs increased by 2.5%.
- ✓ The Price Index of Operating Costs for Rent Stabilized Apartment Buildings is projected to increase 7.0% next year.

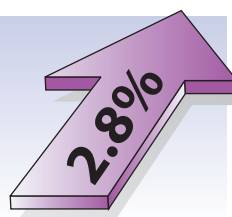
Introduction

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 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

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



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 2012 Price Index are based upon the 1983 Expenditure Study and are revised on the basis of annually measured price changes from 1982-2011.

The importance of each index component is shown by its “expenditure weight” (see Appendix B.2). The measured 2011-12 price changes in each index component are also presented in this appendix. The expenditure

2012 Price Index Of Operating Costs

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.

Apartments

*Change In Costs for
Rent Stabilized Apartment
Buildings, March 2011
to March 2012*

Taxes	7.5%
Labor Costs	2.5%
Fuel Oil	1.6%
Utilities	-4.0%
Contractor Services	3.2%
Administrative Costs	2.6%
Insurance Costs	2.5%
Parts and Supplies	3.7%
Replacement Costs	3.2%
All Costs	2.8%

weights and the 2011-12 price changes are then combined to provide the overall change in the PIOC over the period from 2011-12.

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

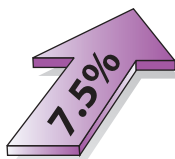
Overview

This year, the PIOC for all rent stabilized apartment buildings increased by 2.8%, 3.3 percentage points less than the PIOC percentage change from the year before (6.1% in 2011). The PIOC was driven upward by a significant increase in the real estate tax component of 7.5%. More moderate increases were seen in Contractor Services (3.2%), Administrative Costs (2.6%), Insurance Costs (2.5%), Labor Costs (2.5%) and Fuel Oil costs¹ (1.6%). The Parts and Supplies and Replacement Costs components, each of which carry very little weight in the PIOC, increased 3.7% and 3.2% respectively. In contrast, the Utilities component declined 4.0%. The growth in the Consumer Price Index (CPI) during this same time period was slightly higher than the PIOC, rising 3.0%.² See the adjacent table and Appendix B.2 for changes in costs and prices for all rent stabilized apartment buildings from 2011-12.

The "core" PIOC, which excludes erratic changes in fuel oil, natural gas, and electricity costs, is useful for analyzing long-term inflationary trends. The core PIOC rose by 5.0% this year and was higher than the overall PIOC due to the exclusion of fuel oil costs, which witnessed moderate growth, and natural gas costs that declined significantly.

Price Index Components

Taxes



The Taxes component of the PIOC is based entirely on real estate taxes and accounts for nearly thirty percent of the overall price index. The change in tax cost is estimated by comparing aggregate taxes levied on rent stabilized apartment buildings in Fiscal Year (FY) 2011 and FY 2012.

Real estate taxes rose this year by 7.5%. This is more than twice the growth seen in last year's price index (3.5%) but lower than the double-digit increases in real estate taxes witnessed in 2009 and 2010. The change in taxes was primarily due to a rise in assessments in FY 2012. Tax rates also rose, but at a much slower pace than assessments. The average values of both exemptions and abatements declined, but neither had much impact on this year's tax component.

Tax Levy — The total tax levy for all properties in the City (commercial and residential) increased by 5.2% from FY 2011 to FY 2012. The Class Two property levy rose at a faster pace than that of the City as a whole, at a rate of 6.3%. The distribution of the levy among property classes tends to shift from year to year. From FY 2011 to FY 2012, the levy share for Class Two properties increased, by 0.4 percentage points, from 37.4% to 37.8% of the total tax burden. This is the highest percentage of levy share since the inception of the four-class system in 1983, when the share was 26.3%.

Tax Rate — The average annual FY 2011 Class Two tax rate of 13.353 increased by 0.6%, resulting in a new annualized rate of 13.433 for FY 2012. This is the fourth consecutive year in which the Class Two tax rate rose. For a historical perspective of changes in the tax rate, see the orange bars on the graph below.

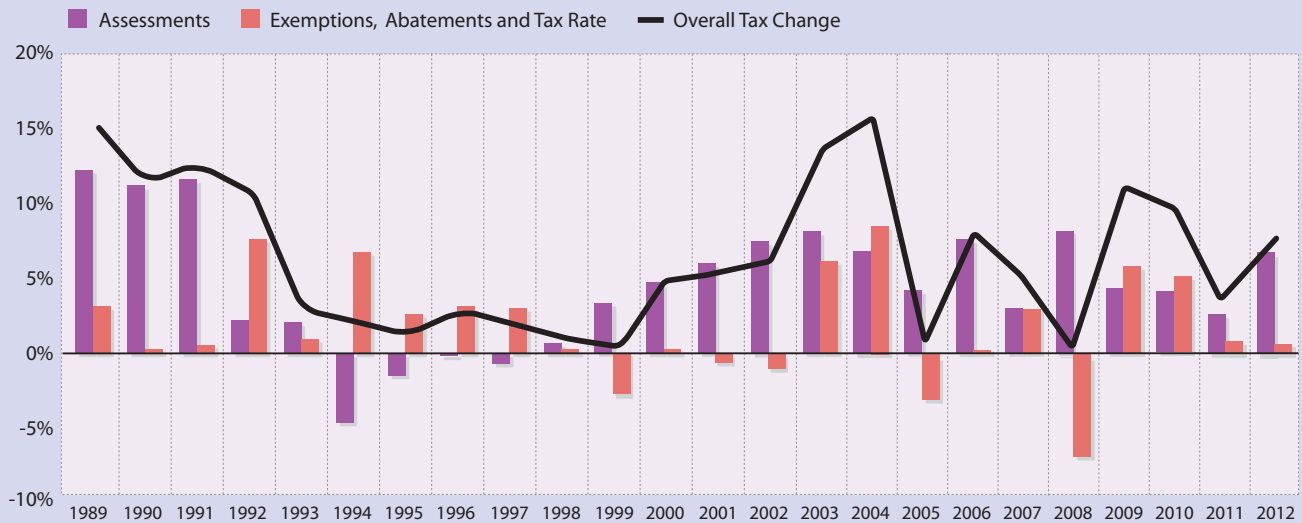
Assessments — Assessed valuations of rent stabilized properties rose by 7.1% citywide in FY 2012, the

highest increase in assessments since FY 2008. This increase was driven by an 8.4% rise in assessments in Manhattan. More moderate increases were seen in Brooklyn (5.7%), Queens (5.4%), Staten Island (4.6%) and the Bronx (2.5%). This is a reversal from last year when assessments declined or were nearly flat in all boroughs except Manhattan. Buildings in Manhattan generally drive much of the change in assessed value citywide, with 65% of all valuations emanating from this borough in FY 2012. For a historical perspective of changes in tax assessments, see the purple bars on the graph on the this page.

Abatements and Exemptions — This year, the number of rent stabilized buildings with tax abatements increased by 11.7%. However, the average benefit value of the typical tax abatement decreased, by 13.9%, from FY 2011 to FY 2012. The net impact of the increase in the number of abatements and the decrease of the average abatement value was a negligible rise in the tax liability for rent stabilized buildings of 0.004%.

Percent Change in Taxes due to Assessments and Exemptions/Abatements/Tax Rate 1989-2012

Assessments and the Tax Rate Rise in 2012

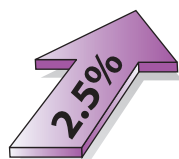


Source: New York City Department of Finance

2012 Price Index Of Operating Costs

In FY 2012, 2.1% more rent stabilized buildings benefited from tax exemptions. However, the value of the average tax exemption decreased. This decrease in the average value of tax exemptions offset the increase in the number of buildings receiving exemptions, resulting in owners' tax bills decreasing by 0.4%. (See Appendices B.5 and B.6)

Labor Costs

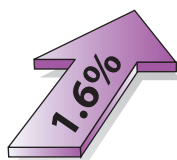


The Price Index measure of labor costs includes union and non-union salaries and benefits, in addition to Social Security and unemployment insurance. The cost of unionized labor makes up nearly two-thirds of the Labor Costs component. The entire Labor Costs component comprises 12.9% of the overall Price Index.

Labor Costs rose 2.5%, similar to the increase seen in last year's PIOC of 2.7%. The rise in Labor Costs was due to increases in union and non-union wages, as well as rises in healthcare and pension contributions.

Wages comprise three-quarters of the Labor Costs component. Non-union pay increased by 2.2%, nearly one percentage point lower than the increase seen in the 2011 PIOC (3.1%). In contrast, the unionized wage increase was 0.3 percentage points higher than the previous year, rising 1.8% in 2012, compared to 1.5% in 2011.

Fuel Oil



The Fuel Oil component comprises 13.3% of this year's Price Index (see Endnote 1). The change in cost measured in this 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. This year the Fuel Oil component rose 1.6%, a significantly slower rise than witnessed in last year's index of 23.1%. (See "Fuel Oil" in the Methodology section of this report for changes in calculating the overall weight of the Fuel Oil component.)

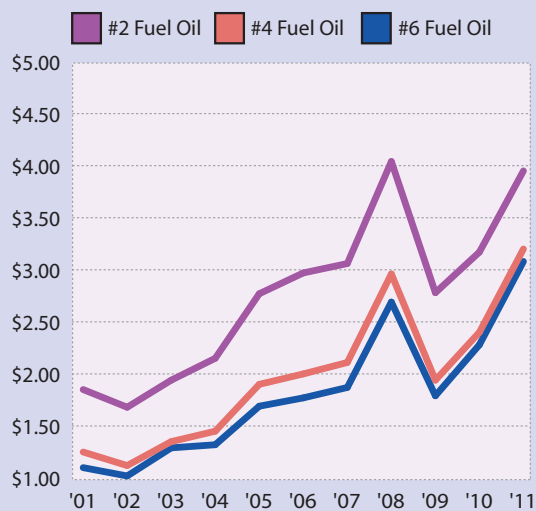
The PIOC measured fuel oil prices from April to March and then compared them to the same months from the previous year. Over the past 12 months, fuel oil prices increased by 20.8%. The price for #2 oil, which comprises about half of this component, increased 19.0%. Prices for #4 and #6 heating oil rose more than #2 oil, rising 22.4% and 23.3%, respectively.

Over the past ten years the average prices per gallon for all fuel grades, which are pure prices that do not factor in weather, have risen substantially. The average price for all grades of fuel oil in calendar year 2011 was \$3.71 a gallon. Adjusted for inflation, the average price in 2001 was \$1.64. This is an annual rate of increase in the price of fuel oil of almost nine percentage points above the general rate of inflation. Adjusted for inflation, the price of #2 Fuel Oil (the most commonly used fuel oil) rose by 24.7% in 2011, following an increase of 14.1% in 2010. (See graph on this page.)

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

Average Inflation-Adjusted Fuel Oil Prices per Gallon, 2001-2011

Average Fuel Oil Prices Have Risen Over the Past Ten Years



Note: Prices are in constant 2011 dollars.
Source: Price Indices of Operating Costs, 2001-2012

Fuel Oil Cost Relatives vs. Change in Fuel Prices, 2003-2012

<u>PIOC Year</u>	<u>Fuel Oil Cost Relative*</u>	<u>Change in Fuel Oil Price**</u>
2012	1.6%	20.8%
2011	23.1%	20.3%
2010	0.5%	6.7%
2009	-10.1%	-16.9%
2008	37.4%	38.4%
2007	0.5%	-3.0%
2006	22.8%	28.2%
2005	20.0%	26.5%
2004	-2.8%	0.6%
2003	66.9%	31.4%

* The Fuel Oil Cost Relative factors in the effect of weather on total fuel oil consumption. In years that are colder than the prior, the weather factor will put upward pressure on the fuel oil relative. In years that are warmer than the prior, downward pressure is placed on the Fuel Oil component.

** Weighted change in #2, #4 and #6 fuel oil prices.

Source: Price Indices of Operating Costs, 2003-2012

warmer than last year, weather decreased the demand for fuel oil. The combination of the rise in heating oil prices and an decrease in demand resulted in a rise in the cost for heating buildings with oil by 1.6%.³

In years that are colder than the prior year, the weather factor will place upward pressure on the Fuel Oil cost relative, enhancing pure price increases of fuel oil and dampening the effect of price declines. However, in years that are warmer than the prior year, the Fuel Oil component will be lower than pure price increases and will show larger declines if fuel oil prices decrease. For instance, in the 2012 PIOC, weather was significantly warmer than the prior year and thus less fuel oil was used, so although fuel oil prices rose by 20.8%, the price relative reported in the PIOC is 1.6%. In contrast, the 2003 Price Index witnessed an increase in fuel oil prices of 31.4%, but the rise in the Fuel Oil component was 66.9% due to the weather being significantly colder than the previous PIOC year. See the table above for a comparison of the Fuel Oil component relatives and the change in fuel oil prices over the past ten years.

Utilities

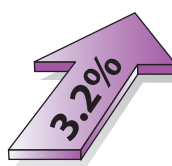


The Utilities component consists primarily of electricity, natural gas, and water and sewer charges. In fact, water and sewer costs account for over 50% of the Utilities component.

Telephone and steam costs are a small part of this component. In the case of most Utilities items, changes in costs are measured using the PIOC specifications (e.g. the quantity of electricity, steam, etc. being purchased) and the changes in rate schedules. It is important to note that changes in natural gas costs for heat and hot water are included in this component. (See Spec 405 and 406 in Appendix B.2.) See "Utility Costs Computation" in the Methodology section of this report for changes in the computation of the Utilities component.

This year Utilities decreased 4.0%, which is in contrast to last year's increase of 7.7%. Decreases in gas costs (23.5%), as well as costs for electricity (8.2%) and steam (6.5%), were somewhat offset by an increase in water and sewer costs (7.5%).

Contractor Services



The Contractor Services component rose 3.2%, 0.5 percentage points higher than last year's growth of 2.7%. This is the first time in the past four years that the growth in this component was more than three percent. Between the years 2003 and 2008 the growth in this component was more than four percent annually. Previously, Contractor Services costs rose above four percent only once from 1992 through 2002.

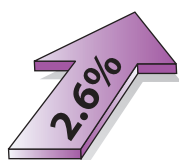
The most important items in this component by weight are repainting and plumbing rates, which comprise two-thirds of the Contractor Services component. Painters' rates rose 3.5%, up from last year's increase of 3.0%. Rates charged by plumbers increased by 2.8%, a lower increase than last year's growth of 3.2%. Painters and plumbers reported that increases in the cost of labor, insurance, and materials were the primary factors that led to an increase in their rates. However, as reported in last year's report, there

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were still painters who lowered their rates due to the “poor economy” and the need to attract customers.

The highest increase of any item in the Contractor Services component was roof repair, which increased by 9.1%. This was due, in part, to the increase in the price of oil-based materials. All other items in this component witnessed changes in costs ranging from a 5.1% increase (refrigerator repair) to a decrease of 0.9% (boiler tube repair). (See Appendix B.2)

Administrative Costs



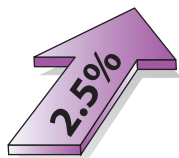
Administrative Costs rose 2.6%, 0.3 percentage points lower than last year's increase (2.9%) and the smallest growth in this component since the inception of the Price Index in 1969. Fees paid to management companies, accountants, and attorneys make up nearly this entire component.

A large portion of the growth in the Administrative Costs component can be attributed to a rise in management company fees (3.0%) that comprise nearly three-quarters 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 less than last year's (3.4%), indicating that management companies lowered their fees and/or rents increased at a slower rate than last year. In addition, the lower growth rate may also be the result of more vacancies and/or collection losses in the buildings they manage compared to the previous year.

Accounting fees increased in this year's PIOC by 0.8%, similar to last year's rise of 0.7%. Attorney fees rose 1.9%, slightly less than last year's growth of 2.2%.

All other items in this component witnessed changes in price relatives from 0%-1.7%.⁴ (See Appendix B.2)

Insurance Costs

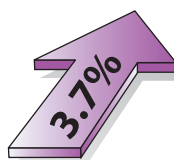


Insurance Costs increased for the first time in the past four years, rising 2.5%. The three previous price indices showed declines in the cost of insurance between 0.4% and

2.9%. The increases seen in this component from 2006 to 2008 of 1.9%-2.5% were more moderate compared to the period between 2002-2005, when escalating insurance costs rose a cumulative 104%. 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%.

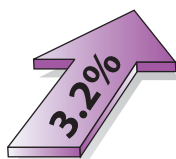
Changes in insurance costs for owners varied by the amount of the policy. Policies that cost more than \$4,262.50, which represent half of all verified insurance quotes, saw an average increase in cost of 2.9% upon renewal. Meanwhile, buildings with policies under \$4,262.50, saw an increase of 0.7%.

Parts and Supplies



The Parts and Supplies component accounts for less than two percent of the entire Price Index. The overall increase in the Parts and Supplies component was 3.7%, the same rise as witnessed in last year's PIOC.

Replacement Costs



The Replacement Costs component has the lowest weight of any component, with its weight being less than 1/100th of the PIOC. This year Replacement Costs rose 3.2%, a larger rise than the 0.6% increase reported in the 2011 Price Index.

PIOC by Building Type

The 1983 Expenditure Study provides a basis for calculating separate sets of expenditure weights for different types of buildings that contain rent stabilized units. In addition to the all apartment PIOC, this report includes separate indices for buildings constructed before 1947 (pre-1947) and for buildings constructed in 1947 or later (post-1946) as well as 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)

Typically, buildings constructed before 1947 incur a lower percentage of operating and maintenance costs for property taxes, which rose 7.5%, than post-1946 buildings. However their fuel oil costs, which increased by 1.6%, represent a significantly higher percentage of total operating and maintenance costs. As a result, the PIOC for Pre-1947 buildings was 2.2%, lower than that for Post-1946 buildings (2.9%).

Due to the decline in natural gas costs for heating multi-family buildings in NYC, the Price Index for gas-heated buildings was nearly flat, rising just 0.6%. In contrast, buildings heated with fuel oil saw a rise in costs of 3.9%. The PIOC for master-metered buildings was 1.3%.

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, maid or linen services; 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 reside separately and independently of other occupants in a single room.

The Price Index for all stabilized Hotels rose 3.7% this year, a significantly smaller increase than the 7.6% rise in 2011. The Price Index for Hotels was 0.9 percentage points higher than the increase in costs measured in the Apartment Price Index. Significant disparities between the Hotel Index and the Apartment Index were seen in the Taxes and Utilities components. Taxes for Hotels increased at a higher pace (11.0%) than the increase for apartments (7.5%). In contrast, the decrease in Utilities for all types of Hotels was 9.1%, versus the 4.0% decline for apartment buildings.

In addition to the changes in costs in Taxes and Utilities mentioned above, increases were seen in the remaining Hotel cost components. Contactor Services increased 4.3% and Labor by 2.7% while Administrative Costs and Insurance rose at the same rate (2.5%). Fuel Oil costs, which make up roughly 16% of the PIOC for hotels, rose 1.4%. Parts and Supplies and Replacement Costs, which carry very little weight in the Hotel Index, rose 2.5% and 2.0%, respectively. See the table on this page for changes in costs and prices for all rent stabilized hotels from 2011-2012.

Among the different categories of Hotels, the index for “traditional” hotels increased 6.7%, which was higher than increases for both Rooming Houses (3.7%) and SROs (1.3%). The differences between these indices are due to the increased weight and more rapid increase in costs in the Tax component for “traditional” hotels. (See Appendices B.4 and B.7)

Hotels

Change In Costs for Rent Stabilized Hotel Buildings, March 2011 to March 2012

Taxes	11.0%
Labor Costs	2.7%
Fuel Oil	1.4%
Utilities	-9.1%
Contractor Services	4.3%
Administrative Costs	2.5%
Insurance Costs	2.5%
Parts and Supplies	2.5%
Replacement Costs	2.0%
All Costs	3.7%

Lofts

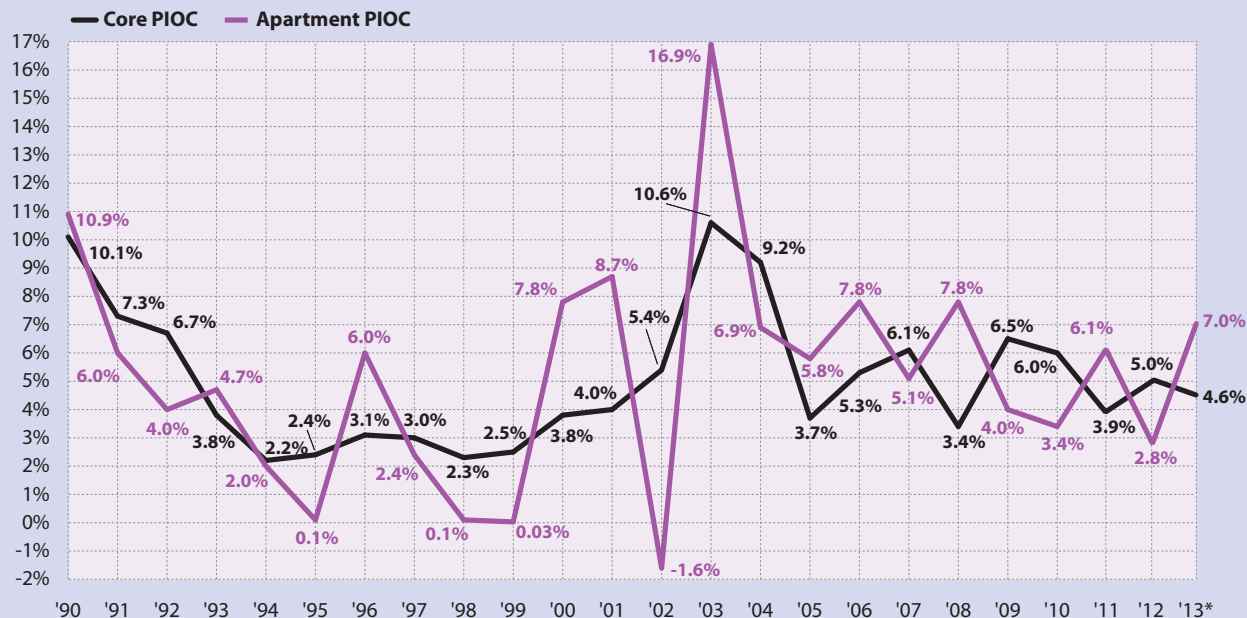
Change In Costs for Rent Stabilized Loft Buildings, March 2011 to March 2012

Taxes	7.5%
Labor Costs	2.5%
Fuel Oil	2.1%
Utilities	-0.2%
Contractor Services	3.2%
Admin Costs, Legal	1.9%
Admin Costs, Other	2.7%
Insurance Costs	2.5%
Parts and Supplies	3.7%
Replacement Costs	3.2%
All Costs	3.7%

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Percent Change in the Price Index of Operating Costs and the Core PIOC, 1990-2013

The Apartment Index Rose Less than “Core” PIOC in 2012



*Note: The percent change for 2013 is estimated.

Source: Price Indices of Operating Costs, 1990-2012, PIOC and Core PIOC projections for 2013

Rent Stabilized Lofts

The increase in the Loft Index this year was 3.7%, 0.9 percentage points higher than the increase for apartments. This difference is explained by the fact that the Utilities component decreased by just 0.2% for Lofts versus the decrease in Apartments of 4.0%. This smaller decrease in Utilities placed less downward pressure on the Loft Index resulting in an increase in the overall Loft Index that was higher than the PIOC for Apartments. See the table on the previous page and Appendix B.8 for changes in costs and prices for all rent stabilized lofts from 2011-12.

The Core PIOC

The Core PIOC, which measures long-term local trends by factoring out shifts in fuel costs, gas, and electricity rates, rose 5.0% in 2012. The rise in the 2012 Core was 2.2 percentage points higher than the Apartment Index. The Core PIOC rose at a faster pace than the

overall PIOC because fuel oil costs rose at a slower rate (1.6%) than the Index as a whole (2.8%). Furthermore, the Core Index excludes the cost for heating apartments with natural gas, which witnessed a decline in costs of 23.7%. (See graph on the this page.)

PIOC Projections for 2013

Section 26-510 of the Rent Stabilization Law requires the Board to consider prevailing and projected operating and maintenance costs. Projections for 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 to assist the Board in setting guidelines for tenants choosing two- or three-year leases.

2013 Projections

*Projected Change In Costs for Rent
Stabilized Apartment Buildings, March 2012
to March 2013*

Taxes	6.4%
Labor Costs	4.0%
Fuel Oil	21.4%
Utilities	7.0%
Contractor Services	2.7%
Administrative Costs	3.2%
Insurance Costs	0.0%
Parts and Supplies	2.0%
Replacement Costs	1.8%
All Projected Costs	7.0%

It is important to note that changes in costs and prices after March 2012, 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 NOI' commensurate formulas (see the "Commensurate Rent Adjustment" section on this 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 represent about one-fifth of the market basket of operating costs measured in the index — have become increasingly volatile. Unpredictable geo-political events, recession and changing weather patterns are some of the forces behind large changes in fuel-related costs (heating fuel oil, electricity, gas and steam) that have in turn hindered the accuracy of the PIOC projections in recent studies. The tax component, which accounts for roughly thirty percent of the entire Price Index, has also become harder to project due to changes in tax policy, such as tax rate reductions and changes to the City's tentative assessment roll, after the period covered in this Price Index.

This year, operating costs in rent stabilized apartment buildings increased by 2.8%, versus last year's projected PIOC increase of 7.4%. The components that showed

the most variance between actual changes in costs versus projected changes were Fuel Oil, Utilities, Insurance Costs and Taxes. Fuel Oil, a historically volatile component, was projected to increase 19.6%, but actually rose 1.6%. Utilities were anticipated to rise 6.0%, but actually declined by 4.0%. And Insurance costs increased by 2.5% in 2012, versus the expected decrease of 1.8%. Meanwhile, Taxes were anticipated to rise 10.0%, but actually rose 7.5%. The remaining 2012 projected components of the PIOC were within 1.8 percentage points of the actual measured changes.

Overall, the PIOC is expected to grow by 7.0% from 2012 to 2013. Costs are predicted to rise in each component except Insurance, where costs are anticipated to remain flat. Fuel Oil, the most volatile PIOC component, is expected to increase the greatest proportion, by 21.4%. Taxes, the component that carries the most weight in the Index, is projected to increase 6.4% while the Utilities component is anticipated to increase 7.0%. More moderate increases are projected in Labor (4.0%), Administrative Costs (3.2%) and Contractor Services (2.7%). The Parts and Supplies and Replacement Costs components are expected to rise 2.0% and 1.8%, respectively. The table on this page shows predicted changes in PIOC components for 2013. The core PIOC is projected to rise 4.6%, less than the overall PIOC.

Commensurate Rent Adjustments

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

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Commensurates	
<i>"Net Revenue" Commensurate Adjustment</i>	
<u>1-Year Lease</u>	<u>2-Year Lease</u>
2.25%	4.0%
<i>"Net Revenue" Commensurate Adjustment with Vacancy Increase</i>	
<u>1-Year Lease</u>	<u>2-Year Lease</u>
1.25%	2.0%
<i>"CPI-Adjusted NOI" Commensurate Adjustment</i>	
<u>1-Year Lease</u>	<u>2-Year Lease</u>
3.75%	6.0%
<i>"CPI-Adjusted NOI" Commensurate Adjustment with Vacancy Increase</i>	
<u>1-Year Lease</u>	<u>2-Year Lease</u>
2.5%	4.0%
<i>"Traditional" Commensurate Adjustment</i>	
<u>1-Year Lease</u>	<u>2-Year Lease</u>
1.9%	4.3%

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 2.8% increase in the PIOC is 2.25% for a one-year lease and 4.0% for a two-year lease. Using this formula and adding assumptions for the impact of vacancy increases on revenues when apartments experience turnover result in guidelines of 1.25% for one-year leases and 2.0% for two-year leases.

The second commensurate method considers the mix of lease terms while adjusting NOI upward to reflect general inflation, keeping both operating and maintenance (O&M) costs and NOI constant. This is commonly called the "CPI-Adjusted NOI" formula. A guideline that would preserve NOI in the face of the 3.0% increase in the Consumer Price Index (see Endnote 1) and the 2.8% increase in the PIOC is 3.75% for a one-year lease and 6.0% for a two-year lease. Guidelines using this formula and adding the estimated impact of vacancy increases are 2.5% for one-year leases and 4.0% for two-year leases.⁵

The "traditional" commensurate adjustment is the formula that has been in use since the inception of the Rent Guidelines Board. The "traditional" commensurate yields 1.9% for a one-year lease and 4.3% for a two-year lease. This reflects the increase in operating costs of 2.8% found in the 2012 PIOC and the projection of a 7.0% increase next year.⁶

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 O&M cost changes.

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.⁷

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 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 (2.8%). 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 (7.0%). If the change in projected costs, which may not be 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 *Income and Affordability 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. And this year, for the first time, owners could complete the survey online. 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 over 39,000 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 nearly proportional to the share of stabilized buildings in that borough. Three successive mailings were sent at timed intervals to the owner or managing agent of each property selected in the survey sample.

In order to capture changes in owner expenses for heating multi-family buildings in NYC, an additional section was added to the Owner Survey entitled Heating Characteristics. Specifically, staff was trying to identify the type of heating systems being used by owners in their buildings and the cost for using these systems over the past year. This section was last included in the 2001 Owner Survey. The impact of this survey is discussed in the "Utility Cost Computations" and "Fuel Oil" sections of the Methodology.

Roughly 12.5% of the questionnaires mailed out were returned to the RGB, down from over 14% last year. A total of 600 returned surveys contained usable information, from which quotes of owners' annual insurance costs (534), non-union labor quotes (154) and management fees (72) were validated. The number of verified prices in 2011 and 2012 for the Owner Survey is shown in Appendix B.1. In addition, 581 surveys contained information regarding the heating characteristics of multi-family buildings.

Utility Cost Computations

The Utilities component consists of costs for electricity, gas, steam, telephone, and water and sewer. RGB staff calculates a hypothetical monthly bill for utilities based in part on supply rates, fuel adjustments, delivery

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charges, taxes, and other surcharges and fees. Bills are calculated based on typical usage in a multi-family building in New York City, an amount that remains constant from year to year. Where the component represents prices to heat a building, such as Spec 406 (gas), monthly price data is adjusted to account for changes in weather. Water and sewer price changes are based on annual rate adjustments set by the NYC Water Board. Telephone prices are determined by calculating a hypothetical bill based on rates provided by Verizon. The price relatives for the Utilities component were calculated using the most recent 12-month period from April-March and comparing it to the prior April-March period.

As discussed in the Owner Survey section of the Methodology, this year staff conducted a Heating Characteristics survey of rent stabilized buildings in order to see if the Price Index was accurately measuring owners' expenditures for heating their buildings. This survey was last conducted in 2001.

Heating costs are captured in both the Fuel Oil component and the Utilities component. While the majority of heating costs are still spent on fuel oil, the most current survey showed a shift towards natural gas. Therefore, weight was distributed from the Fuel Oil component to the Utilities component. The Utilities component includes heating via natural gas, steam, or electricity.

Fuel Oil

Fuel oil price information is gathered on a monthly basis via a telephone survey. A monthly survey makes it possible to keep in touch with fuel oil 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 oil quotes gathered this year is similar to last year and are 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.

This year there was a redistribution of weight from the Fuel Oil component to the Utilities component due to a shift toward heating buildings with natural gas. For an explanation of this change, see "Utility Cost Computations" in the Methodology section of this report.

Real Estate Tax Computations

The sample of buildings used to compute the 2012 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 over 35,000 buildings in FY 2011 and FY 2012. This data was used to compute a tax bill for each stabilized building in each of these fiscal years. The change computed for the PIOC is simply the percentage difference in aggregate tax bills for these buildings from FY 2011 to FY 2012.

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 679 recorded price quotes were gathered. For a description of the items priced and the number of price quotations obtained for each item, refer to Appendix B.1. (See Endnote 4)

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 and Heating Degree

Days. These items are used in computing some of the labor components, and the cost-weighted changes in fuel oil and utility prices.

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. This year projections are based on the time period from April 2012 to March 2013.

Taxes were projected by using data from the Department of Finance's tentative assessment roll for FY 2013 along with estimates to the change in class 2 property levy share, 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 calculating the average wage increase of the most recent labor contracts for apartment workers union Local 32-BJ and a ten-year geometric average of all other Labor items. Fuel oil 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 nineteen-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 for technical assistance, methodology, and report review and Michael Taylor

and Grace Sserwadda for collecting owner and vendor data. □

Endnotes

1. The Fuel Oil component was entitled "Fuel" in previously PIOC's. This change was made to eliminate any confusion as to whether this component included other fuel types used for heating. The Fuel Oil component measures the cost of heating rent stabilized building with #2, #4, and #6 fuel oil.
2. The average CPI for All Urban Consumers, New York-Northeastern New Jersey for the year from March 2010 to February 2011 (241.6) compared to the average for the year from March 2011 to February 2012 (248.8) rose by 3.0%. This is the latest available CPI data and is roughly analogous to the 'PIOC year', which for the majority of components compare the most recent point-to-point figures from April to March, monthly cost-weighted figures from April to March, or the two most recent fiscal year bills.
3. Due to changes in methodology of the 2010 Price Index, the cost-weight relatives are now calculated on an April to March time period. The April 2011 to March 2012 time period was 15.3% warmer than the previous April to March period. "Normal" weather refers to the typical number of Heating Degree Days measured at Central Park, New York City, over the 30-year period from 1981-2010. 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.
4. Item 608, Ledger Paper, has been removed from this year's Price Index due to the difficulty in obtaining pricing for this item in the past several years indicating that owners and/or managers of multi-family buildings are no longer using this item. The weight attributed to this item was redistributed to the other items within the Administrative Costs component and it will not be included in future indices.
5. The following assumptions were used in the computation of the commensurates: (1) the required change in landlord revenue is 67.5% of the 2012 PIOC increase of 2.8%, or 1.9%. The 67.1% 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 32.5% times the latest 12-month increase in the CPI ending February 2012 (3.0%) or 0.97%; (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 2008 Housing and Vacancy Survey; (5) for the commensurate formulae, including a vacancy assumption, the 7.32% median increase in vacancy leases found in the rent stabilized apartments that reported a vacancy lease in the 2011 apartment registration file from the Division of Housing and Community Renewal was used; and (6) the collectability of these commensurate adjustments are assumed.
6. Calculating the "traditional" commensurate rent adjustment requires an assumption about next year's PIOC. In this case, the 7.0% PIOC projection for 2013 is used.
7. 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), and changes in tax law and interest rates.
8. Source: "Short-Term Energy Outlook," March 2012. U.S. Energy Information Administration, Department of Energy.

2012 Income and Expense Study

What's New

From 2009 to 2010, because income grew at a faster rate than expenses, net operating income (revenue remaining after operating expenses are paid) grew. This is the sixth consecutive year that net operating income has increased.

On average, in stabilized buildings, from 2009-2010:

- ✓ Rental income increased by **0.7%**.
- ✓ Total income rose by **1.2%**.
- ✓ Operating costs increased by **0.9%**.
- ✓ Net operating income (NOI) grew by **1.8%**.

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.

These findings examine the conditions that existed in New York's rent stabilized housing market in 2010, the year for which the most recent data is available, and also the extent by which these conditions changed from 2009.

Local Law 63

The income and expense data for stabilized properties originates from Local Law 63, enacted 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 \$40,000), 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 16,189 properties containing 718,937 units.

Cross-Sectional Study

Rents and Income¹

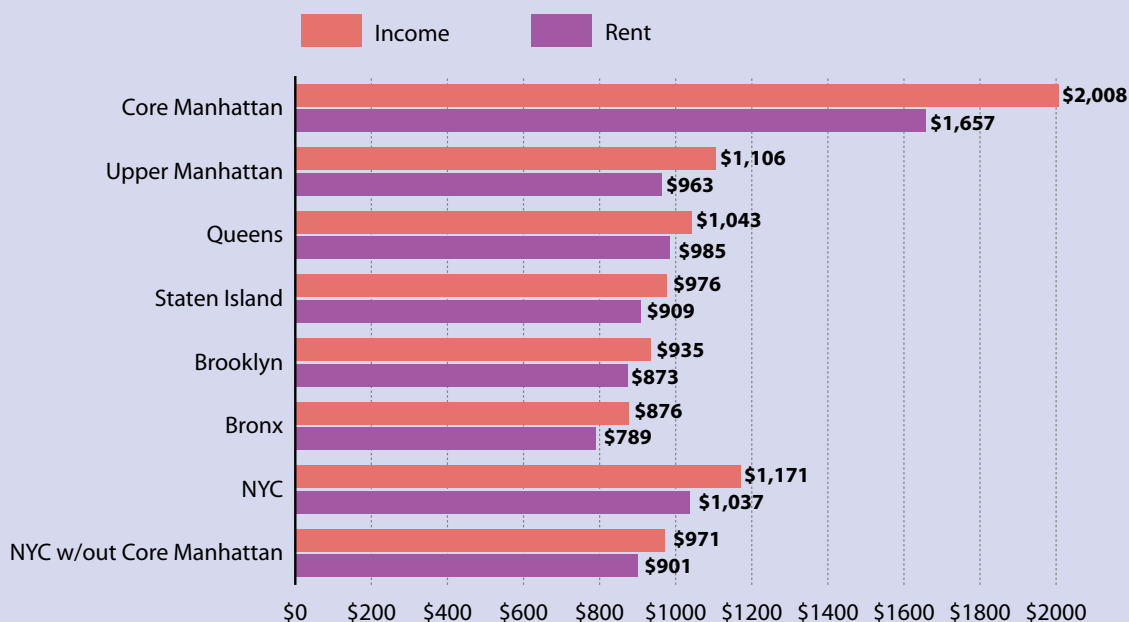
In 2010, rent stabilized property owners collected monthly rent averaging \$1,037 per unit. Similar to prior years, units in pre-war buildings rented for less on average (\$979 per month) than those in post-war buildings (\$1,161 per month).² At the borough level, the average monthly rents in stabilized buildings were \$1,384 in Manhattan (\$1,657 in Core Manhattan and \$963 in Upper Manhattan); \$985 in Queens; \$909 in Staten Island; \$873 in Brooklyn; and \$789 in the Bronx. Average monthly rent per unit in the City, excluding Core Manhattan, was \$901. Looking at median figures, the median rent citywide was \$910. At the borough level, median monthly rent was \$1,170 in Manhattan; \$963 in Queens; \$840 in Brooklyn; \$825 in Staten Island; and \$776 in the Bronx.

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 \$1,171 per rent unit in 2010, with pre-war buildings earning \$1,110 per unit and those in post-war properties earning \$1,299 per unit. Gross income was highest in Core Manhattan, at \$2,008 per unit per month, and lowest in the Bronx, at \$876. Monthly income per unit in the City, excluding Core Manhattan, was \$971. 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 an 11.4% share of the total income earned by building owners in 2010, up from 10.7% the prior year. By borough, income earned from the sale of services was 16.3% in Manhattan (17.5% in Core Manhattan and 13.0% in Upper Manhattan); 9.9% in the Bronx; 6.8% in Staten Island; 6.7% in Brooklyn; and 5.6% in Queens. The graph on this page shows the average rent and income collected in 2010 by borough, and for the City as a whole.

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

Rent and Income Were Highest in Manhattan in 2010



* See Endnote 1
 Note: Core Manhattan represents the area south of W 110th and E 96th Streets.
 Upper Manhattan is the remainder of the borough.
 Source: NYC Department of Finance, 2010 RPIE Filings

Median citywide income for owners in 2010 was \$980. At the borough level, Manhattan had the highest median income, at \$1,364; followed by Queens at \$994; Staten Island at \$890; Brooklyn at \$885; and the Bronx at \$854. (For rent and income averages and medians by borough and building age and size, see Appendices C.3 and C.4.)

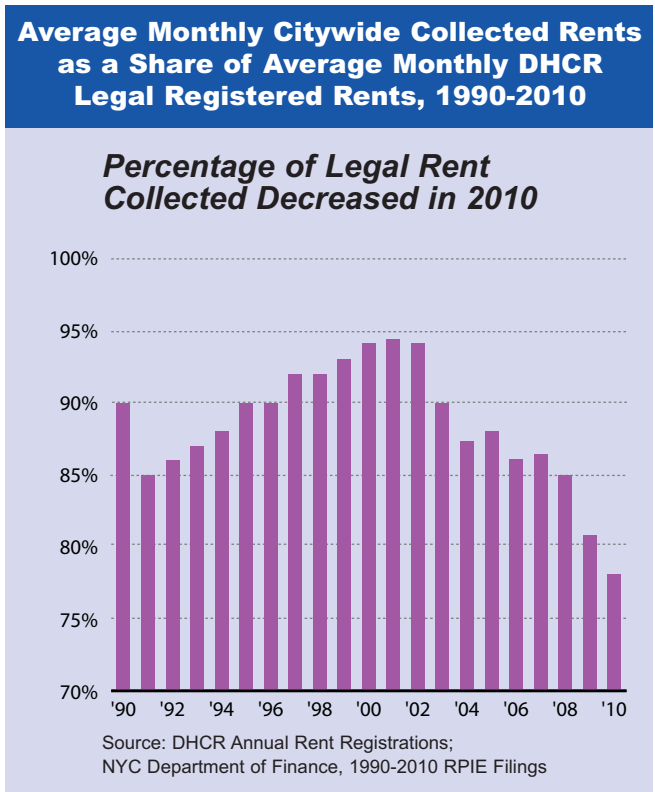
Comparing Rent Measurements

Another data source, the NYS Division of Housing and Community Renewal (DHCR) annual registration data, provides important comparative rent data to the collected rents stated in RPIE filings. A comparison of the collected RPIE rents to the 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 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. By contrast, DHCR data consists of legal rents registered annually with the agency. Since

DHCR rent data does not include vacancy and collection losses, in most years these rents are generally higher than RPIE rent collections data. Furthermore, RPIE information includes unregulated apartments in buildings containing rent stabilized units. Also, the RPIE information reflects rents collected over a 12-month period while DHCR data reflects rents registered on April 1, 2010. In sum, despite the anomalies between the two rent indicators, the difference between RPIE rents and 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.

In comparing annual RPIE and DHCR average rents from 1991 to 2004, the gap between the two



Rent Comparisons, 1990-2010

DHCR Rent and RGB Rent Index Grew Faster Than 2009-10 RPIE Collected Rent

	RPIE Rent Growth	DHCR Rent Growth (Adjusted)§	RGB Rent Index (Adjusted)Ø
90-91	3.4%	4.1%	4.1%
91-92	3.5%	3.0%	3.7%
92-93	3.8%	3.0%	3.1%
93-94	4.5%	2.4%	2.9%
94-95	4.3%	3.1%	3.1%
95-96	4.1%	4.1%	4.5%
96-97	5.4%	4.6%	5.2%
97-98	5.5%	3.3%	3.7%
98-99	5.5%	3.7%	3.8%
99-00	6.2%	4.4%	4.2%
00-01	4.9%	5.3%	5.0%
01-02	4.0%	4.4%	4.5%
02-03	3.6%	6.9%	4.1%
03-04‡	-	1.6%	5.5%
04-05	4.6%	5.8%	4.6%
05-06	5.6%	7.2%	4.3%
06-07	6.5%	6.0%	4.2%
07-08	5.8%	5.9%	4.7%
08-09	1.2%	5.4%	7.5%
09-10	0.7%	5.4%	5.2%
1990 to 2010*	125.2%	139.6%	135.6%

* Not adjusted for inflation

§ See endnote 3 Ø See endnote 5

‡ See endnote 6

Sources: DHCR Annual Rent Registrations; NYC Department of Finance, 1990-2010 RPIE Filings

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contracted steadily during that time period. In fact, from 1991- 2001, the difference between RPIE and DHCR rents decreased by almost two-thirds, from a difference of 15% between the two in 1991 to a difference of 5.6% in 2001. However, since that time, the gap has grown almost every year, to a current difference of 21.9%, as indicated by the average I&E rent of \$1,037 and DHCR's average stabilized rent of \$1,328.³ This gap between collected and legal rent indicates that building owners are not collecting the full amount of their legal rent rolls (see graph on previous page).

At the borough level, the gap between collected and legal rent varies widely. In 2010, Manhattan property owners collected an average rent (\$1,384) that was 21.2% below DHCR's average legal rent for the borough (\$1,755), while owners in the other boroughs collected average rents that were 20.7% lower than legal rents in Queens; 23.6% lower in Brooklyn; 25.5% lower in the Bronx; and 26.0% lower in Staten Island. At least part of this differential in the boroughs is due to preferential rents, usually offered when the legal stabilized rent exceeds the market rate for the area.⁴

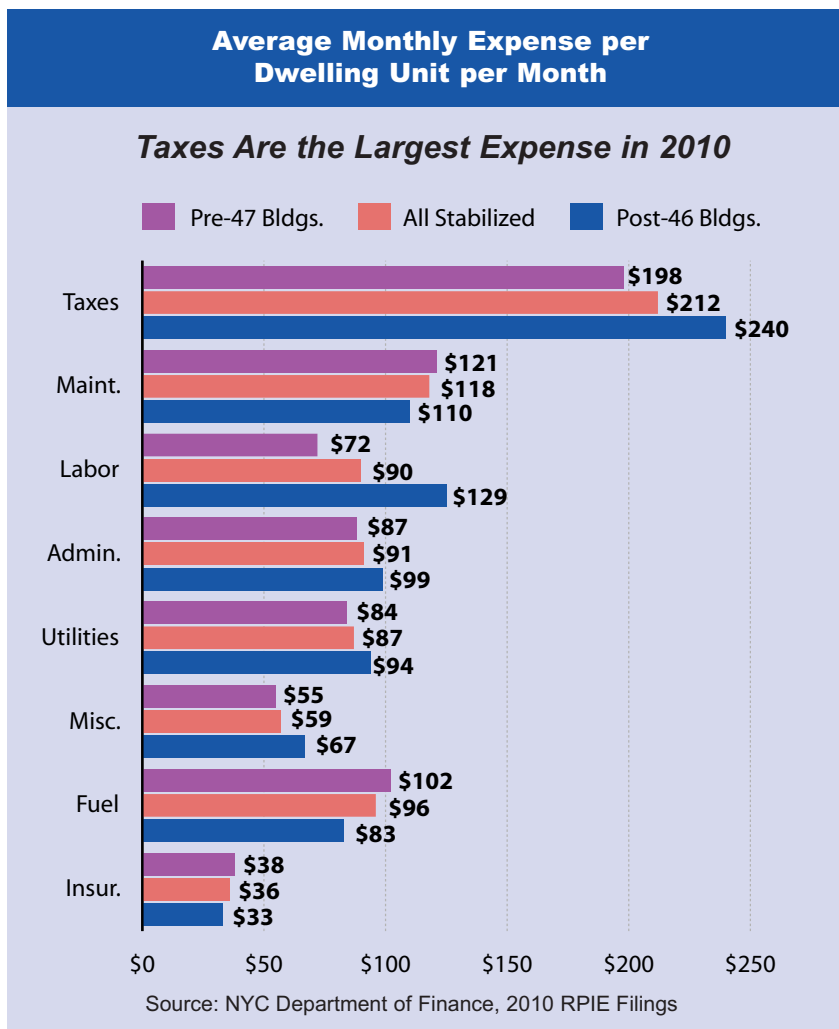
Another benchmark that can help place RPIE rent data in context is the RGB Rent Index, which measures the overall effect of the board's annual rent increases on contract rents each year. As the table on the previous page shows, the RPIE reported that during most of the 1990's and 2000's, average rent collection increases were higher than the renewal lease increases allowed by the RGB's guidelines. However, this is the second consecutive year where allowable guideline increases were higher than increases actually taken, with the RGB rent index up 5.2% and RPIE rent collections up by 0.7% between 2009 and 2010 (adjusted to a calendar year).⁵ This shift may be due to owners' inability to increase

collectible renewal rents by the maximum guideline permitted, increases in vacancy and collection losses, and/or decreasing rents charged to unregulated tenants.

A longer view of the three indices shows that overall, DHCR legal rents have grown faster than either collected rents or RGB rent guidelines from 1990 to 2010. During that period, DHCR adjusted legal rents increased 139.6%; RPIE collected rents increased 125.2%; and the RGB Rent Index increased 135.6% (these figures are not adjusted for inflation).⁶

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.⁷ However, in contrast to revenues, 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. Thus, the operating costs reported are comparatively high because they include maintenance costs for commercial space.

The average monthly operating cost for units in stabilized buildings was \$790 in 2010. Costs were lower in units in pre-war structures (\$759), and higher among post-war buildings (\$855). Geographically, average costs were lowest in Brooklyn (\$636); the Bronx (\$637); Staten Island (\$652); and Queens (\$689), and highest in Manhattan (\$1,084). Looking more closely at Manhattan buildings, costs for units located in Core Manhattan averaged \$1,269 a month, while the costs in Upper Manhattan were \$801. The average monthly operating costs for stabilized building owners in New York City, excluding Core Manhattan, reduces the City average to \$665. The graph on the previous page details average monthly expenses by cost category and building age for 2010. As the graph shows, taxes make up the largest share of expenses, averaging 27% of all costs.

Median citywide expenses in 2010 were \$691. By borough, Manhattan had the highest median costs, at \$888; followed by Queens at \$642; the Bronx at \$616; Staten Island at \$603; and Brooklyn at \$594. (Appendices C.1, C.2 and C.3 break down average costs by borough and building age; Appendix C.4 details median costs; and Appendix C.6 details distribution of costs.)

In 1992, Department of Finance and RGB staff tested RPIE expense data for accuracy. Initial 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 46 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 more 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 2010 RPIE O&M cost (\$790) by the results of the 1992 audit results in an average monthly O&M cost of \$725 citywide.

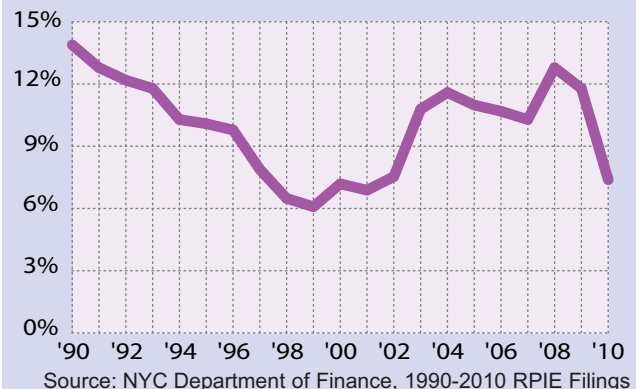
Just as buildings without commercial space typically generate less revenue than stabilized properties with commercial space, operating expenses in these buildings tend to be lower on average than in buildings with a mixture of uses. In 2010, unaudited average O&M costs for “residential-only” buildings were \$733 per month and average audited O&M costs for these buildings were \$674 per month.

“Distressed” Buildings

For the purposes of this study, buildings that have operating and maintenance costs greater than gross income are considered distressed. Among the properties that filed RPIE’s for 2010, 1,204 buildings, or 7.4% of the cross-sectional sample, had O&M costs in excess of gross income, down from 11.8% found the prior year. In 2010, only 82 (6.8%) of these distressed buildings were built after 1946. Since 1990, when 13.9% of the sample of stabilized properties were considered distressed, the proportion of distressed buildings declined each year until 1999, reaching a low of 6.1%. From 1999 until 2004, the proportion

Percent of Distressed Properties in Cross-Sectional Samples 1990-2010

Share of Distressed Properties Decreased in 2010



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generally increased, but has declined for five of the last six years, and in 2010 reached its lowest level since 2001 (see graph on previous page). Most distressed stabilized properties (60%) contain 20 to 99 units. Further, most units are located in Manhattan (48%); the Bronx (28%); or Brooklyn (18%). (See Appendix C.7 for a breakdown of distressed buildings by borough, building size and building age.)

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 value 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 \$381 of net income per month in 2010, with units in post-war buildings earning more (\$444 per month) than those in pre-war buildings (\$351 per month). Average monthly NOI tended to be greater for stabilized properties in Manhattan (\$568) than for those in the other boroughs: \$239 per unit per month in the Bronx; \$299 in Brooklyn; \$324 in Staten Island; and \$354 in Queens. There was a sizable difference when looking at NOI on a sub-borough level in Manhattan. Core Manhattan properties earned on average \$739 per unit per month in NOI, while properties in Upper Manhattan had an NOI of \$306. The monthly NOI average calculated citywide, excluding Core Manhattan, was \$306. Looking at the NOI using audited expense figures, the citywide NOI in 2010 was \$445. Average monthly unaudited NOI in “residential-only” properties citywide was \$336 per unit in 2010, 11.8% lower than the mean for all stabilized buildings.

NOI reflects the revenue available after payment of operating costs; that is, the money owners have for

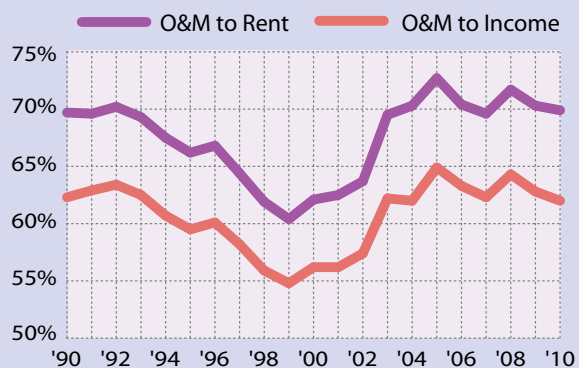
financing their buildings; making improvements; and for pre-income tax profits. While NOI should not be the only criteria to determine the ultimate profitability of a particular property, it is a useful exercise to calculate the annual NOI for a hypothetical “average stabilized building” with 11 units or more. Multiplying the average unaudited monthly NOI of \$381 per unit by the typical size of buildings in this year’s cross-sectional sample (an average of 44.4 units) yields an estimated average annual NOI of about \$203,000 in 2010.

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 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 this page shows how over the period from 1990 to 2010, the proportion of total income and rent collections spent on audited operating costs has fluctuated. The audited Cost-to-Income ratio in 2010 was 62.0%, a decrease of 0.8 percentage points from the prior year’s 62.8%. This means that on

Ratios of Citywide Average Monthly Audited O&M Costs to Average Monthly Gross Income and Rent 1990-2010

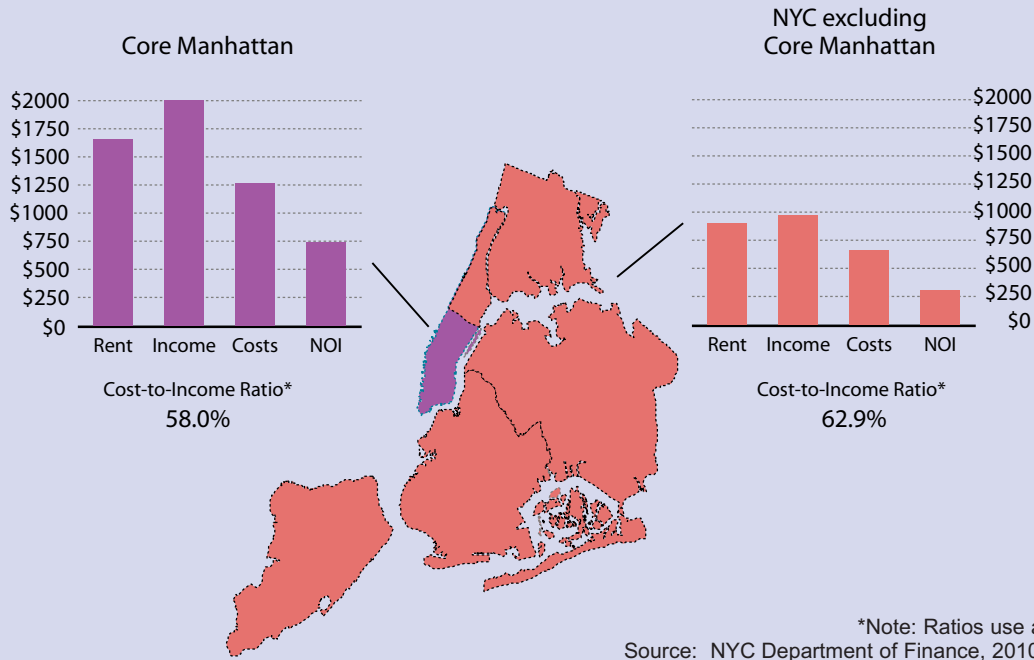
Cost-to-Income and Cost-to-Rent Ratios Decrease in 2010



Source: NYC Dept. of Finance, 1990-2010 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, 2010

Cost-to-Income Ratio Lower in Core Manhattan in 2010



average, owners of rent stabilized properties spent 62 cents out of every dollar of revenue on operating and maintenance costs in 2010. Looking at unaudited expenses, the cost-to-income ratio in 2010 was 67.5%. The audited median cost-to-income ratio was 64.8% in 2010, a decrease of 1.1 percentage points from 65.9% in 2009.

Examining the ratio of costs to rent collections, audited operating costs in 2010 were 69.9% of revenues from rent, a decrease of 0.3 percentage points from the prior year. Using unaudited expenses, the cost-to-rent ratio in 2010 was 76.1%. Looking at the audited median cost-to-rent ratio, it was 69.7% in 2010, down from 71.0% in 2009.

Rents, income and costs per unit were on average highest in Core Manhattan in 2010 (see map and graphs on this page). When looking at the City with core Manhattan excluded, the average revenue and costs figures are generally lower, resulting in expense to revenue ratios that are different. The Cost-to-Income Ratio for the rest of the City was 62.9%, higher than the Cost-to-Income Ratio for stabilized buildings in

Manhattan’s Core (58.0%). These figures indicate that on average, owners of stabilized properties outside of Core Manhattan spend about five 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 operating 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 2010 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.

Point-to-point comparisons of average figures show that from 1990 to 2010, after adjusting for inflation, NOI (the surrogate measure for profit) has increased 22.5% (see graph on the next page). This

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indicates that revenues have outpaced expenses to the extent that average monthly NOI was worth 22.5% more in 2010 than it was in 1990, after adjusting for inflation.

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. During the 1990 to 2010 period, inflation-adjusted rent increased a cumulative 20.4%, income by 21.4%, and costs by 20.9%, resulting in an increase in NOI of 22.5%.

Examining the ratio of NOI to income, since 1990, the ratio has varied. From 1990-96 the ratio of NOI/income averaged 33%, while from 1997-2002, NOI's share of income averaged 39%. In the last eight years, the average ratio of NOI/income was about

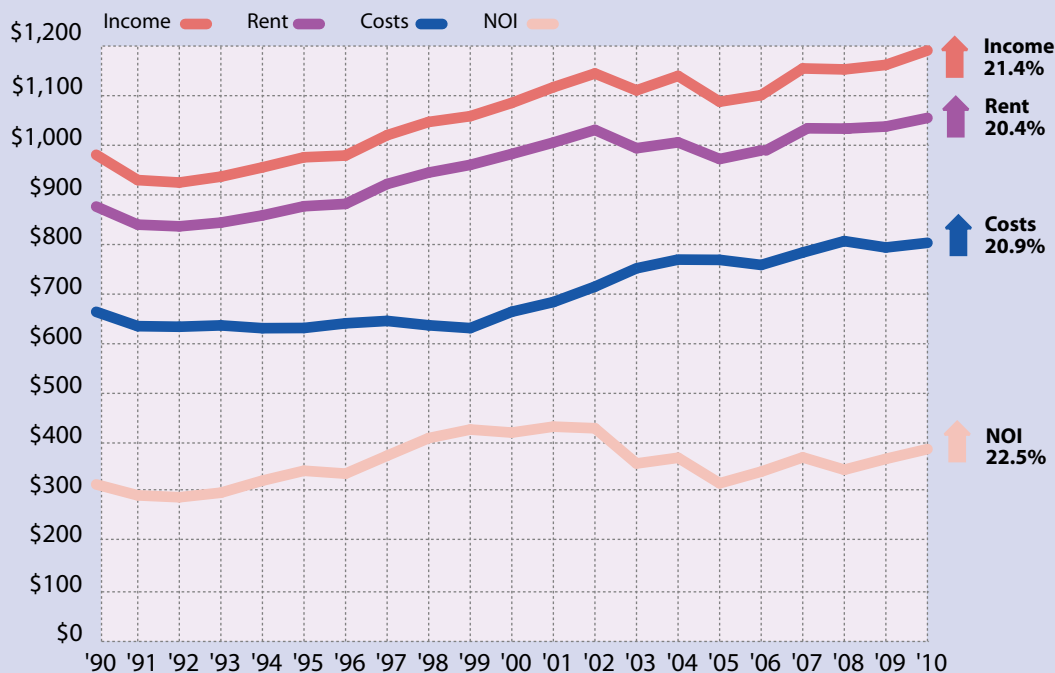
31%. This means that on average, over the past seven years, 31 cents of every dollar earned is net operating income for the owner.

While the citywide graph 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 (see graphs on next page). Looking at each of the boroughs individually, from 1990 to 2010, all boroughs saw double-digit increases in their net income, with Brooklyn seeing the largest increase, 48%; followed by Queens, up 39%; the Bronx, up 27%; and Manhattan, up 15%.

Citywide Income, Rents, Costs and NOI After Inflation, 1990-2010

After Inflation, NOI Up Since 1990

(Average Monthly Income, Rent, Operating Costs and Net Operating Income per Dwelling Unit in Constant 2010 Dollars)

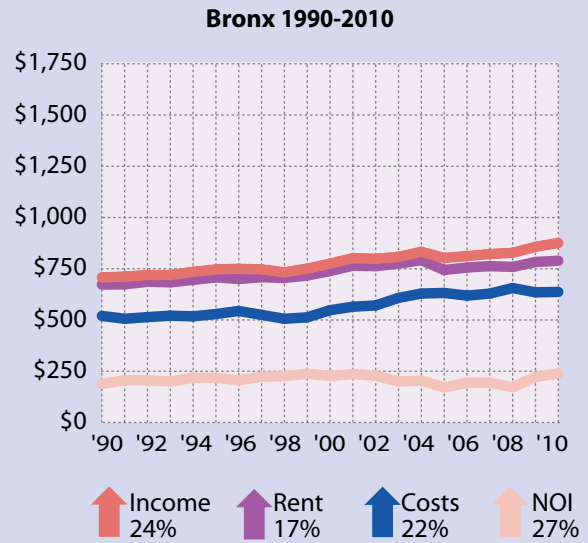
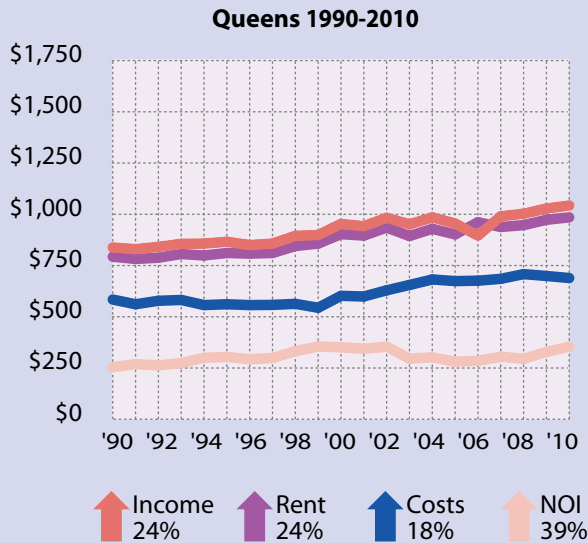
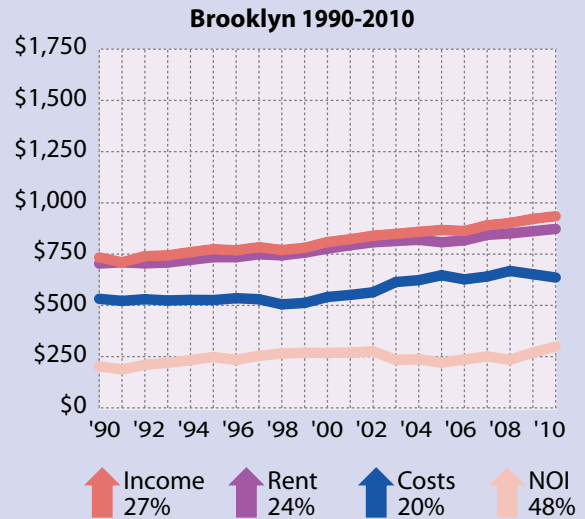
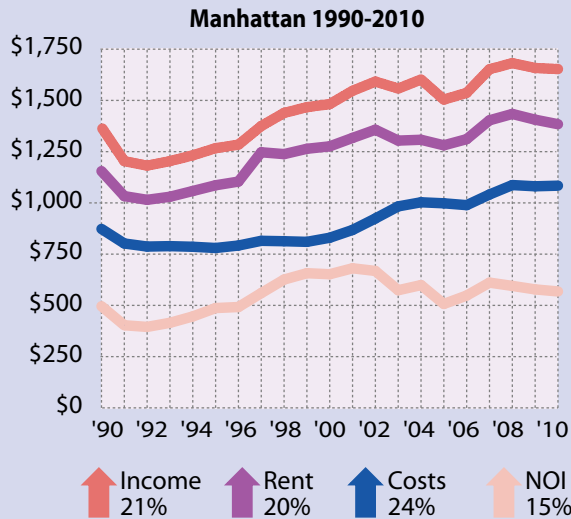


Note: Percent changes are point-to-point measurements and should not be considered cumulatively.

Source: RGB Income and Expense Studies, 1992-2012. NYC Department of Finance, 1990-2010 RPIE Filings

Income, Rent, Costs and NOI After Inflation per Borough, 1990-2010

Since 1990, Inflation-Adjusted NOI Rises Citywide and in Each Borough
 (Average Monthly Income, Rent, Operating Costs and Net Operating Income per Dwelling Unit in Constant 2010 Dollars)



Note: Percent changes are point-to-point measurements and should not be considered cumulatively. Staten Island is excluded due to insufficient data from prior years.
 Source: RGB Income and Expense Studies, 1992-2012. NYC Department of Finance, 1990-2010 RPIE Filings

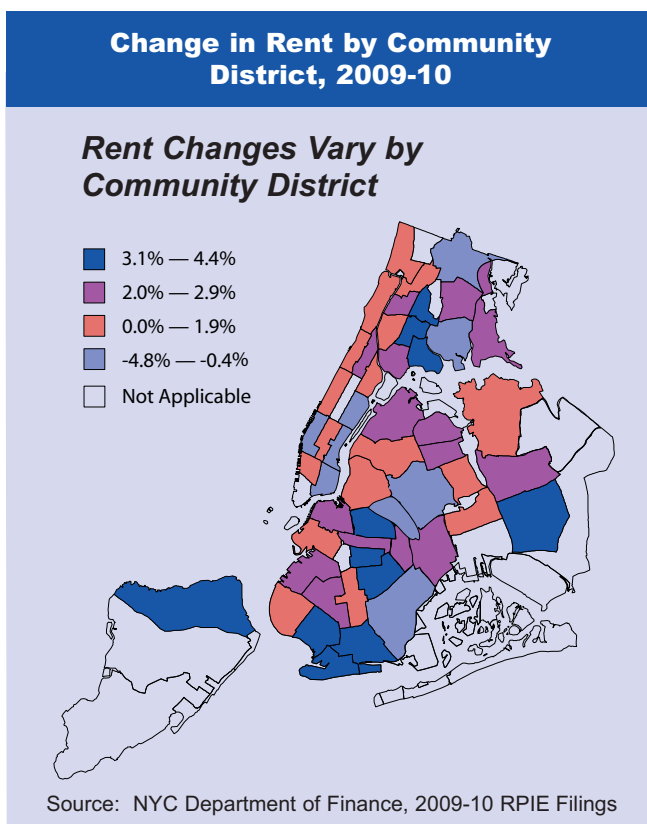
Longitudinal Study

The longitudinal section of this study measures changes in rent, income, costs, operating cost ratios, and net operating income that occurred in the same set of 14,472 buildings from 2009 to 2010.

Rents and Income

Rent collections increase for many reasons, including increases allowed under RGB renewal guidelines; vacancy allowances of at least 16-20% allowed under the Rent Regulation Reform Act of 1997; individual apartments improvements; and building-wide improvements (MCIs).

Average rent collections in stabilized buildings rose by 0.7% in 2010. Rent collections in pre-war buildings grew at a greater rate, up 1.0%, than post-war buildings, which increased by 0.4%. Rent collections increased the most among mid-sized, 20-99 unit buildings, up an average of 1.4%; 0.5% for smaller, 11-19 unit buildings; and large, 100+ unit buildings saw a 0.5% decline in average rent.



Examining rent collections by borough, Brooklyn saw the largest increase, up 2.5%; followed by Staten Island, up 2.4%; Queens, up 2.3%; and the Bronx, up 1.7%. Meanwhile, average Manhattan rents fell 1.1%, with Upper Manhattan falling 2.5% and Core Manhattan falling 0.5%. The growth in median rent citywide was 3.0%.

Looking at rent collections throughout New York City, 81% of community districts saw increases in average rent from 2009 to 2010.⁸

Among the 42 neighborhoods seeing rent collections increase, the greatest rent growth was found in East Flatbush, Brooklyn, with an increase in rent of 4.4%; Jamaica, Queens, and Coney Island, Brooklyn, both up 4.3%; and Bensonhurst, Brooklyn and E. Tremont/Belmont, the Bronx, both up 4.1%.

Of the nine neighborhoods seeing rent collections decline, Chelsea/Clinton, Manhattan fell the most, down 4.8%; followed by Middle Village/Ridgewood, Queens, down 3.9%; and Williamsbridge/Baychester, the Bronx, down 3.7%. See the map on this page for a breakdown of rent increases by community district throughout New York City.

The average total income collected in rent stabilized buildings, comprising apartment rents, commercial rents and sales of services, increased by 1.2% from 2009 to 2010. Revenues rose faster in pre-war buildings, up 1.4% than in post-war buildings, up 0.9%. Brooklyn saw the highest growth in income, rising 2.8%; followed by the Bronx, up 2.6%; Queens, up 2.3%; and Staten Island, up 2.0%. By contrast, Manhattan income fell 0.4%, with the gross income of Upper Manhattan properties falling by 2.1% but Core Manhattan rising 0.2%. The median growth in income citywide was 3.1%.

Operating Costs

Average expenses in stabilized buildings citywide increased from 2009 to 2010, up 0.9%. However, the change in operating costs varied by building age and by borough. Older, pre-war buildings saw expenses increase 0.6%, while newer, post-war buildings saw expenses increase 1.5%. Breaking down the change in costs by borough, costs rose the most in Manhattan, up 2.0%. Costs rose more modestly in the Bronx, up

0.6%, and in Queens, up 0.5%. However, in Brooklyn and Staten Island, costs fell by 0.9% and 2.1%, respectively. Citywide, median expenses rose 1.8%. For a detailed breakdown of the changes in rent, income and costs by building size, age and location, see Appendices C.9 and C.10.

RPIE Expenses and the PIOC

Data from 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 a March to March basis, while most

RPIE statements filed by landlords are based on the calendar year. (See endnote 4.) To compare the two, weighted averages of each must be calculated, which may cause a 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. The PIOC rose 5.5% from 2009 to 2010, the same period as the 0.9% increase in I&E costs, a 4.6 percentage point difference. (See graph on this page.)

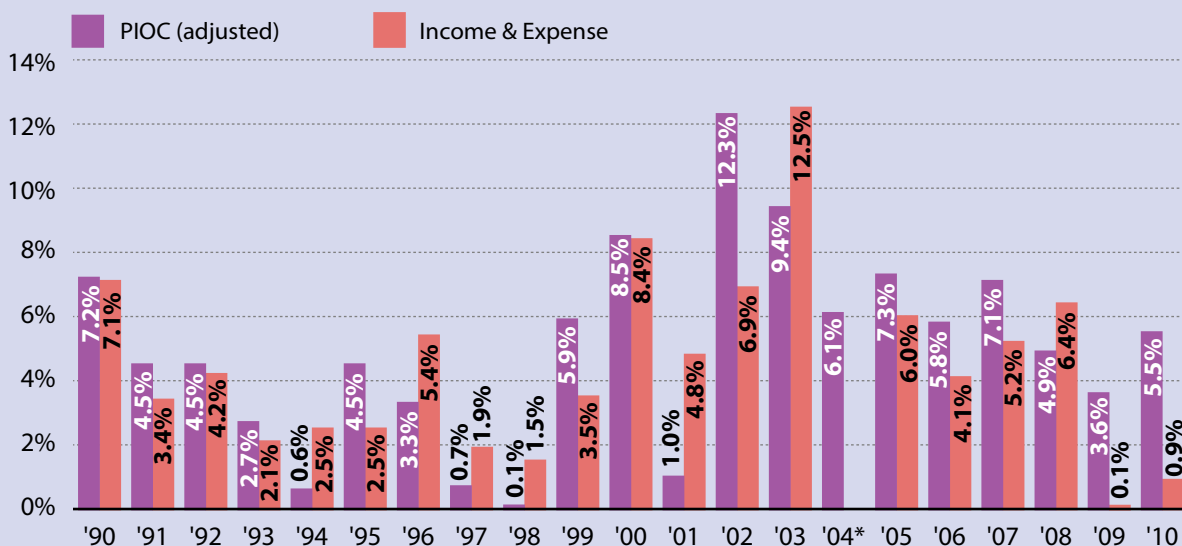
From 1990-91 to 2009-10, cumulative growth in owners’ costs as measured by the two indices varied. Overall nominal costs measured in the PIOC increased at a greater rate, 143.8%, compared to RPIE data, which grew 122.3%, over this period.⁹

Operating Cost Ratios

Between 2009 and 2010, the proportion of gross income spent on audited expenses (the O&M Cost-to-Income ratio) changed minimally, falling by 0.2

Change in Operating & Maintenance Costs, RPIE and the PIOC, 1990 to 2010

In 2010, Owner-Reported RPIE Costs Increased at a Lesser Rate than the PIOC



*Longitudinal RPIE data for 2003-04 is unavailable (see endnote 6).
Source: NYC Department of Finance, 1990-2010 RPIE Filings; PIOC 1990-2010

2012 Income and Expense Study

percentage points. The proportion of rental income used for audited expenses (the O&M Cost-to-Rent ratio) was also little changed, up 0.1 percentage point.

Net Operating Income

Net Operating Income (NOI) refers to the earnings that remain after operating and maintenance (O&M) expenses are paid, but before payments of income tax and debt service. Since average collected income grew more than operating costs, citywide net operating income in rent stabilized buildings increased by 1.8% in 2010, the sixth consecutive year that NOI has increased. The growth in median NOI citywide was 6.5%.

The average change in NOI from 2009 to 2010 differed throughout the City. Manhattan was the only borough to see a decline in NOI, falling 4.7%. Within Manhattan, both core and upper Manhattan saw its NOI fall, declining 5.0% and 3.8%, respectively.

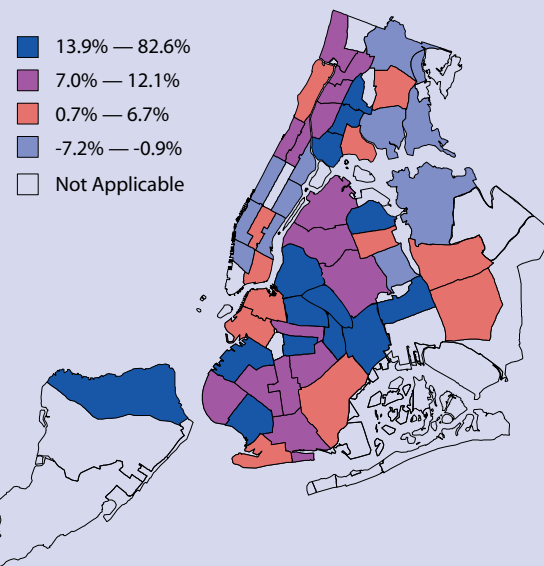
In the other boroughs, Brooklyn and Staten Island saw the greatest increases in NOI, up 11.7% and 11.3%, respectively. In the Bronx, NOI rose 8.2%, and in Queens, NOI was up 5.9%. See Appendices C.11 and C.12 for a breakdown of NOI by borough, building age and building size.

At the Community District level, change in NOI varied widely, with 81% of neighborhoods experiencing increases in NOI, including 38% seeing double-digit increases. The three neighborhoods seeing the largest increases in NOI were in Brooklyn: East New York/Starett City, up 82.6%; Bushwick, up 59.9%; and Bedford Stuyvesant, up 53.2%. Neighborhoods also seeing significant increases in NOI include Mott Haven/Port Morris and Morrisania/Melrose/Claremont, both in the Bronx, up 48.6% and 42.6%, respectively. Jackson Heights, Queens had the highest rate of NOI growth in that borough, up 15.2%. The Manhattan neighborhood with the highest NOI growth was Central Harlem, up 10.9%.

On the other hand, of the ten neighborhoods seeing a decline in NOI, six were in Manhattan, with the largest decline, 7.2%, occurring in Chelsea/Clinton; followed by the Upper East Side, down 6.5%; and Greenwich Village, down 6.3%. The largest

Change in NOI by Community District, 2009-10

Net Operating Income Changes Vary by Community District



Source: NYC Department of Finance, 2009-10 RPIE Filings

decline in the Bronx was in Williamsbridge/Baychester, down 4.5%; and the largest decline in Queens occurred in Forest Hills/Rego Park, down 2.2%. No neighborhoods in Brooklyn saw NOI decline from 2009-2010. The map on this page shows how change in NOI varied in each neighborhood. (See endnote 9.)

Conclusion

RPIE filings, from almost 16,200 rent stabilized buildings containing almost 719,000 units in the cross-sectional sample and from almost 14,500 buildings containing over 647,500 units in the longitudinal sample, were analyzed, the most ever examined in the history of the *Income and Expense Study*. Citywide, rent collected rose 0.7%; revenue collections increased 1.2%; and expenses rose by 0.9%. Since the average increase in revenue outpaced the increase in expenses from 2009 to 2010, Net

Operating Income (NOI) citywide increased by 1.8%, the sixth consecutive year that NOI has increased. Further, the proportion of distressed properties fell citywide, down 4.4 percentage points. Finally, the cost-to-income ratio was 62.0%, down 0.8 percentage points from the prior year.

Methodology

The information in this report was generated by analyzing data derived from RPIE forms filed with the NYC Department of Finance in 2011 by owners of

apartment buildings with primarily eleven or more dwelling units. The data in these forms, which reflects financial conditions in stabilized buildings for the year 2010, was made available to RGB research staff in March, 2012 for analysis. Unit averages contained in this analysis were computed by the Department of Finance. The averages were then weighted by the RGB using data from the 2008 NYC Housing and Vacancy Survey, the most recent comprehensive data available, to calculate means that are representative of the population of residential buildings in New York City. In addition, medians were calculated and

Changes in Average Monthly Rents, Income, Operating Costs and Net Operating Income per Dwelling Unit, 1990-2010

Increase in Income Growth Outpaces Increase in Expenses Resulting in an Increase in NOI from 2009 to 2010

	<i>Avg. Rent Growth</i>	<i>Avg. Income Growth</i>	<i>Avg. Cost Growth</i>	<i>Avg. NOI Growth</i>
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%
02-03	3.6%	4.5%	12.5%	-8.7%
03-04	-	-	-	-
04-05	4.6%	4.7%	6.0%	1.6%
05-06	5.6%	5.5%	4.1%	8.8%
06-07	6.5%	6.5%	5.2%	9.3%
07-08	5.8%	6.2%	6.4%	5.8%
08-09	1.4%	1.8%	0.1%	5.8%
09-10	0.7%	1.2%	0.9%	1.8%

Source: NYC Department of Finance, 1990-2010 RPIE Filings
 Note: Longitudinal data from 2003-04 is unavailable.

included in this report. The medians derived from the sample were also produced by the Department of Finance and are unweighted.

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 2011 RPIE or alternatively, TCIE (Tax Commission Income & Expense) forms.¹⁰ Data from the forms was used to compute average and median rents, operating costs, etc., that were typical of the year 2010. Longitudinal data, which provides a direct comparison of identical elements over time, encompasses properties that filed RPIE/TCIE forms for the years 2009 and 2010. The longitudinal data describes changing conditions in average rents, operating costs, etc., by comparing forms from the same buildings over two years. Thus, cross-sectional data in this report measures conditions in effect throughout 2010, while longitudinal data measures changes in conditions that occurred from 2009 to 2010.

This year, 16,189 rent stabilized apartment buildings were analyzed in the cross-sectional study and 14,472 stabilized properties were examined in the longitudinal study. The sample of buildings was created by matching a list of properties registered with the DHCR against building data found in 2010 RPIE or TCIE statements (or 2009 and 2010 statements for the longitudinal sample). A building is considered rent stabilized if it contains at least one rent stabilized unit.

Once the two samples were drawn, properties that met the following criteria were not included:

- 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 who did not file a 2010 RPIE or TCIE form for the cross-sectional study, or a 2009 and a 2010 RPIE or TCIE form for the longitudinal study;
- No unit count could be found in RPIE/TCIE records; and
- No apartment rent or income figures were recorded on the RPIE or TCIE 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. Such screening for outliers is critical since such deviations may reflect data entry errors and thus could skew the analysis; and
- Buildings in which operating costs exceeded income by more than 300% as well as buildings above the 99th percentile or below the 1st percentile were excluded from both samples.

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). □

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, parking, 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. According to the NYC Department of Finance, over 90% of owners filing RPIE's report income and expense data by calendar year. In earlier reports, adjusted DHCR data was calculated on a July-to-June fiscal year. Beginning with the 2008 *Income and Expense Study*, adjustment of DHCR citywide data was calculated on the January-to-December calendar year, so figures may differ from data reported in prior years.
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 can offer preferential rents when the current market cannot bear the legal rent.
5. Since the 2008 *Income and Expense Study*, adjustment of the RGB Rent Index has been calculated on a January-to-December calendar year. Also see Endnote 3.

6. Longitudinal data from 2003-04 is excluded from this study because no longitudinal sample was available for 2003-04. Therefore, the growth in RPIE collected rents is understated.
7. The Miscellaneous category of expenses on the 2011 RPIE form include components that were not on previous forms. As a result, the reporting of these expenses may differ from prior years.
8. Seven Community Districts were excluded from this analysis because they contained too few buildings for the data to be reliable. Unlike citywide and borough level rent and expense data, average CD rents and expenses are unweighted and do not necessarily represent the population of buildings in these Community Districts. All averages were computed by the Department of Finance.
9. Due to the unavailability of RPIE longitudinal data for 2003-04, PIOC data from the same period is also excluded from this comparison.
10. TCIE (Tax Commission Income & Expense) forms are used by the NYC Department of Finance when RPIE forms are not filed by owners.

2012 Mortgage Survey Report

What's New

- ✓ Average interest rates for new multifamily mortgages decreased 1.23 percentage points, or 21.1%, to 4.59%.
- ✓ Average refinancing interest rates fell by 1.07 percentage points, to 4.65%.
- ✓ Vacancy and collection losses fell from 4.25% last year to 3.50% this year.
- ✓ In 2011, 709 buildings containing rent stabilized units were sold citywide, up 31.1% from the prior year.
- ✓ Average service fees for both new and refinanced loans increased 0.02 points, to 0.63 points.
- ✓ Average maximum loan-to-value ratios fell from 74.6% last year to 72.1% this year.
- ✓ New loan volumes fell 10% and refinanced loan volume fell 2% from last year.

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 winter 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 market during the 2011 calendar year as well as the first few months of 2012.

The survey is organized into three sections: financing availability and terms for rent stabilized buildings; underwriting criteria; and additional mortgage questions, including vacancy and collection losses, operating and maintenance expenses, and portfolio performance information. In addition to the survey analysis, rent stabilized building sales data, obtained from the NYC Department of Finance, is also examined.

Overview

This 2012 Mortgage Survey features historically low interest rates among both new and refinanced loans. In addition, vacancy and collection losses declined. However, maximum loan-to-value ratios fell. Furthermore, our analysis of rent stabilized building sales data showed an increase in rent stabilized building sales volume and median sales prices Citywide from 2010 to 2011, though these changes varied by borough and building size.

This report will more fully detail these issues by beginning with a discussion of the characteristics of the survey respondents, followed by both a cross-sectional and longitudinal analysis, then examine rent stabilized building sales data.

Survey Respondents

Fourteen financial institutions responded to this year’s survey, one more than last year. The survey sample is regularly updated to include only those institutions offering loans to multiple dwelling, rent stabilized properties in New York City. This year’s respondents include a variety of traditional lending institutions, such as savings and commercial banks, as well as non-traditional lenders. The 14 responding lenders who make up the cross-sectional group will be discussed first, while the 11 lenders who completed the survey both this year and last make up the longitudinal group, and that analysis will be discussed later in this report.

Institutions holding deposits insured by the Federal Deposit Insurance Corporation (FDIC) supply details about their holdings on a quarterly basis,

2012 Mortgage Survey Report

including their multifamily real estate holdings, and they vary considerably among the respondents. Twelve surveyed lenders report their multifamily real estate holdings to the FDIC, with values ranging between \$18.5 million and \$5.9 billion.¹ Six of this year's institutions reported multifamily holdings of over one billion dollars, while two institutions had holdings of less than \$100 million. Compared with last year, the average multifamily real estate portfolio of our survey respondents increased by 27%, to \$1.3 billion.²

Cross-Sectional Analysis

Financing Availability and Terms

In February 2012, the average interest rate for new multifamily mortgages was 4.59%, a decrease of 1.23 percentage points, or 21%, from the previous February

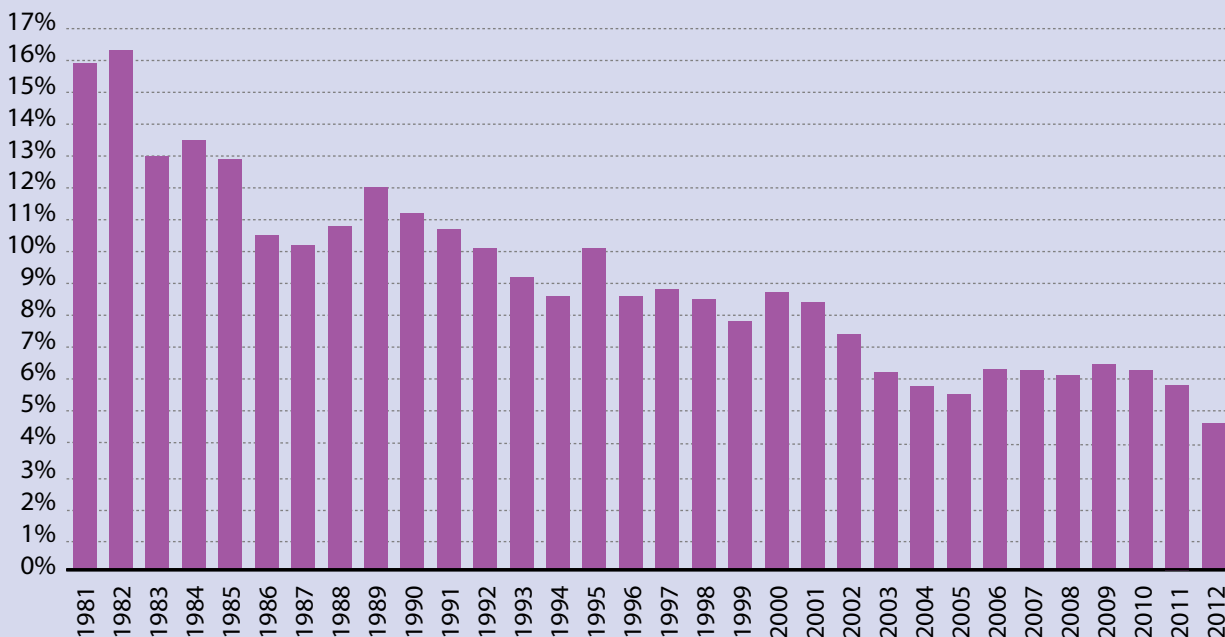
(see graph on this page and Appendix E.1), representing the lowest rate in the history of our survey.

Likewise, the average interest rate reported by lenders for the 2011 calendar year was 5.01%, a 0.95 percentage point (or 16%) decrease from calendar year 2010 (but 0.42 percentage points higher than reported February 2012 rates). As in prior years, a small number of large lenders provided the vast majority of the total volume of new and refinanced mortgages. Of all respondents, four lenders provided 92% of the total volume of new mortgages.³

Average interest rates decreased during the year among the institutions surveyed, despite the fact that the Discount Rate — the interest rate at which depository institutions borrow from the Federal Reserve Bank of New York — hasn't changed since February, 2010, and the Federal Funds Rate — the interest rate at which depository institutions lend

Average Interest Rates for New Loans to Rent Stabilized Buildings, 1981-2012

Multifamily Mortgage Interest Rates Decrease Over Prior Year



Source: Rent Guidelines Board, annual Mortgage Surveys.

balances at the Federal Reserve to other depository institutions — hasn't changed since December, 2008.⁴ The Fed announced last year that it intended to keep both rates unchanged for two years to combat high unemployment and stimulate the economy.⁵

Surveying institutions regarding their refinanced mortgages found that virtually all of them offered identical or similar terms to those for new loans. The average current rate charged for refinanced mortgages as of February 2012, 4.65%, was close to the average current rate charged on new originations, 4.59%, and 1.07 percentage points lower than in February 2011. (See Appendix E.1) In addition, at 5.10%, average 2011 refinancing rates were 0.80 percentage points lower than the prior year's refinancing rates.

While interest rates fell, points (up-front service fees) that were charged for new and refinanced loans increased slightly from the prior year. Among survey respondents, they ranged from zero to 2.5 points, with four surveyed lenders charging no points on either new or refinanced loans.

The average service fee charged on new loans by lenders was 0.63 points, little changed from last year's average of 0.61. Average fees reported in the survey have remained around or below one point since the late 1990s (see graph on the next page). Average points for refinanced mortgages were the same (0.63) as that charged on new originations.

Surveyed lenders, for the most part, remained flexible in the loan terms they offered their borrowers. Since survey respondents typically offer a wide range of terms rather than a single number, it is difficult to provide a precise average for the range of terms offered by institutions, but they remained like those offered in recent years. Mortgage terms reported by respondents fell within a wide 5- to 30-year range. Four lenders offered terms as long as 30 years, while two offered a maximum of five 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.

For the fifth time in six years, new loan volume decreased. An average of 43 new loans per institution were financed this past year, down from 48 in 2010.⁶ While loan volume among all lenders on average decreased, the change in volume among each lender varied greatly. Among surveyed institutions, 38% said they saw loan volume increase; 36% reported that they saw no change in volume; and 23% reported a decrease from the prior year.

Similar to new loan volume, the average number of refinanced loans also declined, but just slightly, falling from an average of 25 last year to 24 this year. (See endnote 6.) New and refinanced loan volume averages remain far below the year 2004, when our survey found a peak in loan volume per institution, averaging 160 new loans and 173 refinanced loans.

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

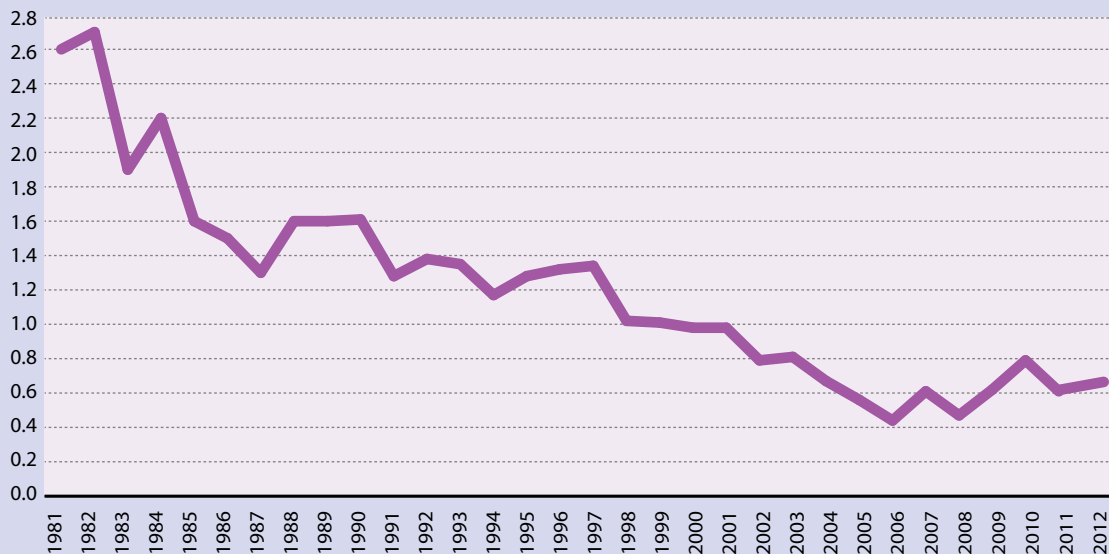
Maximum LTV - the loan-to-value ratio set by the lenders as part of their underwriting criteria

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, 1981-2012

Service Fees Increase Over Prior Year



Source: Rent Guidelines Board, annual Mortgage Surveys.

Underwriting Criteria

The survey asks lenders for their typical underwriting standards when approving new and refinanced mortgages to rent stabilized building owners. This year lenders, on average, moderately toughened standards in lending practices. For all institutions, the typical maximum LTV ratio — the maximum dollar amount respondents were willing to lend based on a building's value — ranged from 65% to 80%. The average was 72.1%, down from 74.6% in 2011 (see graph on next page).

Another important lending criterion is the debt service ratio — an investment's ability to cover mortgage payments using its net operating income (NOI). 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 NOI divided by the debt service) increased this year, with an average debt service requirement of 1.29, up from 1.25 in 2010. Because the average debt service ratio rose, lenders have incrementally decreased the amount of money they are willing to

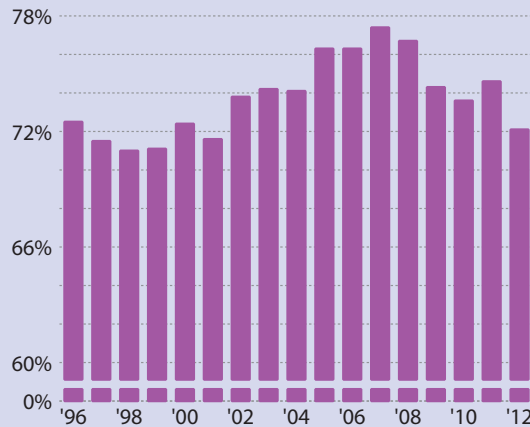
lend in relation to the net operating income of buildings. (See Appendix E.2) Overall, debt service coverage at all institutions ranged between 1.15 and 1.50, and just a quarter of all surveyed lenders reported making changes in their underwriting standards since last year.

Lenders also noted additional standards they use when evaluating loan applications. Similar to prior years, the most commonly cited standard is good building maintenance, with 54% of lenders indicating its importance. Further, 46% of lenders require a minimum number of units in the building when offering a loan.

Our survey asked lenders whether their lending standards differ for rent stabilized buildings as opposed to non-stabilized multifamily properties. Respondents were asked whether their new financing rates, refinancing rates, loan-to-value ratios, and debt service coverage requirements for rent stabilized properties were higher, lower, or the same as for other properties. Almost all lenders (90%) reported that standards were no different in all categories for rent stabilized buildings, the same overwhelming proportion as last year.

1996-2012 Cross-Sectional Average Loan-to-Value Standards

Maximum Loan-to-Value Ratios Decrease



Source: Rent Guidelines Board, annual Mortgage Surveys.

Non-Performing Loans & Foreclosures

The same proportion of lenders reported that they had non-performing loans both last year and this year. However, those with non-performers saw them make up a higher proportion in their portfolios. Forty-five percent of lenders reported having non-performing loans over the past two years. Of those lenders with non-performers, they represented on average 4.0% of their lending portfolio in 2012, up from 1.6% the prior year.

However, the proportion of institutions reporting foreclosures declined this year, from last year's 30% to 17% this year. Of those that did report foreclosures this year, they represented 1.3% of their portfolios, up from 0.8% the prior year.

Characteristics of Rent Stabilized Buildings

The typical sizes of buildings in surveyed lenders' portfolios vary, with 35.7% reporting an average size of 50-99 units; while the remaining lenders reported an average of either 1-10 units; 11-19 units; or 20-49 units (21.4% reporting each). No lenders this year reported that their typical building contained 100 or more units.

Vacancy and collection (V&C) losses decreased for a second consecutive year, down to 3.50%, from

4.25% in 2011. (See graph on next page.) Similarly, a lower proportion of lenders reported losses of 5% or more this year, down from 58% last year to 38% this year.

Average operating and maintenance (O&M) expenses and average rents among buildings in lenders' portfolios rose at essentially equal rates this year. Expenses rose 5.63%, to \$599 per unit, and average rents rose 5.56%, to an average of \$1,121 per unit per month. (See Appendix E.2) Because average rents and expenses rose at virtually the same rate, the average O&M cost-to-rent ratio remained about the same, at 53.47% this year vs. 53.43% last year.⁷

The Rent Guidelines Board, in our annual *Income and Expense (I&E) Study*, examines the average O&M cost-to-rent ratio as well. However, its findings should *not* be compared to the cost-to-rent ratio reported in this Mortgage Survey because both the sources and sample sizes are very different and the data studied in each report are from different time periods. In the 2011 *I&E Study*, which reported on data from the year 2009, the average O&M cost-to-rent ratio was 76.5%.⁸

The survey asks lenders whether they retain their mortgages or sell them to secondary markets. Among the lenders, 79% of respondents retain all their mortgages, 14% sell all their mortgages, and 7% sell some of their mortgages to secondary markets. These results are similar to those found in the previous year. Of those institutions that sell their mortgages, Freddie Mac and Fannie Mae are the typical purchasers.

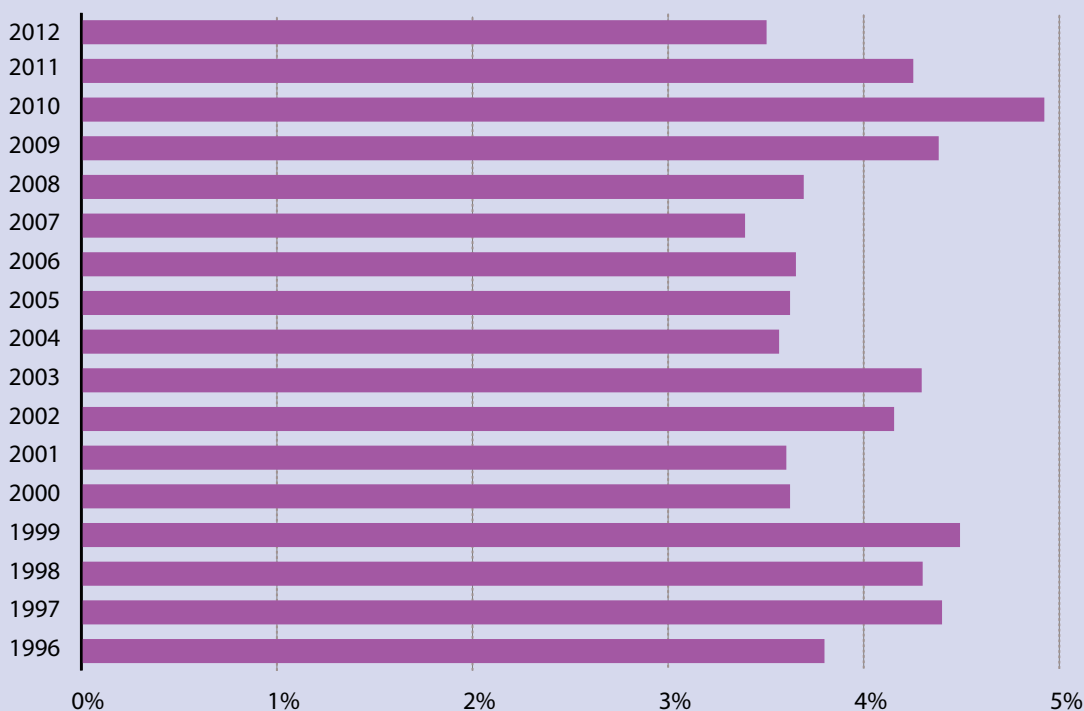
Lenders are asked whether the rent stabilized buildings which are offered mortgage financing contain commercial space. This is helpful so as to understand the extent of income for owners from sources other than residential tenants. Similar to prior years, all but one lender reported that buildings in their portfolio contain commercial space, though the average amount varies depending on the lender. Among the lenders, buildings containing commercial space represent, on average, 23% of their lending portfolio, little changed from the 21% reported in 2011.

Loan Expectations

The survey asks lenders about their portfolio's performance, compared with expectations at the time

Average Vacancy and Collection Losses, 1996-2012

Vacancy and Collection Losses Decreased From Prior Year



Source: Rent Guidelines Board, annual Mortgage Surveys.

of initial loan origination, with regard to net operating income (NOI), debt service coverage, and O&M expenses. Little changed from last year, with the vast majority of lenders (82%) reporting that their expectations had been met or exceeded in all three areas among their rent stabilized portfolio. By contrast, 18% felt that not all of their expectations were met in 2011.

Specifically, 82% said NOI expectations were equalled or exceeded; and 91% said both debt service and expenses expectations were either equalled or better than expected.

Longitudinal Analysis

Information regarding rent stabilized buildings can be examined longitudinally to more accurately assess changes in the lending market, since many respondents reply to the Mortgage Survey in at least

two successive years. This longitudinal comparison helps to clarify whether changes highlighted in the cross-sectional analysis reflect actual variations in the lending market or simply the presence of a different group of lenders from year to year. Among the fourteen respondents that completed the survey this year, eleven also replied last year. These eleven make up the longitudinal group, and their responses from both this year and last are compared in this section to underscore changes between the two years.

Financing Availability and Terms

This year's longitudinal analysis reveals data that is similar to this year's cross-sectional sample.⁹ The average interest rate among the longitudinal group for new loans, as of February 2012, was 4.80%, down 1.14 percentage points from last year's longitudinal group, which had an average interest

rate of 5.94% for new financing. Likewise, the refinancing rate fell from 5.83% last year to 4.86% this year, a 0.97 percentage point decline (See Appendices E.3 and E.4)

Among the longitudinal group, average points offered by lenders crept up for both new and refinanced loans. This sample reports an average of 0.70 points for both new and refinanced loans, up from last year's 0.64.

Like the cross-sectional group of lenders, the longitudinal group saw loan volume fall, down 22% for new loans and 4% for refinanced loans.

Underwriting Criteria and Loan Performance

The average maximum loan-to-value (LTV) ratio declined to 72.8% among the longitudinal group, down from last year's 74.5%. However, the average debt service ratio remained unchanged, at 1.25 both this year and last. (See Appendix E.5) But like in the cross-sectional analysis, vacancy and collection (V&C) losses among the longitudinal group fell, declining from 4.10% last year to 3.50% this year.

Looking at the rate of delinquencies among the longitudinal group, non-performing loans averaged 4.0% among the five lenders reporting them, up from 1.8% last year. Foreclosure rates also increased, up from 0.8% last year to 1.3% this year among the two lenders reporting foreclosures in their portfolios. For

additional comparisons between the cross-sectional and longitudinal groups, see the table below.

Sales Data Analysis

The NYC Department of Finance began offering online public property sales information five years ago. Using this data, an analysis of rent stabilized building sales was contained in each of the last four *Mortgage Survey Reports*. This year, we once again follow-up with an examination of the data from 2011, and compare it to 2010. Included in this report's sales data analysis are buildings listed as sold in 2011 in the Dept. of Finance database. These are matched to buildings that have filed 2010 DHCR building registrations; have not converted to co-ops/ condos; and have sold for at least \$1,000.

Building Sales Volume

In 2011, 709 buildings containing rent stabilized units were sold in New York City, 31% more than in the prior year. Sales volume increased the most in Manhattan, up 56%, and also rose in Brooklyn, up 39%, and Queens, up 19%. Meanwhile, building sales volume fell slightly in the Bronx, down 1%. As in the past, Staten Island was not included in this analysis because there were too few rent stabilized building sales to meaningfully measure change from year to year.¹⁰ (See the table on the next page for a numerical breakdown

Selected 2012 Cross-Sectional Data Compared to 2012 Longitudinal Data

Changes in Average Interest Rates, Loan Volume, Points, Loan-to-Value Ratios, Debt Service Coverage, and Vacancy & Collection Losses

(Averages)	NF Interest Rate	RF Interest Rate	NF Loan Volume	RF Loan Volume	NF Points	RF Points	Max LTV Ratio	Debt Service Ratio	V&C Losses
2012 Cross-Sectional Data	4.59%	4.65%	43	24	.63	.63	72.1%	1.29	3.5%
2012 Longitudinal Data	4.80%	4.86%	48	26	.70	.70	72.8%	1.25	3.5%

NF= New Financing

RF= Refinancing

LTV=Loan-to-Value

V&C=Vacancy and Collection

Source: Rent Guidelines Board, Annual Mortgage Surveys

2012 Mortgage Survey Report

Comparison of Building Sales in 2010 vs. 2011

Sales Volume Change Varied by Borough from the Prior Year

	2010	2011	Change
Bronx	131	130	-1%
Brooklyn	185	258	39%
Manhattan	144	225	56%
Queens	81	96	19%
Citywide	541	709	31%

Note: Citywide figures exclude Staten Island
Source: NYC Department of Finance

in the change in the number of buildings sold in each borough and Citywide.)

Among the smallest rent stabilized buildings sold in 2011 (6-10 unit buildings), sales volume was up 24% Citywide. Among buildings of this size, sales increased in each borough except the Bronx, where it remained unchanged. Sales volume increased 33% in Manhattan, 26% in Brooklyn and 21% in Queens.

The change in sales volume also increased among 11-19 unit buildings in each borough except the Bronx, and increased 46% Citywide. By borough, sales were up 71% in Manhattan, 30% in Brooklyn, and remained unchanged in the Bronx.¹¹

Among 20-99 unit buildings, sales volume rose Citywide by 39%. Sales volume also rose in each borough, rising 89% in Brooklyn; 76% in Manhattan; and 5% in the Bronx.

Because of the small number of buildings sold each year, we were not able to analyze the sales data for buildings with 100 or more units. However, these buildings sales are included in the totals by borough and Citywide.¹²

Building sales data shows that for the period from 2003 to the present, sales reached their peak in 2005, but by 2009, sales

Citywide were at their lowest level of the nine-year period for which we have data. Since 2009, sales volume Citywide has rebounded, but at different paces in each borough. See the graph on this page and Appendix E.8 for annual sales volume Citywide since 2003.

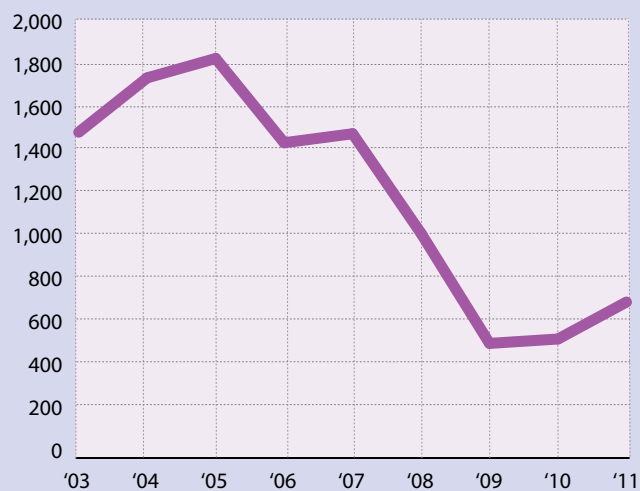
Building Sales Prices

Examining the change in rent stabilized building sales prices, the median Citywide sales price was \$1,800,000 in 2011. The highest median sales price was in Manhattan (\$3,500,000), followed by the Bronx (\$2,170,000), Queens (\$995,250) and Brooklyn (\$967,500).

In order to compare sales prices from one year to the next, staff examined sales by building size as well as by borough. This analysis takes into account the borough and size of the building that was sold. It does not take into consideration the condition of the building being sold or the specific neighborhood within each borough, important factors that cannot be accurately studied using this data set. Nevertheless, this analysis does reveal the general trends in building sale

Rent Stabilized Building Sales, 2003-2011

Building Sales Citywide Up 31% from Prior Year



Source: NYC Dept. of Finance;
Note: Figures exclude Staten Island

prices Citywide and throughout the boroughs from 2010 to 2011.

Examining the smallest buildings (6-10 residential units), median sales prices rose 11% Citywide. Median sales prices increased in each of the boroughs except the Bronx, where they fell 12%. In Manhattan, prices increased 16%, while in Queens, prices rose 15%, and in Brooklyn, they increased 11%.

For 11-19 unit buildings, the change in prices varied by borough. Prices were up 8% Citywide, while in Brooklyn, prices rose 15%, and in the Bronx, they increased 4%. Conversely, median prices fell 4% in Manhattan. Data for Queens is not available. (See Endnote 11.)

Among 20-99 unit buildings, prices rose Citywide, up 4%, and were up in each of the boroughs, where in Manhattan, median prices rose 13%, in Brooklyn, they increased 12%, and in Bronx, they rose 2%.

And as was stated in the building sales volume section above, there were too few sales among buildings containing 100 or more residential units to accurately measure changes in building prices from year to year. See Appendix E.9 for the median sales prices in each borough as well as the change from the prior year among different sized buildings.

Summary

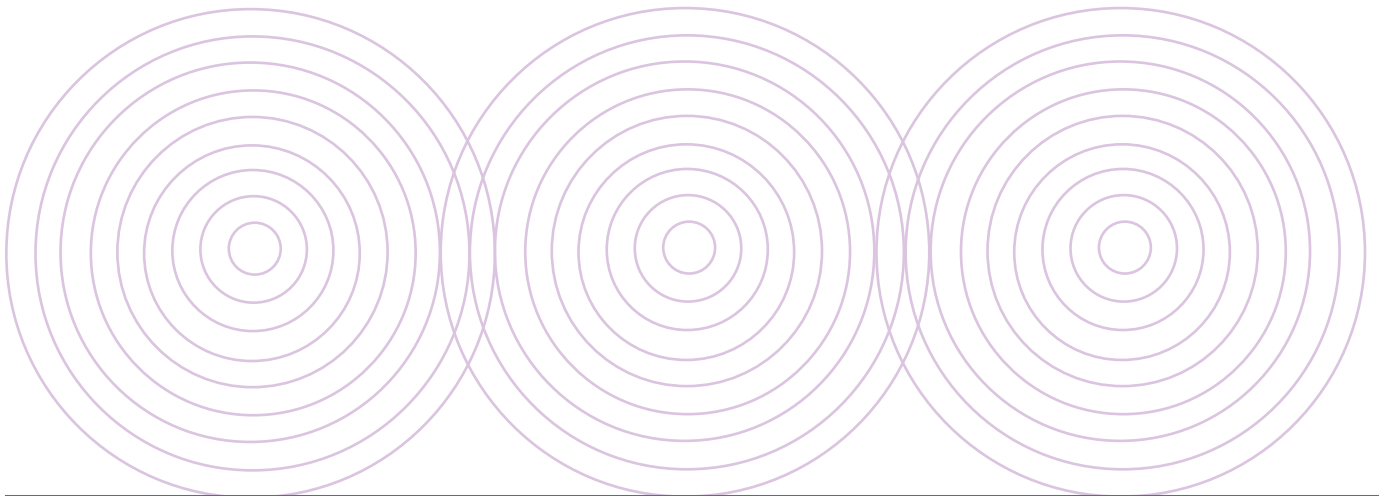
In sum, interest rates charged for new loans fell to the lowest levels since our survey began in 1981, and terms continued to be generally beneficial to borrowers. As a result, rent stabilized building sales volume increased Citywide. □

Endnotes

1. Federal Deposit Insurance Corporation (FDIC) website: <http://www3.fdic.gov/sdi/main.asp>
2. The primary reason for the 27% increase is due to the participation in this year's survey of three lenders with large multifamily portfolios who did not respond last year.
3. The total volume of loans reported by lenders who participated in this survey was 434. However, four participants did not provide the number of new loans, all of which had portfolios exceeding one billion dollars.
4. Federal Reserve Bank of New York website: <http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate.html>
5. "After Day of Tumult, Dow Closes Up 430 Points," by Graham Bowley and Christine Hauser, *New York Times*. August 8, 2011.
6. The average does not include the loan volume of four participants, whose portfolios each exceed one billion dollars, because they did not report the number of loans they made in 2011.
7. 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.
8. The O&M cost-to-rent ratio from the 2012 Mortgage Survey reflects estimates by lenders of expenses and rents for rent stabilized buildings as of approximately February 2012. The average ratio is calculated from just nine respondents. By comparison, the latest available O&M cost-to-rent ratio from the *Income and Expense Study (I&E)*, in which average rent was \$1,020 and average unaudited cost was \$781, reflects rents and expenses reported by owners for calendar year 2009. Average monthly costs per unit in the Mortgage Survey this year are 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 \$40,000 and eleven or more units, while the Mortgage Survey does not exclude these buildings).
9. The cross-sectional and longitudinal groups are very similar because all but three lenders responded both years.
10. The data reflects sales prices for buildings that are registered with the New York State Division of Housing and Community Renewal (DHCR) as containing rent stabilized units. It excludes those buildings where the sales price was listed as less than \$1,000. It also excludes those buildings listed as co-ops. Furthermore, all Staten Island is excluded from all analysis due to the small number of buildings sold.
11. There were too few 11-19 and 20-99 unit buildings sold in the last two years in Queens to accurately report data.
12. All 100+ unit building borough categories are excluded due to the small number of buildings sold in their respective categories. However, while these categories are not discussed, these buildings are included in the overall statistics and analysis. A total of 18 rent stabilized buildings containing 100+ units were sold in 2011 and 22 were sold in 2010.

Income and Affordability

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2012 Income and Affordability Study

What's New

- ✓ Results from the *2011 Housing and Vacancy Survey* show that the NYC vacancy rate is 3.12%, median income is \$38,500, median gross rent is \$1,204, and the median gross rent-to-income ratio is 33.8%.
- ✓ New York City's economy grew by 3.2% in 2011, compared to a 2.3% increase during 2010.
- ✓ The City gained 74,700 jobs in 2011, resulting in a 2.0% increase from 2010 in total employment levels.
- ✓ The unemployment rate fell for the first time since 2007, to an average of 9.0% last year, down from 9.5% in 2010.
- ✓ Inflation averaged 2.8% in the metro area in 2011, up from 1.7% in the prior year.
- ✓ Inflation-adjusted wages increased 1.3% during the most recent 12-month period, following a 3.4% increase in the preceding 12 months.
- ✓ In 2011, an average of 37,765 homeless people were staying in City shelters, up 4.4% from 2010.
- ✓ The number of non-payment filings heard in Housing Court decreased 0.8% in 2011, to 126,315, while the number of evictions increased 7.7%, to 27,636.

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.

Overview

Preliminary results from the *2011 Housing and Vacancy Survey* were released in February of this year, and show that the vacancy rate for New York City is currently 3.12%. Approximately 45% of renter households in NYC are rent stabilized, with a vacancy rate of 2.63%. The survey also shows that the median household income in 2010 was \$37,000 for rent stabilized tenants, versus \$38,500 for all renters. The median gross rent for rent stabilized tenants was also slightly lower than that of all renters, at \$1,160 versus \$1,204 for all renters. And rent stabilized tenants saw a median gross rent-to-income ratio of 35.2% in 2011, compared to 33.8% for all renters.

Looking at New York City's economy during 2011, it showed both strengths and weaknesses as compared with the preceding year. Positive indicators include citywide unemployment rates decreasing to 9.0% during 2011, a 0.5 percentage point decrease from the prior year. In addition, employment levels grew, for the second year in a row, increasing 2.0% in 2011. Inflation-adjusted wages also increased 1.3% during the most recent 12-month period (the fourth quarter of 2010 through the third quarter of 2011). Gross City Product also increased for the second consecutive year, rising in real terms by 3.2% in 2011.

Negative indicators included a 7.7% increase in evictions, despite the number of “calendered” non-payment filings in Housing Court declining 0.8%. In addition, cash assistance levels increased for the third consecutive year, increasing by 0.4% between 2010 and 2011. The number of food stamp recipients also rose, increasing for the ninth consecutive year, by 4.9% in 2011. In addition, homelessness rose over 2010 levels, increasing to an average of almost 38,000 persons a night, a 4.4% increase.

2012 Income and Affordability Study

The most recent numbers, from the fourth quarter of 2011 (as compared to the fourth quarter of 2010), show that homeless levels were up 8.4%, food stamp caseloads were up 1.5%, and non-payment housing court filings were up 5.5%. However, calendared non-payment housing court cases fell by 1.9%, employment levels were up 1.5%, unemployment levels remained at 9.0%, and GCP rose by 2.5%.

Economic Conditions

Economic Output and Consumer Prices

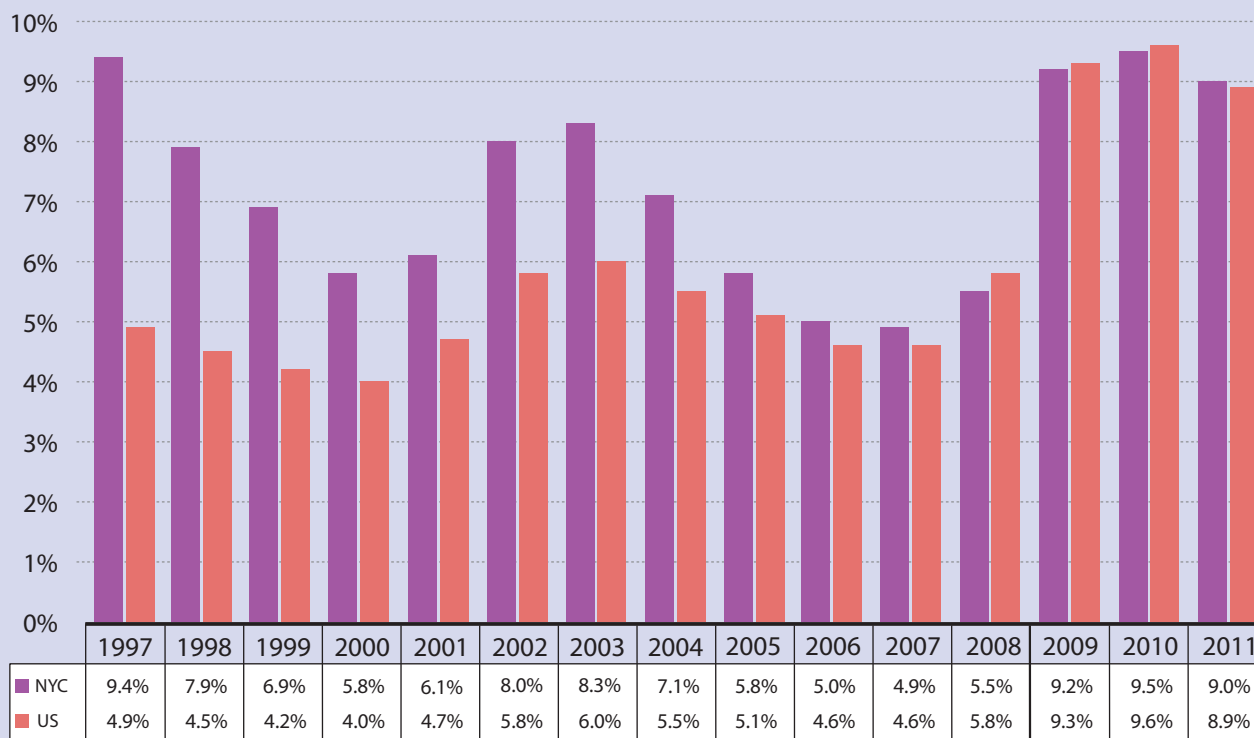
New York City's economy expanded during 2011, rising for the second consecutive year. New York City's Gross City Product (GCP), which measures the total value of goods and services produced, increased by 3.2% during 2011.¹ There has been positive economic

growth in each quarter since the first one of 2010, reaching a 2011 high of 3.2% growth during the fourth quarter. Prior to the growth in the first quarter of 2010, GCP had contracted in each of the preceding seven quarters, including an annual decrease of 3.8% during 2009. For comparison, GCP increased by an average of 3.0% during the 1990s and 1.7% during the 2000s. The analogous national number, United States Gross Domestic Product (GDP), increased 1.7% during 2011, following a 3.0% increase during 2010. On a quarterly basis, GDP has increased every quarter since the third one of 2009, including a 2011 high of 3.0% during the fourth quarter.²

The Consumer Price Index (CPI), which measures the change in the cost of typical household goods, increased 2.8% in the NYC metropolitan area during 2011, a higher rate of inflation than seen in the previous year, when prices rose on average 1.7%.³ The U.S. CPI for urban consumers rose at an even faster

NYC and U.S. Unemployment Rates, 1997-2011

NYC and U.S. Unemployment Rates Fall for First Time Since 2007



Source: U.S. Bureau of Labor Statistics and NYS Dept. of Labor; Data is updated annually and may differ from that in prior reports.

rate between 2010 and 2011, increasing 3.2%, following an increase of 1.6% during 2010.

Unemployment Statistics

Following three consecutive years of increases, NYC's unemployment rate decreased during 2011, falling half a percentage point, to 9.0% in 2011.⁴ The U.S. unemployment rate fell at a slightly faster pace in 2011, declining from 9.6% in 2010 to 8.9% in 2011.⁵ (See graph on previous page and Appendix F.1) While the New York City rate was slightly higher than that of the nation as a whole, this is one of the smallest gaps between the two numbers since 1976 (the first year of data the RGB has access to), just a 0.1 percentage point difference for the third consecutive year, compared to a high of 4.5 percentage points in 1997.

During the early months of 2012, unemployment rates in New York City were higher than both 2011 averages, as well as the same months of the prior year. The City jobless rate (not seasonally adjusted) stood at 10.0% in January 2012 and 10.2% in February, up 0.6 and 1.1 percentage points, respectively, from the prior year. The analogous national figures were 8.8% in January and 8.7% in February of this year, both months slightly lower than the 2011 average rate of 8.8% and lower than both January and February of 2011.

Manhattan had the lowest unemployment rate of the boroughs, 7.4%, while Queens and Staten Island had virtually identical unemployment rates in 2011, at 8.1% and 8.2%, respectively. Brooklyn had the second-highest unemployment rate, at 9.7%, while the Bronx once again had the highest rate of the boroughs, 12.3%. Unemployment rates fell in every borough during 2011, from between 0.4 and 0.7 percentage points. Citywide unemployment rates are now lower than in both 2009 and 2010, but still 3.5 percentage points higher than 2008.

Employment Statistics

Two other employment indices are tracked in the *I&A Study*. The New York City labor force participation rate measures the proportion of all non-

institutionalized people, aged 16 and over, who are employed or actively looking for work. This ratio decreased in 2011, to 59.9%, down from 60.3% in 2010.⁶ This remained lower than the U.S. rate, which decreased to 64.1% from 64.7% in 2010.⁷ A related statistic, the New York City employment/population ratio, measures the proportion of those who are actually employed as a ratio of all non-institutionalized people age 16 or over. This ratio remained steady during 2011, staying at 54.5%. For comparison, the U.S. employment/population ratio decreased slightly over the same period, down from 58.5% in 2010 to 58.4% in 2011, the fifth consecutive year of decline.

Correlating to falling unemployment rates, the number of people employed in New York City increased for the second consecutive year (see graph on next page). Overall, among both city residents as well as those commuting into the city, New York City gained 74,700 jobs in 2011, a 2.0% increase from 2010.⁸

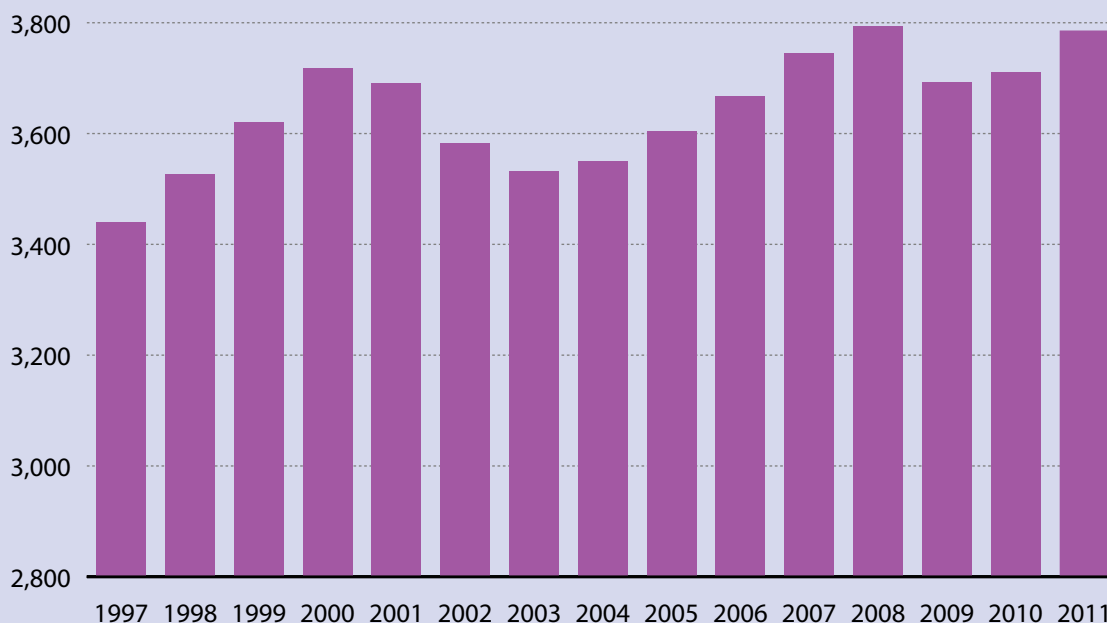
Employment levels rose in almost every industry, rising by the greatest proportion in the Leisure and Hospitality sector, which grew by 6.1% (19,600 jobs) during 2011. Professional and Business Service also grew significantly, rising by 3.8% (21,900 jobs), and Financial Activities grew by 2.8% (12,000 jobs), mostly due to a rise of 3.6% in the Finance and Insurance subsector. The Information sector also grew by 2.8% in 2011, while all other sectors that experienced growth rose from between 1.6% and 2.6%. See Appendix F.2 for more detailed employment information.

In 2011, the largest proportional drop in employment was in the Manufacturing sector, which fell 2.0%, shedding 1,500 jobs. With the exception of 1997, manufacturing levels have decreased each year since at least 1990 (the first year for which data is available), dropping 190,400 jobs in the 21-year period, a decline of 72%. The Government sector also dropped, by 1.9%, primarily due to an 11.2% drop (6,500 jobs) in federal government positions. The only other sector to decline, Construction, fell by 0.8%, losing 900 jobs.

During the first two months of 2012, total employment levels were up as compared to 2011. Employment in January was up 1.7% as compared with

Average Annual Payroll Employment, NYC, 1997-2011

NYC Employment Levels Rise for Second Consecutive Year



Source: NYS Dept. of Labor

January 2011, and levels in February were up 1.6% as compared with the same month of the prior year.

Wage Data

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 significant lag time in the reporting of income data. The most recent annual numbers, which cover the 2010 calendar year, reveal increases in both nominal and “real” wages (wages adjusted for inflation) for almost all job sectors. After declining by 3.4% in 2008 and 8.4% in 2009, real wages increased by 3.8% in 2010, rising from \$75,178 (in 2010 dollars) to \$77,997.⁹ Nominal wages (wages in current dollars) increased by 5.5% over the same time period, following an 8.0% decrease in the prior year.

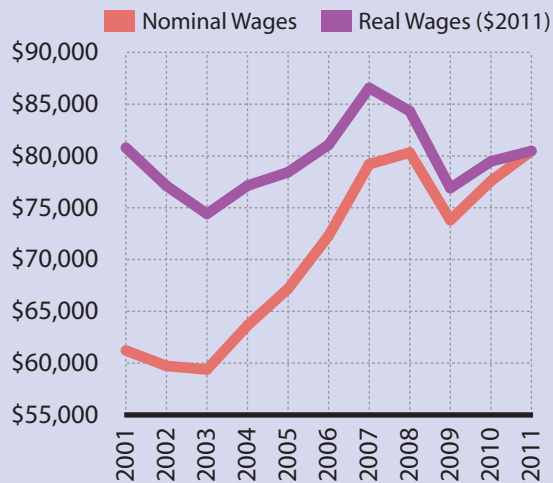
Due to the six-month lag time in reporting of wage data, in order to present the most recent statistics possible, staff has formulated a “year” that comprises

the most recent 12-month period (in this case, the fourth quarter of 2010 through the third quarter of 2011). This “year” was then compared with the equivalent period of the preceding “year,” which in this most recent time period showed that overall wages increased by 1.3% in real terms and by 3.7% in nominal terms. This compares to increases from the preceding 12-month period of 3.4% in real terms and 5.1% in nominal terms. (See graph on next page)

Real wages in the Finance and Insurance sector, which account for more than a quarter of all wages in New York City (and therefore carry more weight than any other single sector), rose by a real 0.9% during the most recent 12-month time period. This compares to a 13.0% increase and a 19.4% decrease in the prior two 12-month periods, respectively. The sector with the second greatest weight, Administrative, Waste, Educational, and Health Services (accounting for more than 15% of all wages), fell by a real 0.6% during this time period. Professional and Technical Services (accounting for 12% of all wages) grew by the largest

Real and Nominal Wages, 2001-2011

Real Wages Increase for Second Consecutive Year



Source: NYS Dept. of Labor

Note: Each "year" consists of the first three quarters of that year, and the fourth quarter of the preceding year.

proportion, rising by 3.2% in real terms. Overall, of the 16 sectors analyzed in the *I&A Study*, four saw declines in real wages during this time period, ranging from 0.6% to 1.0%. The other 12 sectors all saw relatively small increases in real wages, ranging from 0.01% to the 3.2% increase in Professional and Technical Services already noted. If the Finance and Insurance sector, the sector with the highest wages and the most weight, were taken out of the analysis for this time period, real wages would have increased by 1.1%. For detailed information on real and nominal wage increases for this time period, see Appendices F.3 and F.4.

Looking just at currently available 2011 data, comparing quarterly wage data to the same quarters of 2010 shows that wages rose in real terms in both the first and third quarters of 2011, by 6.1% and 0.7% respectively, and fell during the second quarter of 2011, by 3.4%.

Bankruptcy Statistics

Staff also examined bankruptcy filings for New York City residents from 2000-2011. Between 20,000 and 30,000 persons filed for personal bankruptcy annually

between 2000 and 2004, before surging to 42,852 in 2005 as bankruptcy laws were set to change. In the following year, with new laws in place making it more difficult to file for bankruptcy, only 7,961 persons filed for personal bankruptcy, an 81.4% decline. Filings then increased every year through 2010, reaching a high of 17,685. In 2011, rates dropped for both New York City and the nation as a whole, by 10.0% (to 15,910) and 11.3% respectively.¹⁰

Poverty Statistics

The Census Bureau reports that the New York City poverty rate for all individuals was 20.1% in 2010, an increase from 18.7% in 2009 and 18.2% in 2008. This compares to 15.3% for the nation as a whole in 2010.¹¹ Poverty rates vary widely depending on borough. Rates range from a low of 11.8% in Staten Island, to 15.0% in Queens, 16.4% in Manhattan, 23.0% in Brooklyn, and 30.2% in the Bronx, consistently the highest rate of the boroughs. In all boroughs but Manhattan, rates increased as compared to the prior year.

Also reported is the poverty rate for persons under the age of 18 in New York City, which was 30.0% in 2010 (an increase of 2.9 percentage points); 17.4% for individuals 18 to 64; and 17.2% for persons 65 years and over. Furthermore, 17.0% of all families were living under the poverty line in 2010. For families containing related children under the age of 18, this figure rises to 25.5%. For married-couple families, the overall poverty rate was 10.1% in 2010, while for female- and male-headed families (i.e., no spouse present) it was 30.7%. and 15.8%, respectively.

Poverty rates across all categories reported herein, with the exception of persons 65 years or older (which decreased by 0.8 percentage points, at least the fifth consecutive decrease in this category), saw increases during 2010. For comparison, overall rates were as high as 26.4% in the mid-nineties.¹² The Census Bureau is also beginning work on a "Supplemental Poverty Measure," an additional measure of poverty that will include more factors in estimating income resources.¹³ Using this new methodology, the NYC Center for Economic Opportunity (CEO) calculated household poverty rates from 2005-2009 and found

2012 Income and Affordability Study

poverty rates higher than those officially released by the Census Bureau.¹⁴ For instance, the official household poverty rate in 2009 was 17.3% and the CEO estimate was 19.9%. The gap between official and CEO estimates has been as high as 3.9 percentage points over the five years studied by this City agency.

2011 Housing & Vacancy Survey

Vacancy Rates

Preliminary results from the *2011 Housing and Vacancy Survey (HVS)* were released in February of this year, and they reveal the continuation of a very tight New York City housing market.¹⁵ This triennial survey of the housing and demographic characteristics of the City's residents found that the citywide vacancy rate was 3.12% in 2011, well below the 5% threshold required for rent regulation to continue under state law.¹⁶ Brooklyn had the lowest vacancy rate in the city, at 2.61%, translating into the availability of just 18,011 rentals in a borough with 691,178 rental apartments. Queens, by contrast, had the highest vacancy rate in

2011, at 3.79%. Of the remaining boroughs, the Bronx had a vacancy rate of 3.23%, Manhattan was at 2.80%, and the small sample size in Staten Island made the rate too inaccurate to report.

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 apartments renting at the high end had substantially higher vacancy rates. Apartments with an asking rent of less than \$800 had a vacancy rate of just 1.1%, while those renting for at least \$2,500 had a vacancy rate of 5.3%. (See graph on this page for a further breakdown.)

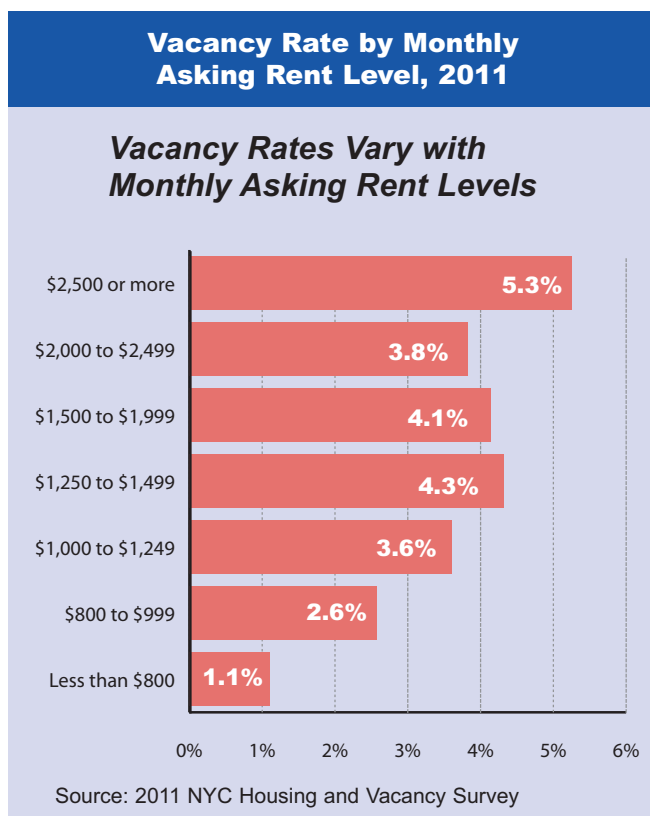
Income

According to the *2011 HVS*, which reflects household income for 2010, the median income for rental households was \$38,500.¹⁷ Owner households earned substantially higher income, which in 2010 was \$75,000, double the average income of renters.

The *2011 HVS* found different income levels among those living in units that were rent controlled, rent stabilized, or unregulated. Rent controlled tenants continued to have the lowest household income, earning a median of \$29,000 in 2010. Tenants living in stabilized buildings built prior to 1947 ("pre-war") had a median income of \$36,000, and post-46 ("post-war") tenants earned a median income level of \$40,000. Stabilized tenants on the whole had a median income of \$37,000, while those tenants in unregulated apartments earned a median of \$52,260 in 2010.

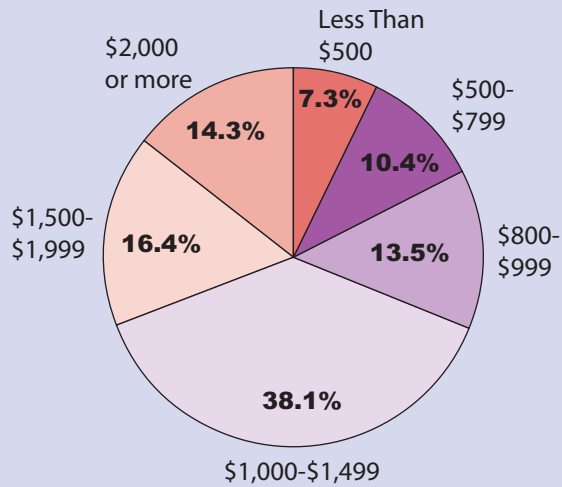
Rent

The *HVS* also examines rent levels, and it revealed that in 2011, the median monthly contract rent, which excludes any additional tenant payments for fuel and utilities, for all rental units was \$1,100. Rent stabilized tenants paid, on average, slightly less than the typical rental tenant, with a median contract rent of \$1,050 for all rent stabilized tenants in 2011, \$1,030 for pre-war rent stabilized apartments, and \$1,100 for post-war rent stabilized apartments. Rent controlled tenants paid the least in contract rent, a median of



Gross Rent Levels of Apartments, 2011

Wide Range of Apartment Rents in NYC



Source: 2011 NYC Housing and Vacancy Survey

\$800, and tenants living in private, nonregulated rentals paid \$1,369.¹⁸

Median gross rent, which includes fuel and utility payments, was \$1,204 for all renters. Rent stabilized tenants on the whole paid a median gross rent of \$1,160 in 2011, including \$1,150 for pre-war rent stabilized apartments, and \$1,200 for post-war rent stabilized apartments. Rent controlled tenants also paid the least in gross rent, a median of \$895, and tenants living in private, nonregulated rentals paid \$1,510.

The *HVS* also breaks down the distribution of renter occupied housing by gross rent level. Of the more than two million rental units in New York City that report cash rent, 7.3% rent for less than \$500, and a quarter (23.9%) rent for between \$500-\$999. More than two-thirds of rental units (68.8%) rent for over \$1,000, including 30.7% that rent for more than \$1,500.¹⁹ (See graph on this page for a further breakdown.)

Affordability of Rental Housing

Examining affordability of rental housing, the 2011 *HVS* reported that the median gross rent-to-income ratio for all renters was 33.8%, meaning that half of all households residing in rental housing pay more than 33.8% of their income in gross rent, and half pay

less. This is the highest ratio in the history of the *HVS*. Furthermore, a third (33.1%) 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.²⁰ The contract rent-to-income ratio was 30.9% for all renters in 2011, the highest ratio ever reported by the *HVS*, and the first time this ratio has been above 30%.

Rent stabilized tenants are the tenants facing the highest financial burden, with a median gross rent-to-income ratio of 35.2%, meaning a majority of rent stabilized tenants are not able to afford their apartments, based on the HUD benchmark for housing affordability. Looking at these figures more closely, rent stabilized tenants in pre-war apartments are facing a median rent burden of 35.8%, while tenants in post-war units had a median ratio of 34.0% in 2011. Unregulated tenants had the second highest gross rent-to-income ratio, 33.5%. And in a departure from the norm, rent controlled tenants were the subcategory of tenants with the lowest rent burden, 32.1%.

Other Measures of Affordability

American Community Survey

Despite ongoing efforts by a number of government agencies and non-profit groups, housing affordability remains an issue in a city ranked 10th highest among 74 big cities in the Census Bureau’s nationwide 2010 *American Community Survey* of monthly rental costs (\$1,129), but only 24th highest in median household income (\$48,743).²¹ This survey also reports that between 2009 and 2010, median contract rents for all apartments in New York City increased a nominal 3.5%, median gross rents increased by 4.0%, and the median gross rent-to-income ratio increased 1.3 percentage points, from 30.6% to 31.9%. This is the third consecutive year of increase in the gross rent-to-income ratio. The percentage of households paying more than 50% of their income towards rent in 2010 also increased, up to 29.1% from 27.5% in 2009.

The survey also provides mean household income for cities in quintiles. In New York City the top

quintile (i.e., the top 20%) in mean household income makes 23.79 times more than the lowest quintile (i.e., the lowest 20%), the sixth highest ratio among big cities, but a decrease from 25.02 in 2009. While New York's income disparity ratio does rank near the top nationwide, it lags notably behind both Atlanta and Boston, with ratios of 35.22 and 33.95 respectively. Other major cities, such as Los Angeles (21.06), Chicago (21.38), Houston (18.93), and Philadelphia (22.86), all have smaller differentials between income levels than New York City. The smallest disparity among big cities is in Virginia Beach, Virginia, with a ratio of 9.55. While the ratio between the upper and lower quintiles was 23.79 for all of New York City, it was 37.76 in Manhattan, where the top quintile makes an average of more than \$360,000 more annually than the lowest quintile. This figure is significantly lower than the prior year, when the differential was close to \$400,000.

Consumer Price Index

One of the many prices tracked in the federal Consumer Price Index (CPI) is the cost of rental housing. While not specific to New York City (the local CPI area extends into the suburbs of New York City), the CPI can provide a useful comparison of the rise of housing costs to those of other components of the price index.²² For the 43-year period since the inception of rent stabilization (from 1968 to 2011) the cost of rental housing in New York rose 658% and overall prices rose more slowly, at 586%. This is the converse of nationwide averages, where the cost of rental housing rose at a slower pace than overall costs (486% and 546%, respectively).

Between 2010 and 2011, rental costs rose 2.2% in the NYC area, versus an overall increase in prices of 2.8%. This is just slightly higher than the 2010 rent increase of 2.1%. This is also the first time since 1996 that the cost of rent in the New York metropolitan area rose at a slower pace than prices as a whole.

In the U.S. as a whole, rental costs rose at a slower pace than the New York City area, rising by 1.7% in 2011. Rental costs in the area also rose faster than five of the seven cities selected for comparison, including Atlanta, which saw rents drop 2.7% (the third

consecutive year of decline), and increases of 1.1%-1.3% in Chicago, Los Angeles, Boston, and Philadelphia. Among these comparison cities, the cost of rental housing rose only at a faster pace in the metropolitan areas of Washington, D.C. and San Francisco during 2011, rising at rates of 2.8% and 2.3% respectively. But while the cost of rental housing in New York did increase faster than many other areas in 2011, it was at a slower pace than in recent years, including rate increases of 4.5% in 2007, 5.1% in 2008, and 3.9% in 2009. During the 2000s, rental costs rose a cumulative 56% in New York, versus an overall CPI increase of 34%.

Section 8 Housing Availability

Following increased funding in 2007 to the Section 8 housing voucher program (which allows recipients to live in privately owned housing, paying 30% of their income towards rent), the New York City Housing Authority (NYCHA) opened the waiting list for the first time since 1994.²³ These expanded funding levels led to significant increases in the number of Section 8 occupied units funded by NYCHA (which increased from 82,801 in FY 2007 to a recent high of 100,570 in FY 2010, a 21.5% increase), as well as significant increases in the number of people placed through Section 8 vouchers during those years. The number of Section 8 apartments has since fallen, to just over 95,000 units. NYCHA also tracks the number of applicants newly placed through the Section 8 program. This data is not available for Fiscal Year 2011 as a whole, but fell from 4,824 during the first four months of FY 2010, to 227 in FY 2011, and 216 in FY 2012.²⁴ There are currently about 124,000 people on the NYCHA Section 8 waiting list.

The NYC Dept. of Housing Preservation and Development (HPD) also maintains a Section 8 program, although as opposed to NYCHA, applicants must fall within specific HPD preference categories or special admission programs, and applications are not accepted from the general public.²⁵ As of the end of FY 2011, HPD was funding 36,259 Section 8 vouchers, up 8.4% from the previous year.²⁶ Notably, more than 40% of HPD's Section 8 vouchers are utilized by tenants with disabilities. And among all HPD Section

8 rentals, the average tenant share of rent is \$332, with an average income level of \$15,081.²⁷

Non-Government Sources of Affordability Data

Staff also calculated electricity costs for a typical rental household. Assuming usage of 300 kWh and supply via Con Edison, the average renter's bill would have decreased by an average of 1.0% during 2011, following a 9.3% increase during 2010. During the most recent 12-month period (April of 2011 through March of 2012), costs remained virtually unchanged as compared to the same months of the previous year, falling by just 0.2%. For comparison, during the previous 12-month period, costs increased 5.8%.²⁸

Another measure of affordability is the Council for Community and Economic Research's Cost of Living Index (COLI), which tracks the cost of living in more than 300 urban areas, including Manhattan, Brooklyn, and Queens (the Bronx and Staten Island were not included in this survey). Based on 60 different items, the survey collects more than 90,000 prices for housing, utilities, groceries, transportation, health care, and miscellaneous goods and services. In each of the first three quarters of 2011, Manhattan, Brooklyn, and Queens ranked as numbers one, two, and five respectively on the list of most expensive urban areas.²⁹ The study calculated that Manhattan was more than twice as expensive to live in as the national average, while Brooklyn was approximately 80% more expensive, and Queens was more than 50% more expensive.

This same study found that someone moving from Boston who makes \$49,893 a year (the 2010 median household income in Boston) would need to make \$79,596 to achieve the same standard of living in Manhattan, while paying 25% more for groceries, 15% more for transportation, and 158% more for housing. Moving to either Brooklyn or Queens would be somewhat more economical, requiring a salary of \$66,451 in Brooklyn and \$55,957 in Queens to achieve the same standard of living. As with Manhattan, the most inflated component in these outer boroughs is housing, which is approximately 109% more expensive in Brooklyn than in Boston, and 47% more expensive in Queens.³⁰

While the study found that significantly more income is required to live in New York City with the same standard of living as in Boston, actual incomes fell short of what the study determined was required. Actual 2010 median household incomes were \$63,832 in Manhattan, \$42,143 in Brooklyn, and \$53,054 in Queens, a difference of 19.8%, 36.6%, and 5.2% respectively.³¹ Because this survey found that prices in Boston grew at a faster rate than prices in New York City during 2011, these differentials are actually significantly lower than those found during 2010. Note that the U.S. Bureau of Labor Statistic's Consumer Price Index found that prices did rise faster in the Boston metro area than the New York area during 2011, but by a smaller differential than that found by the COLI survey.³²

Another quarterly index, the Housing Opportunity Index (HOI), showed that during the fourth quarter of 2011 the New York metropolitan area was the least affordable area to buy a home for the fifteenth straight quarter.³³ The survey found that 29% of owner-occupied housing in the metropolitan area was affordable to households earning the median income. Although it was the least affordable buyer's market, substantially more homes were affordable than in recent years, such as in the fourth quarter of 2006 when only 5.1% of homes were considered affordable.³⁴ The fourth quarter of 2011 marks the highest ratio of affordable owner housing since 2002.

Every year the National Low Income Housing Coalition (NLIHC) issues a study to determine whether rents are affordable to the lowest wage earners.³⁵ Per their 2012 study, in order to afford a two-bedroom apartment at the City's Fair Market Rent, (\$1,424 a month, as determined by the U.S. Department of Housing and Urban Development) a full-time worker must earn \$27.38 per hour, or \$56,960 a year. Alternately, those who earn minimum wage would have to work 151 hours a week (or two persons would each have to work 75.5 hours a week) to be able to afford a two-bedroom unit priced at Fair Market Rent. This is a 1.5% increase in necessary wages as compared to the previous year. If legislation currently pending in Albany is passed raising the minimum wage from \$7.25 to \$8.50³⁶, the number of hours required to work to afford a two-bedroom apartment falls to 129 hours, a drop of 14.7%.³⁷

In November of 2011, the Community Service Society released “The Unheard Third 2011,”³⁸ a survey of 1,419 New York City residents conducted in July 2011. Per the methodology of their study, approximately one-third of respondents surveyed are considered “poor” (making less than 100% of the poverty line). Another one-third are “near-poor” (earning between 100% and 200% of the poverty line). And the remaining one-third are “moderate-income” and “higher-income,” who make more than 200% of the poverty line. The federal poverty line in 2011 was \$14,710 for a family of two, \$18,530 for a family of three, and \$22,350 for a family of four.³⁹

When respondents were asked to name their two most important issues for the 2013 Mayoral election, the top issue among all income groups was “creating more jobs”, followed by “investing more in education.” “Making housing more affordable” also ranked very high, with 28% of “poor” and “near-poor” respondents naming this one of their top two priorities, and 19% of the moderate- to high-income respondents answering the same.

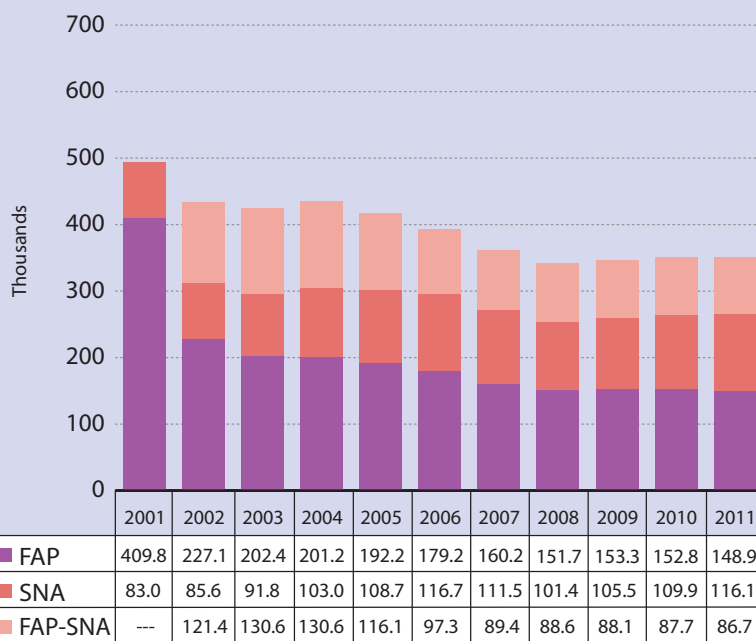
The survey also reports that even among members of the “poor” group that are working full-time, 34% had fallen behind on their rent or mortgage in the past year and 29% had a utility turned off because of non-payment. For the small sample of low-income (“poor” and “near-poor”) single mothers, 48% had fallen behind on their rent or mortgage in the past year, and 33% had a utility turned off. And for those low-income respondents who had been unemployed for at least a year, 36% had fallen behind on their rent or mortgage.

Cash Assistance Programs

For the third consecutive year, the total number of cash assistance cases (formerly known as public assistance)

Cash Assistance Programs, 2001-2011, in Thousands

Cash Assistance Caseloads Rise Slightly



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

increased, rising by 0.4% between 2010 and 2011.⁴⁰ This follows an increase of 1.0% in the prior year, and 1.5% during 2009 (see graph on this page). Despite increases in the past three years, over the last 17 years the number of cash assistance recipients has dropped significantly, falling 69.6% since March 1995, when the City’s welfare reform initiative began and 1,161,000 recipients were on the rolls.

The number of applications for cash assistance also increased during 2011, rising 4.8% over 2010 levels, including an increase of 11.7% in denied applications, and 0.7% in approved applications.⁴¹ The number of reported job placements among cash assistance recipients (excluding placements through the Workforce Investment Act) increased significantly during 2011, rising by 6.1%, or more than 4,500 jobs.⁴²

The number of food stamp recipients also increased for the ninth straight year, rising 4.9% to an average of 1.82 million in 2011. While the rate of

growth in food stamp recipients did slow as compared to the preceding three years (in which growth ranged from 14%-20% annually), levels have more than doubled over the past eight years, rising from an average of close to 900,000 in 2003 to more than 1.8 million in 2011.⁴³ The number of Medicaid enrollees also increased, by 2.1%, during 2011, to more than 2.9 million.⁴⁴

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 2011 fiscal year, New York City received \$941.3 million from federally funded programs.⁴⁵ These programs included \$232.4 million in a Community Development Block Grant (CDBG) which funds housing and community development programs; \$110.5 million for the HOME Investment Partnership Program, which helps preserve existing housing stock; \$7.9 million for the Emergency Shelter Grant program, which is used for homeless programs; and \$53.3 million for Housing Opportunities for Persons with AIDS. NYCHA also received \$273.1 million for its capital modernization program.

As compared to Fiscal Year 2010, federal funding increased by 16.4% in nominal terms and 14.1% in inflation-adjusted terms. While there was an overall increase in funding, many programs had their funding cut in FY 2011, including the CDBG, which fell by 11.1% in real terms, HOME, which fell by 13.2% in real terms, and funds used for the NYCHA capital program, which fell by 18.2% in real terms. In fact, every federal funding source was lower than in FY 2010, with the exception of two programs.

HUD Competitive Funds, the bulk of which, as part of a Homeless Continuum of Care (CoC) grant, are used for homeless housing services, also increased substantially during FY 2011. Because the 2010 and 2011 CoC awards were both distributed during FY 2011, HUD Competitive funds increased by \$223 million during FY 2011, an almost 700% increase in funding. Had the 2010 CoC grant been distributed during FY 2010 (instead of FY 2011), federal funding levels would have differed in both FY 2010 and FY 2011. If these funds were redistributed throughout

both years, federal funding in FY 2011, as a whole, would decline by 14.5% in real terms, including an 18.2% real decrease in these Competitive Funds.⁴⁶ Altering this distribution also retroactively affects the level of decline in federal funding during FY 2010, which would have decreased a real 5.7% (instead of 16.2%) during that year.

In addition, the HUD Fair Housing Program, which helps educate New York City residents on housing discrimination and fair housing laws, increased by \$2.8 million during FY 2011 (a 48.3% real increase).

Evictions & Homelessness

Homelessness & Emergency Assistance

Homelessness in the City, based on data from the Dept. of Homeless Services (DHS), increased for the third consecutive year during 2011, increasing by 4.4%.⁴⁷ Each night, an average of 37,765 persons stayed in City shelters during 2011, up 1,589 persons from a year earlier, and up considerably from the average of 20,000-25,000 found in the 1990s. While levels rose on the whole, the subcategory of average number of families sheltered each day fell in 2011, by an average of 0.6%.⁴⁸ This figure includes the number of families with children sheltered each night, which fell 1.1% during 2011 (to reach an average of 8,241), and the number of adult families sheltered each night, which increased 2.5% over the year (to an average of 1,332). The number of single adults sheltered also rose during 2011, increasing 9.2%, to an average of 8,543 persons.

Fewer families were also being relocated to permanent housing during 2011. Coinciding with the end of the Advantage program in April of 2011 (which provided homeless families with rent subsidies for up to two years), permanent housing placements for both families with children and adult families dropped dramatically during 2011, by up to 42.7% and 30.7% respectively (note that exact figures cannot be provided because December statistics are unavailable). While the Advantage program officially ended in April of 2011, rent payments for tenants already in the program were made through January of 2012 due to a then-pending lawsuit.

2012 Income and Affordability Study

For single adults, the majority of whom are placed with family members or return to independent living, placements rose by at least 5.8% during 2011.

Other homeless indicators include the average amount of time spent in temporary housing, which increased among all categories, rising by approximately 49 days for families with children (to 294 days), by 49 days for adult families (to 378 days), and by 16 days for single adults (to 259 days). While homeless individuals were spending more time in temporary housing during 2011, fewer were returning to the system, with approximately 2.9% of families with children returning to DHS within one year (down from 3.7%) and 8.1% returning within two years (down from 10.1%). The number individuals or families who have never before utilized a City shelter also decreased during 2011, falling approximately 10.4%, to an average of 1,505 per month.⁴⁹

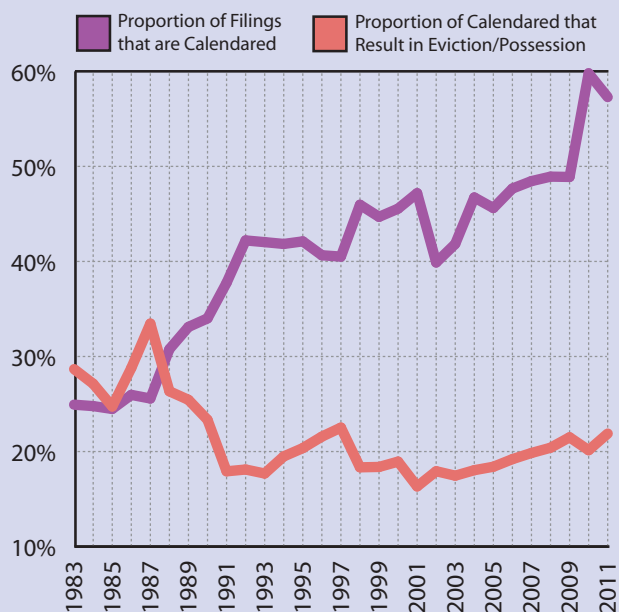
Housing Court

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. To measure the number of households experiencing the most severe affordability problems, evictions are also tracked.

After a drop of more than 15% in 2010 due to changes in the way the New York City Housing Authority (NYCHA) handles late payment of rent,⁵⁰ non-payment filings in Housing Court grew by 3.8% during 2011 (to 221,182), the second lowest level recorded since at least 1983 (the first year data is available).⁵¹ Of note, in past years approximately a quarter of all non-payment filings were against tenants in NYCHA buildings, and with the administrative changes at NYCHA, this figure is down to approximately 15%. Because the number of non-payment filings increased, and the number of cases resulting in an actual court appearance ("calendared") remained relatively steady (falling 0.8%), the proportion of cases which resulted in an appearance decreased by 2.7 percentage points. At 57.1%, this proportion is the second highest the RGB has ever

Housing Court Statistics, 1983-2011

Non-Payment Cases Heard Decreases, but Proportion of Evictions Increases



Source: Civil Court of NYC and NYC Dept. of Investigations

recorded (see graph on this page and Appendix F.6). During the mid-to-late 1980s, an average of 27.1% of non-payment filings were calendared.

The proportion of non-payment proceedings citywide that resulted in an eviction/possession ruling in 2011 increased by almost two percentage points, rising from 20.1% to 21.9%. This translates to 27,636 court decisions ruled for the tenant's eviction from a total of 126,315 non-payment proceedings calendared.⁵² The increase was due to the fact that the number of cases calendared declined by 0.8%, while the number of evictions simultaneously rose, by 7.7%. This proportion remains 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.

Conclusion

In 2011, economic indicators for New York City were mixed, including increased evictions, cash assistance

levels, and homelessness, but rising Gross City Product, wages, and employment levels. Preliminary results from the *2011 Housing and Vacancy Survey* show that the City's vacancy rate is now 3.12% and the median gross rent-to-income ratio is 33.8%.

Looking forward, various City agencies have made predictions about the future health of the New York City economy. Among their predictions, they estimate that in 2012 the City will gain anywhere between 25,000 and 60,500 jobs, unemployment will fall to 8.6% to 8.8%, GCP growth will potentially grow anywhere from 2.1% to 3.4%, and wages will rise from 2.6% to 4.1%. They also see the economy brightening even more during the next few years, with decreasing unemployment rates (to as low as 5.7% by 2016), job gains, and a rise in both wage growth and GCP.⁵³ □

Endnotes

1. Data from the NYC Comptroller's Office as of March, 2012. GCP figures are adjusted annually by the New York City Comptroller's Office. The figures in this report are the latest available estimate from that office, based on inflation adjusted 2005 chained dollars.
2. Bureau of Economic Analysis. <http://www.bea.gov/national/index.htm#gdp>; Data accessed March, 2012
3. Bureau of Labor Statistics; <http://www.bls.gov>; Data accessed March, 2012
4. NYS Dept. of Labor; <http://www.labor.state.ny.us>; Data accessed March 2012. Data is revised annually and may not match data reported in prior years.
5. Bureau of Labor Statistics; <http://www.bls.gov>; Data accessed March, 2012
6. 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 are annually revised, and may differ from figures reported in prior years' *Income and Affordability Studies*.
7. Bureau of Labor Statistics; <http://www.bls.gov>; Data accessed March, 2012.
8. New York State Dept. of Labor; <http://www.labor.state.ny.us>; Data accessed March 2012. Data is revised annually and may not match data reported in prior years.
9. New York State Dept. of Labor; <http://www.labor.state.ny.us>; Data accessed March 2012.
10. Data obtained from The Administrative Office of the U.S. Courts in March, 2012.
11. Poverty statistics were researched on the Census Bureau's Factfinder Site: <http://factfinder2.census.gov> in March of 2012.
12. Data is from prior reports of the Community Service Society of New York, which uses Census Data to compute their own poverty statistics. Studies average two consecutive years of census data in calculating poverty rates.
13. "Census Bureau to Develop a Supplemental Poverty Measure." March 2, 2010. U.S. Dept. of Commerce Press Release.
14. "Policy Affects Poverty: The CEO Poverty Measure, 2005-2009." March 2011. New York City Center for Economic Opportunity.
15. 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. All HVS data reported herein is from "Selected Initial Findings and Tables of the 2011 New York City Housing and Vacancy Survey," prepared by Dr. Moon Wha Lee of HPD. Full data will be available in April or May of 2012.
16. State law requires the City to formally extend rent stabilization every three years, after publication of vacancy rates from the triennial *Housing and Vacancy Survey*. Introductory Number 791 was signed into law by Mayor Bloomberg on March 26, 2012, extending rent stabilization until April 1, 2015..
17. Total household income in the HVS includes wages, salaries, and tips; self-employment income; interest dividends; pensions; and other transfers and in-kind payments.
18. Private non-regulated units consist of units which were never rent controlled or rent stabilized, units which were decontrolled, and unregulated rentals in cooperatives or condominium buildings.
19. There were 46,188 units which did not report a cash rent because they were being occupied rent-free.
20. 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)
21. 2010 American Community Survey, U.S. Census Bureau. <http://factfinder2.census.gov> (Based on places with a population of more than 250,000).
22. Bureau of Labor Statistics; <http://www.bls.gov>; Data accessed March, 2012
23. Press Release, Mayor's Office. "Mayor Bloomberg and NYCHA Chairman Hernandez Announce that Section 8 Voucher List Will Open For First Time in Twelve Years," January 29, 2007.
24. Preliminary FY 2012 Mayor's Management Report, NYC Housing Authority section.
25. Eligibility guidelines per the NYC Housing Preservation and Development website: <http://www.nyc.gov/html/hpd/html/section8/section8-intro.shtml>.
26. Preliminary FY 2012 Mayor's Management Report, NYC Housing Preservation and Development section.
27. DTR Section 8 General Program Indicators, NYC Housing Preservation and Development website: <http://www.nyc.gov/html/hpd/downloads/pdf/Section8-Program-Statistics.pdf>.
28. A typical bill was calculated using rate schedules published on the Con Edison website at <http://www.coned.com/rates>. The rates used were for Service Classification #1, Residential and Religious, at a usage rate of 300kWh, per averages stated by a representative from Con Edison.

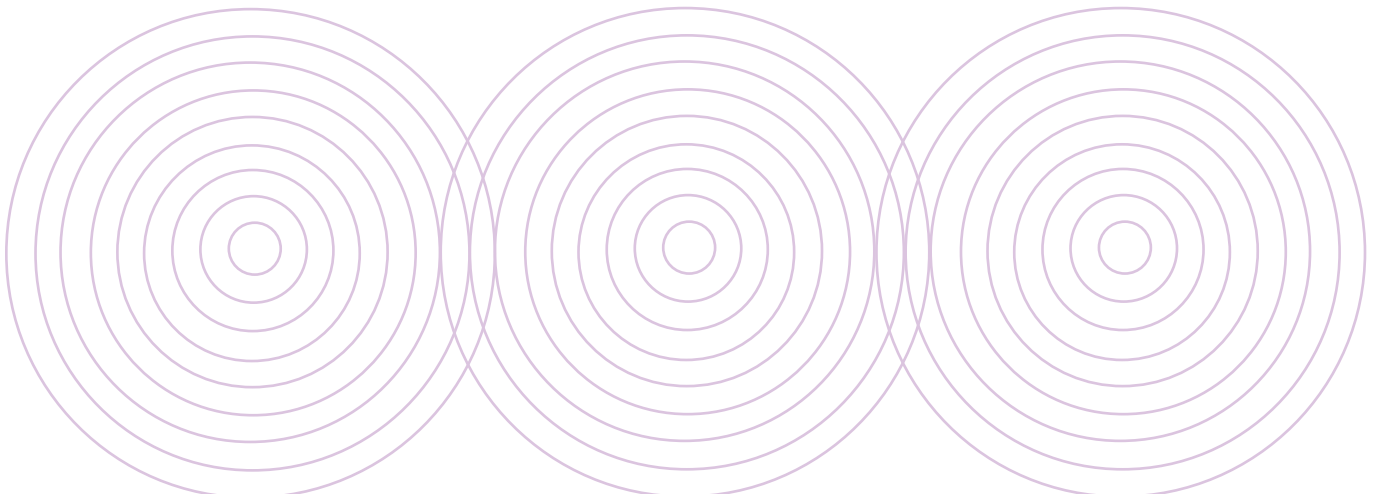
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29. ACCRA Cost of Living Index Press Release. First, Second, and Third Quarters of 2011. The Council for Community and Economic Research. <http://www.coli.org/PressClippings.asp>
30. ACCRA cost of living report. The Council for Community and Economic Research. <https://www.coli.org/compare.asp>.
31. 2010 American Community Survey, U.S. Census Bureau. <http://factfinder2.census.gov>
32. Bureau of Labor Statistics; <http://www.bls.gov>; Data accessed March, 2012
33. "Housing Affordability Reaches Record Level as Tight Credit Conditions Impede Housing Market." Press Release from the National Association of Home Builders, February 16, 2012.
34. National Association of Home Builders. Various tables on website: http://www.nahb.com/reference_list.aspx?sectionID=135; Data accessed March 2012.
35. "Out of Reach 2012," National Low Income Housing Coalition. <http://nlihc.org/oor/2012>
36. "With Focus on Income Inequality, Albany Bill Will Seek \$8.50 Minimum Wage," *NY Times*. January 29, 2012. Also see NYS Senate Bill S6335A-2011 and S6335B-2011.
37. Data is derived by using the methodology that the National Low Income Housing Coalition uses: <http://nlihc.org/sites/default/files/oor/2012-OOR-Appendix-A.pdf>
38. "The Jobs Crisis and Low-income New Yorkers: Impact and implications for 2013 city elections." Community Service Society. November, 2011. http://www.cssny.org/userimages/downloads/UHT2011Findingsjobs_crisispresentationfinal11.30.11.pdf
39. 2011 Federal Poverty Guidelines can be found at: <http://aspe.hhs.gov/poverty/11poverty.shtml>
40. New York City Human Resources Administration. Cash Assistance Recipients Trend Chart: http://www.nyc.gov/html/hra/html/statistics/trend_charts.shtml
41. Data directly from the NYS Office of Temporary and Disability Assistance, February, 2012.
42. New York City Human Resources Administration. Job Placements (FA & SNA) Trend Chart: http://www.nyc.gov/html/hra/html/statistics/trend_charts.shtml
43. New York City Human Resources Administration. Food Stamp Recipients Trend Chart: http://www.nyc.gov/html/hra/html/statistics/trend_charts.shtml
44. New York City Human Resources Administration. Medicaid Enrollees Trend Chart: http://www.nyc.gov/html/hra/html/statistics/trend_charts.shtml
45. Consolidated Plan Annual Performance Report, 2011. NYC Dept. of City Planning.
46. Modified figures derived by applying the 2010 Homeless Continuum of Care (CoC) grant of \$101.6 million to FY 2010, and the 2011 CoC grant of \$103.9 million to FY 2011, instead of the total amount being applied to FY 2011, which is when the funds were actually distributed.
47. January-June 2011 figures from the NYC Dept. of Homeless Services Critical Activities Reports: <http://www.nyc.gov/html/dhs/html/about/car.shtml>. Because of a computer system change at the Dept. of Homeless Services, July-December 2011 data was not available via the Critical Activities Reports. Data was obtained directly from the Dept. of Homeless Services. Certain statistics for December of 2011 were not available at the time of publication.
48. Beginning two years ago, the Dept. of Homeless Services (DHS) now splits families into two groups – families with children and adult families (generally spouses and domestic partners). Approximately 86% of "families" are families with children.
49. Because December, 2011 statistics for the number of new clients was not available, an average from January through November of 2011 was compared to the same time period of 2010. The estimate of 1,505 new clients per month is based on the first 11 months of 2011.
50. As explained in detail in the *2011 Income & Affordability Study*, in 2010 the NYC Housing Authority extended its late rent grace period from 14 days to one month and 14 days, resulting in a drop of almost 36,000 non-payment filings against tenants in their properties..
51. Civil Court of the City of New York data.
52. Eviction data from the NYC Department of Investigation, Bureau of Auditors data.
53. "Analysis of the Mayor's Preliminary Budget for 2013" NYC Independent Budget Office, March 2012. And "Comments on New York City's Preliminary Budget for Fiscal Year 2013 and Financial Plan for Fiscal Years 2012-2016." NYC Comptroller's Office, March 5, 2012.

Housing Supply

2012 Housing Supply Report pg. 71

***Changes to the Rent Stabilized Housing
Stock in New York City in 2011.....pg. 83***



2012 Housing Supply Report

What's New

- ✓ Permits for 8,936 new dwelling units were issued in New York City in 2011, a 32.8% increase over the prior year and the second consecutive year of increase.
- ✓ The number of new housing units completed in 2011 decreased 41.8% over the prior year, to 13,984.
- ✓ City-sponsored residential construction spurred 15,735 new housing starts, almost 75% of which were rehabilitations.
- ✓ The number of housing units newly receiving 421-a exemptions increased 86.7% in 2011, to 11,007.
- ✓ The number of housing units newly receiving J-51 abatements and exemptions increased 9.0% in 2011, to 54,775.
- ✓ There was a 7.5% decrease in the number of co-op or condo units accepted in 2011, to 243 plans containing 5,353 units.
- ✓ Demolitions were up in 2011, increasing by 1.2%, to 1,129 buildings.
- ✓ The city-owned *in rem* housing stock rose for the first time since FY 1989, rising 17.5% during FY 2011, to 845 units.
- ✓ The citywide vacancy rate was 3.12% in 2011.

Overview

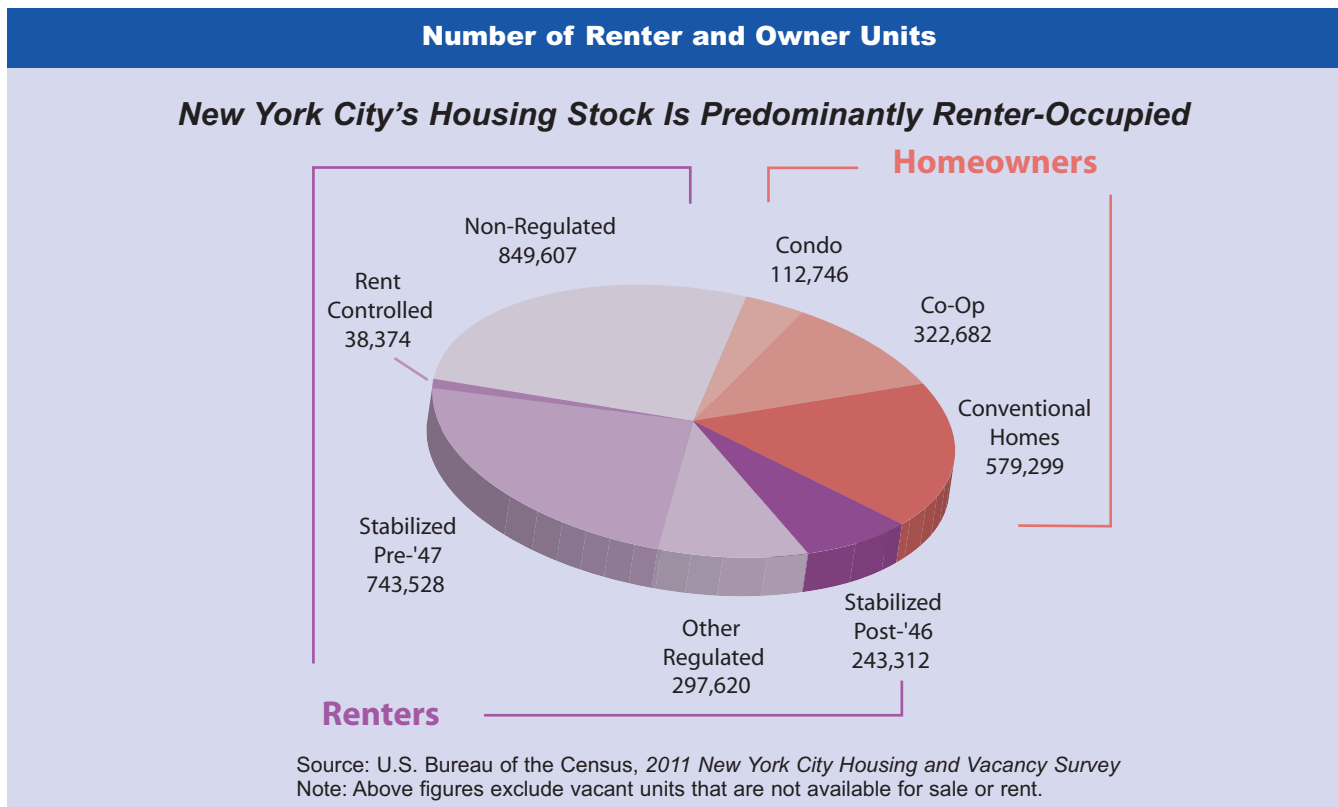
Over the past year there was a 32.8% increase in the number of permits issued for new dwelling units, rising to 8,936, the second consecutive year of increase. Rehabilitation of residential units under the J-51 tax abatement and exemption program also increased during 2011, rising 9.0%, while the number of units receiving 421-a benefits rose 86.7% over 2010 levels. But the number of completed housing units fell during 2011, decreasing 41.8% from 2010 levels. A tight housing market also remains, with a citywide rental vacancy rate of 3.12% and 11.5% of all rental housing considered overcrowded as of 2011. There was also a 7.5% decrease in the number of units in cooperative and condominium plans accepted for conversion or new construction (the fifth consecutive year of decline). However, demolitions did increase during 2011, rising 1.2%, following four consecutive annual declines.

New York City's Housing Inventory

In contrast to the rest of the country, most New Yorkers do not own the homes in which they live. According to the *2011 Housing and Vacancy Survey (HVS)*,¹ rental units comprised 68.2% of New York City's available housing stock in 2011, almost twice as many rental units as the nation as a whole.² New York City in 2011 had a total of 3,352,041 housing units, the largest housing stock since the first *HVS* was conducted in 1965. New York City's housing is not only dominated by the size of its rental housing stock, but unlike most cities, the bulk of rental units are rent regulated. Of the 2,172,634 occupied and vacant rental units reported in the most recent *HVS*, 39.1% were unregulated, or "free market." The majority were either pre-war (pre-47) rent stabilized (34.2%) or post-war (post-46) rent stabilized (11.2%), and the rest were rent controlled (1.8%) or part of various other³ types of regulated apartment programs (13.7%). (See pie chart on following page)

The *HVS* also indicated that New York City's housing market remains tight, finding a Citywide vacancy rate of 3.12% in 2011, below the 5% threshold required for rent regulation to continue under State law. This translates into the availability of just 67,818 vacant units out of more than 2.1 million rental units Citywide. Brooklyn had the lowest vacancy rate in the city, at 2.61%. Queens had the highest vacancy rate in 2011, at 3.79%. Of the remaining boroughs, the Bronx had a vacancy rate of 3.23%, Manhattan was at 2.80%, and the small sample size in Staten Island made the rate too inaccurate to report.⁴

Vacancy rates also vary by rent regulation status. The tightest market for non-income based housing was found among pre-war stabilized units, with a vacancy rate of 2.54% in 2011. Post-war stabilized units also maintained



a low vacancy rate, at 2.91%, while private, non-regulated units were vacant at a 4.43% rate.

The frequency of crowding also varied by rent regulation status. Overall, 11.5% of all rental housing in New York City in 2011 was overcrowded (defined as more than one person per room, on average) and 4.3% was severely overcrowded (defined as an average of more than 1.5 persons per room). Pre-war stabilized housing was most crowded, with 14.7% of units overcrowded and 5.9% severely overcrowded, while 11.5% of post-war units were overcrowded, and 4.8% of units were severely overcrowded. Overall, 13.9% of rent stabilized housing was overcrowded and 5.6% was severely overcrowded. In non-regulated housing, 10.9% was overcrowded and 3.8% 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.

Following a dramatic decrease in 2009, the City issued more housing permits in both 2010 and 2011 for single- and multi-family buildings than the year prior. In 2011, permits were issued for 8,936 units of new housing, an increase of 32.8% from the 6,727 units in 2010 (see graph on following page). While the second consecutive year of increase, levels are still 25,000 units below where they were in 2008.⁵

Permits increased Citywide in 2011, despite a double digit decrease in Brooklyn. (See Appendix G.1 and the map on Page 74) Manhattan permits increased by the greatest proportion, rising 260.1%, to 2,535. Permits issued in Queens also increased significantly, rising by 34.9%, to 3,182 permits, while permits issued in Staten Island grew at a somewhat slower pace, increasing by 14.4%, to 581 permits. Permits rose by the smallest proportion in the Bronx, rising by 4.9%, to 1,116 permits over the year. But in Brooklyn, the only

borough to see a decline in permits, levels fell by 27.3%, to 1,522 units.

Despite the rise in permits issued during 2011, as compared to the relatively high number issued in recent years, permits are down considerably. Compared to 2008, permits are down 88.1% in Brooklyn, 73.9% in Manhattan, 58.8% in Queens, 55.0% in the Bronx, 53.7% in the Staten Island, and 73.6% citywide.

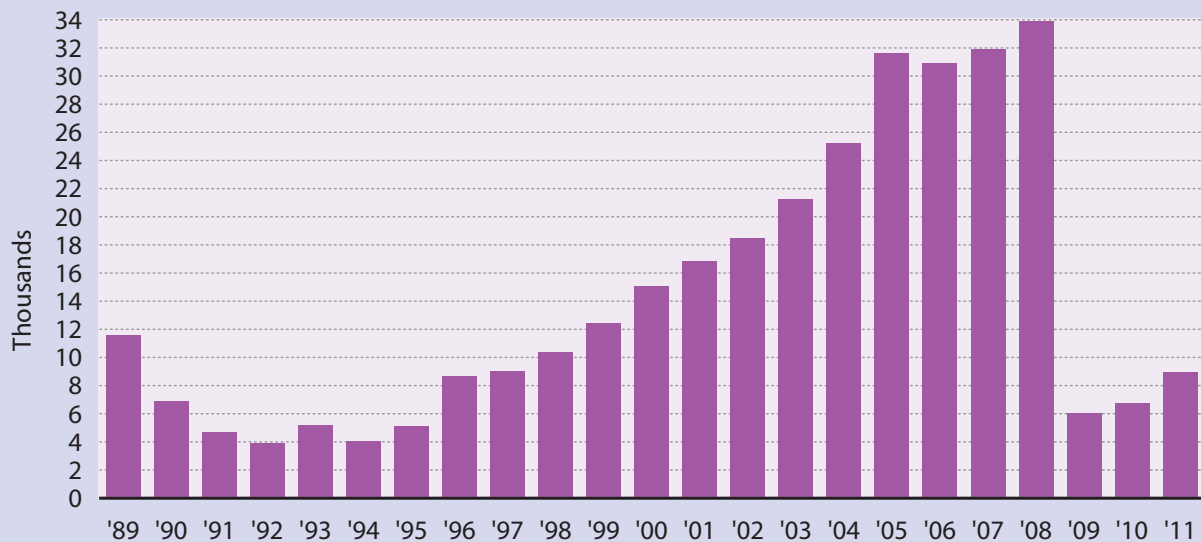
Permits issued in the first quarter of 2012 were also up as compared to 2011. The number of permits issued in New York City increased from 1,141 in the first quarter of 2011 to 2,110 during the same period of 2012, an 84.9% increase. Permits issued more than doubled in Manhattan, the Bronx, Staten Island, and Brooklyn, which increased by 280.8%, 175.1%, 119.3%, and 106.2%, respectively. However, permits issued did decrease in Queens, which fell by 52.1%. In Manhattan, which saw the number of permits issued almost triple, the rise had less to do with the number of buildings newly permitted, and more with the average size of the buildings issued permits, which more than doubled between the first quarter of 2011 and 2012, rising from an average of 20.9 to 50.5 units.

Permit data can also be analyzed more deeply by looking at the reported size of the buildings applying for permits. In 2011, a total of 997 buildings received permits (containing a total of 8,936 housing units). Citywide, 26.5% of these buildings were single-family, 48.3% were two-family, 11.3% were three- or four-family structures, and 13.8% were buildings with five or more units. More than 82% of all permits Citywide were for units in five-family or greater buildings, with the average five-family or greater building containing 53 units for the City as a whole, and 97 units in Manhattan (both increases from the prior year). As the chart on the following page illustrates, almost all building permits in Manhattan were for the largest buildings, while in Staten Island virtually all permits were for either one- or two-family buildings. Building size was more evenly distributed in the other boroughs. (See Appendix G.2)

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.⁶ In 2011, approximately 13,984 new housing units were completed, a 41.8% decrease over 2010.⁷ Completions were down in every borough, falling by the greatest proportion in Manhattan, which fell by 69.6% (to

Units Issued New Housing Permits, 1989-2011, in Thousands

Number of Permits Issued for New Construction of Residential Units Increases

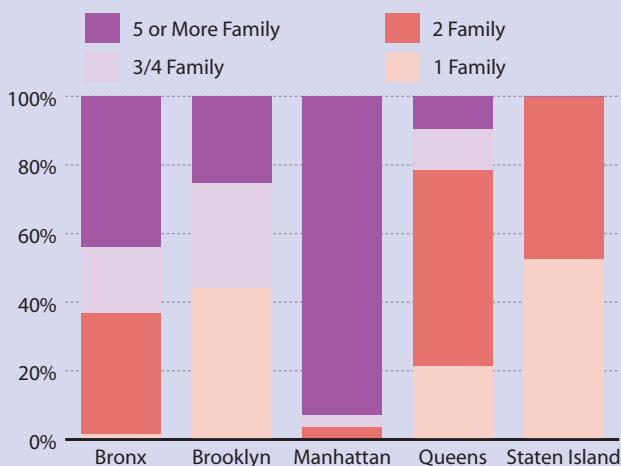


Source: U.S. Bureau of the Census, Manufacturing and Construction Division Building Permits Branch

Residential Building Permits, 2011

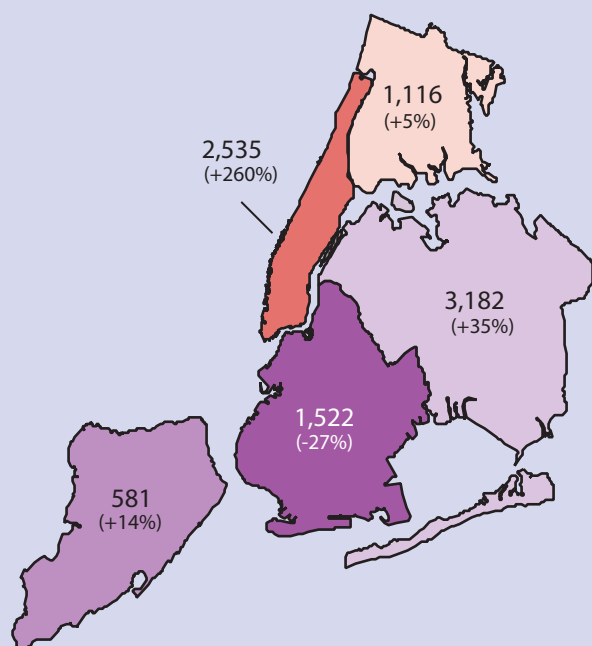
Permits by Building Size:

Most New Buildings in Manhattan are Five Family or More, in Staten Island One- and Two-Family Homes Predominate



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

Total Number of Permits Issued in 2011 and Percentage Change From 2010 by Borough



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

2,375). Completions fell by the second greatest proportion in Queens, which dropped 35.2% (to 2,852), followed closely by Brooklyn, which fell 34.2% (to 4,728). Completions fell less steeply in Staten Island, which declined by 14.3% (to 612), and the Bronx, which fell by the smallest proportion, 13.4% (to 3,417). (See Appendix G.3 for historical breakdown)

Housing is also created through publicly funded sources, including programs sponsored by the NYC Department of Housing Preservation and Development (HPD) and the New York City Housing Development Corporation (HDC). HPD's Office of Development operates a number of programs that develop affordable housing for low- and moderate-income New Yorkers. Programs include the Cornerstone program, which is HPD's multi-family new construction housing initiative, financed principally through private sources; the Neighborhood Redevelopment Program, which gives City-owned buildings to non-profits to rehabilitate and operate as affordable housing; and the Mixed Income Rental Program, which helps finance affordable housing for those earning up to 130% of Area Median Income (AMI). HDC operates programs such as the Low-Income Affordable Marketplace Program, which provides financing for apartments that rent to tenants with income no more than 60% of the AMI, and the New Housing Opportunities Program, which helps finance housing for middle-income New Yorkers.

HPD- and HDC-sponsored programs spurred a total of 15,735 reported housing starts⁸ in FY 2011, an 8.7% increase over the prior fiscal year.⁹ Of these starts, 11,680 were rehabilitation starts, and 4,055 were new construction starts. HPD and HDC collectively expect to start an additional 14,275 units of new construction and rehabilitation in FY 2012, and 14,396 in FY 2013. During the first three quarters of FY 2012 there were 6,188 starts by HPD and HDC, a 78.6% increase over the corresponding period of the previous year.¹⁰

HPD and HDC starts are part of Mayor Michael R. Bloomberg's New Housing Marketplace Plan, first announced in 2006. The original five-year, \$3 billion commitment of 65,000 units is now an 11-year commitment to build and preserve 165,000 units of affordable housing by 2014. This \$8.5 billion plan will ultimately provide affordable homes for 500,000 New

Yorkers.¹¹ As of March 2012, HPD and HDC have created or preserved almost 130,000 units of housing under the New Housing Marketplace Plan, almost 80% of the total planned.¹¹ The City has also shifted from its priority on new construction, and now anticipates that 66% of units by 2014 will be preservations, up from the 44% anticipated in the initial plan. More than 80% of planned units will be affordable to low-income households (making no more than 80% of HUD Income Limits), and 76% will be rental units.¹²

As part of this program, HPD has also been working with the NYC Housing Authority (NYCHA) to build affordable housing on underutilized NYCHA property. The latest project to open, 168 units built in the parking lot of the Elliott and Chelsea Houses in Manhattan, is part of at least 3,800 units that have been, or will be, built on NYCHA property.¹³

In addition, the City in 2011 closed its second deal under the Housing Asset Renewal Program (HARP), a \$20 million plan first conceived in 2009 as a way for the City to buy vacant, unsold units in new developments for use as middle-income housing. Under this latest deal, 108 units of a 117-unit Queens market-rate condo building will now become rental housing aimed at households making no more than 130% of the Area Median Income.¹⁴ Under the terms of the first HARP deal, another 46 units of rental housing will be built on the Brooklyn site of a never-constructed condo development.¹⁵ HPD also reports that they are considering projects that would yield at least an additional 214 units for the program.¹⁶

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 are vacant, predominantly vacant, or improved with a non-

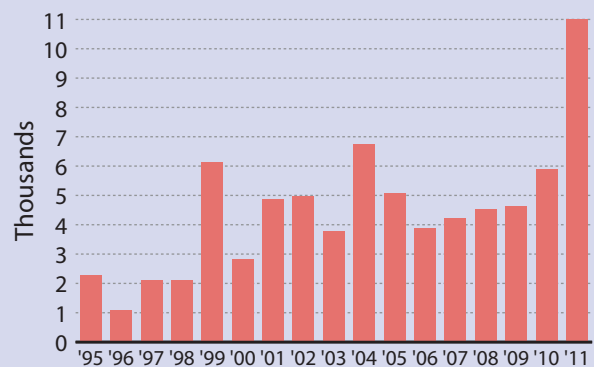
conforming use three or more years before the new construction commenced. Rental apartments built with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Initial rents are first approved by HPD and are then subject to increases established by the Rent Guidelines Board.

A variety of factors are used to establish the level and period of 421-a benefits, and properties are also subject to construction guidelines. Properties 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.¹⁷

The 2007 *Housing Supply Report* outlined major changes in the 421-a program which took effect on July 1, 2008, including a major expansion of the Geographic Exclusion area (the area which requires 20% of units in any given building to be set aside for affordable housing), new limits on the amount of assessed value that is exempt from taxes, and on-site affordability requirements extended to a length of 35 years.

Units Newly Receiving 421-a Certificates, 1995-2011, in Thousands

87% Increase in Number of Units Newly Issued 421-a Certificates in 2011



Source: NYC Department of Housing Preservation and Development

Through the 421-a program, the number of housing units newly receiving 421-a exemptions increased for the fifth consecutive year, up 86.7%, to 11,007 (see graph on the previous page), including increases in every borough but the Bronx. While the number of units decreased 7.7% in the Bronx, units newly receiving benefits increased 248.3% in Brooklyn, 68.5% in Queens, 63.9% in Manhattan, and rose from 28 to 40 units in Staten Island. The largest proportion of units receiving benefits in 2011 were in buildings located in Brooklyn, which contained 35.8% of the total units in the City. Manhattan had 30.1% of these units, Queens had 24.2%, the Bronx had 9.5%, and Staten Island, with only 40 units, had 0.4% of units Citywide. Because buildings in Manhattan are so much larger than buildings in the outer boroughs, almost one-third of units were in Manhattan, despite having only 70 of the 811 buildings newly approved for 421-a benefits Citywide.¹⁸ (See Appendices G.6 and G.7)

Historically, tax-incentive housing has also been developed through the 421-a Affordable Housing Program, which allowed developers to build within Manhattan's "Exclusion Zone" as long as they provided either 20% of housing on-site to be affordable, or they financed affordable housing elsewhere in the City (at the rate of one affordable unit for every five units built in Manhattan). With changes to the 421-a program that now require all developers in the newly expanded Exclusion Zone to build affordable housing on-site, the 421-a Affordable Housing Program is being phased out and no new units began construction during 2009, 2010, or 2011. However, some units did complete construction in 2011 — 248 new affordable units, producing approximately 1,240 certificates for market-rate housing were completed, a 52.0% decrease in affordable units from last year.¹⁹

Another program that has offered affordable housing, the New York State Mitchell-Lama program, has suffered from a loss of housing since "buyouts" from the program began in 1985. Between 1955 and 1978, approximately 140,000 units of low- and middle-income housing were built in New York City through this tax-break and mortgage subsidy program. Since buyouts began in 1985, the City has lost approximately 42,000 units of Mitchell-Lama housing, although some has transitioned to rent stabilization.

After averaging an annual loss of more than 5,000 units between 2004 and 2007, the pace slowed considerably, and no Mitchell-Lama units were lost in the City in either 2010 or 2011.²⁰

Conversions and Subdivisions

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

One indicator of conversions is the number of non-residential buildings newly receiving J-51 benefits for conversion to residential use. In 2011, 38 formerly non-residential buildings, containing 743 units, received J-51 benefits for conversion. Just over two-thirds of these were rental units. Overall, this is 32% more units than in 2010, when 563 units (mostly co-op/condo units) in formerly non-residential buildings converted using J-51 benefits. But while the number of non-residential units converting with J-51 benefits increased in 2011, the number of non-residential units in downtown Manhattan that converted with the aid of 421-g benefits decreased substantially, down 71% to 124 units, all contained within one condo building.²¹

Conversion of single room occupancy (SRO) buildings also continued over the past year. SRO owners may convert SRO housing to other uses after obtaining a "Certificate of No Harassment" from HPD. Certificates are down for the seventh consecutive year, falling to 100 in 2011, down from 107 in 2010, and more than 200 in each year from 2004-2006.²² Efforts are also underway to ensure that SROs are used for permanent housing rather than as transient hotels. As of May 1, 2011, laws were newly passed strengthening the City's ability to crack down on housing being used illegally for transient occupancy. Transient occupancy

is now clearly defined as stays of less than 30 days, and between May of 2011 and April of 2012 1,820 violations (ranging from \$800 to \$2,000) were issued to illegal hotel operators.²³

Cooperative and Condominium Activity

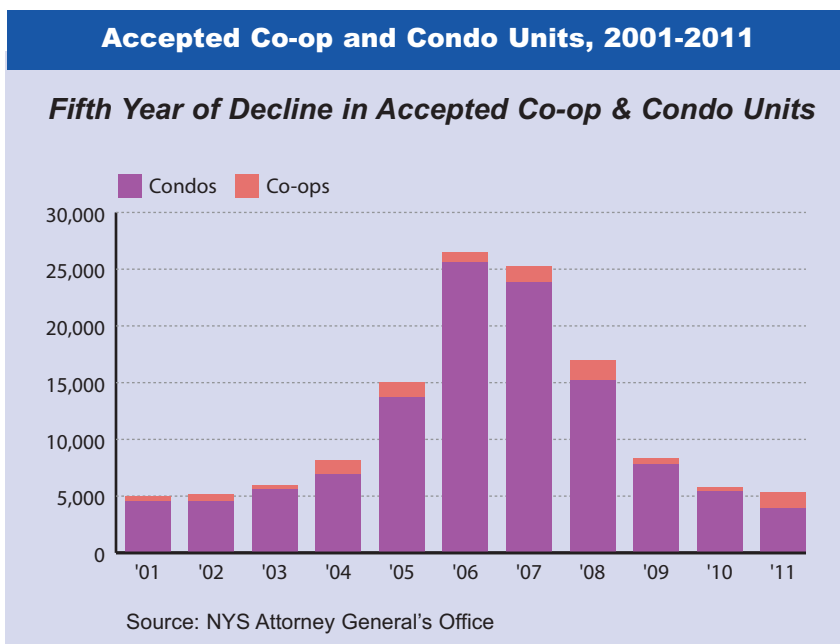
Developers planning to build new co-op or condo buildings, and owners wishing to convert their rental buildings to co-ops or condos, must file plans with, and receive acceptance from, the New York State Attorney General’s Office. In 2011, the Attorney General accepted 243 co-op and condo plans, a 6.5% decrease from the number accepted in 2010. These 243 plans encompassed 5,353 housing units, 7.5% less than in 2010. This is the fifth straight year of decline in accepted co-op and condo plans (see graph on this page). More than half of all plans, 129, were accepted for buildings located in Brooklyn; 64 were located in Manhattan; 38 plans were accepted for Queens; and there were six plans in both Staten Island and the Bronx. Because Manhattan buildings tend to be larger than the outer boroughs, more units were located in Manhattan (1,970), with Brooklyn (1,930) and Queens (1,172) following close behind, and only a combined total of 281 units in the Bronx and Staten Island.²⁴ (See Appendices G.4 and G.5)

Almost all of the plans accepted citywide in 2011 were for new construction, comprising 210 of 243 plans, and a total of 4,625 of 5,353 units. This is similar to the prior year, when new construction accounted for 236 of the 260 accepted plans. In 2011, 22 plans and 505 units were non-eviction conversions and two plans, with 14 units, were rehabilitations. An additional nine plans, containing 209 units, were eviction plan conversions, all sponsored by HPD.

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 13.3% of the total number of units in 2011 co-op and condo plans. Conversions held in the 70-90% range for all of the 1980s, before beginning to fall in the 1990s. Because most conversion plans are non-eviction plans (including all private plans in 2011), only when the original rental tenant moves out, or opts to buy the apartment, does the apartment become owner-occupied and removed from the rental universe.

Rehabilitation

Another method for adding (or keeping) residential 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 rental housing stock, of which more than 62% of units are in buildings constructed prior to 1947.²⁵ Through tax abatement and exemption subsidy programs offered by the City for rehabilitation, units are able to remain in, or be readmitted to, the City’s housing stock. The J-51 tax abatement and exemption program, which expired at the end of 2011, was intended to encourage the periodic renovation of New York City’s stock of both renter- and owner-occupied housing. Utilization rates of the benefit have varied widely over the years, with new benefits approved for



2012 Housing Supply Report

more than 100,000 units in six of the 10 years of the 1990s, before falling to generally between 60,000-80,000 units in the 2000s.

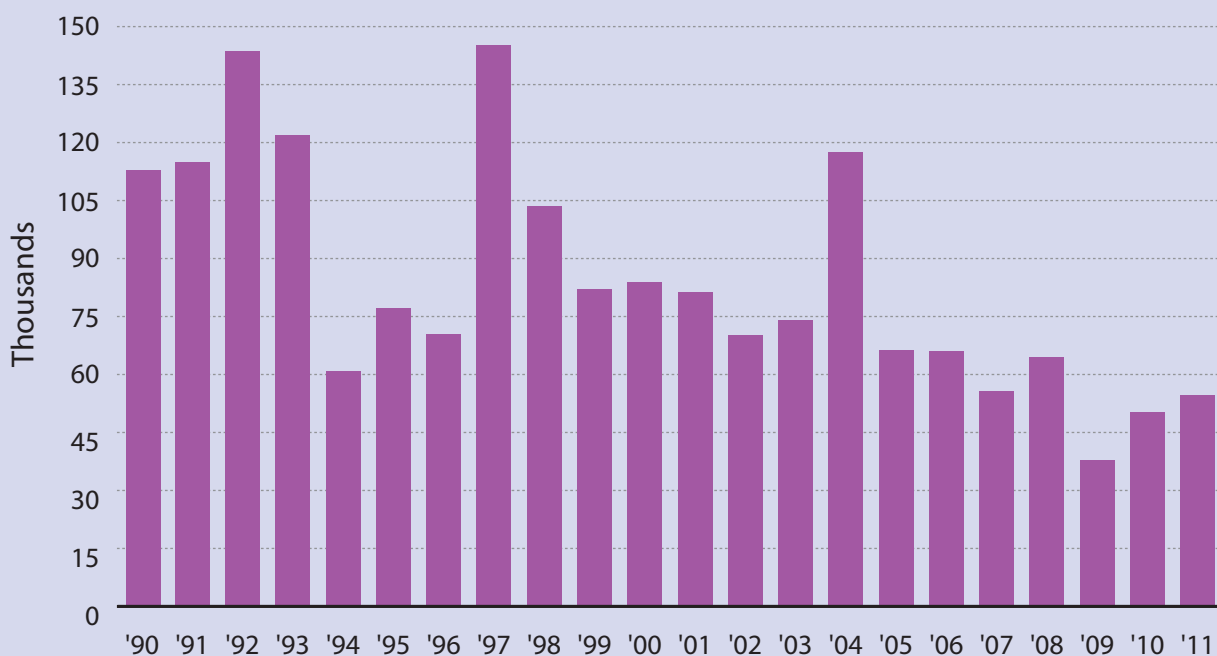
The J-51 tax relief program is similar to the 421-a program in that it required that those rental units not already rent stabilized be subject to rent regulation for the duration of the benefits. Apartment units in many high-rent neighborhoods were not allowed to enter the program because the apartment unit tax assessment generally could not exceed \$38,000-\$40,000 after completion. Rehabilitation activities that were eligible for tax abatements and exemptions include Major Capital Improvements (MCIs), 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 were 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.²⁶

In 2011, 54,775 units newly received J-51 benefits, an increase of 9.0% from the previous year, but the third lowest level in the history of this report (see graph on this page and Appendix G.7). These units were contained in 1,555 buildings, an increase of 16.7% from 2010 levels. The location of the units newly receiving benefits ranged from 35.4% located in Queens; to 32.3% in Brooklyn; 21.9% in the Bronx; 10.3% in Manhattan; and 0.1% in Staten Island. The greatest increase in units receiving benefits was in Brooklyn, which rose 89.8%, while the only other borough to rise, Queens, saw an increase of 11.7%. The other boroughs each saw declines in the number of units newly receiving benefits, including a decrease of 28.0% in the Bronx, 17.4% in Manhattan, and a decline from 109 units to 52 units in Staten Island.²⁷ (See Appendices G.6 and G.7) In Fiscal Year 2012, the J-51 tax program will cost the City \$254.6 million in lost tax revenue for all housing types, including almost 380,000 rental units.²⁸

While J-51 is owner-initiated, a City-initiated program will also help rehabilitate NYC's housing

Units Receiving Initial J-51 Benefits, 1990-2011, in Thousands

2011 Saw Increase in Number of Units Newly Receiving J-51 Benefits



Source: NYC Department of Housing Preservation and Development

stock. HPD last year announced the creation of the Proactive Preservation Initiative (PPI), which identifies those buildings in need of rehabilitation, regardless of whether there are complaints from tenants in the building. HPD works to identify distressed buildings that are actively declining and in danger of becoming blighted. The first group of PPI buildings were announced in August of last year. Of 335 buildings surveyed over a six month period, 49 were determined to exhibit level of distress that warranted further action and placement on the PPI list. HPD works with these building to reduce housing code violations, and once violations have been reduced by at least 80%, buildings are removed from the PPI list. By March of this year, 18 of these buildings were released from this program, while 39 remained on the list (with an average violation reduction of 56%). In the second round of this program, 95 newly identified buildings were added to the list, in addition to the 39 from the first round of PPI. HPD will survey at least 250 possibly distressed buildings every six months and will update the PPI list as warranted.²⁹

HPD is also continuing rehabilitation work through its Alternative Enforcement Program (AEP), now in its fifth year of identifying the 200 “worst” buildings in the City, based on housing code violations. These latest group of 200 buildings (containing 2,373 units of housing) have a combined total of more than 26,000 housing code violations, including more than 4,500 immediately hazardous C-Class violations. If landlords in this program do not make repairs to their buildings, the City steps in to do so, and then charges the landlords. Through the first four rounds of the program, the City has recovered \$19.3 million for AEP repairs to 800 buildings containing more than 8,000 units of housing. Just over half of those buildings have since been discharged from the program after sufficiently lowering the number of outstanding violations in their buildings.³⁰

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, known as *in rem*

properties. By its peak in 1986, the city owned and managed 4,000 occupied buildings containing 40,000 units of housing and almost 6,000 vacant buildings containing 55,000 units of housing (see Appendix G.8). Most of these were dilapidated multi-family buildings occupied by a predominantly low-income population. To counter this trend, HPD developed multiple disposition programs over time to manage, rehabilitate and sell many of these *in rem* buildings. HPD’s Alternative Management Programs began in 1994 with the goal of returning city-owned properties to private owners and stimulating neighborhood development. While the number of *in rem* units in FY 2011 did increase for the first time since FY 1989 (by 17.5%), HPD has successfully reduced the number of occupied and vacant *in rem* units in central management to 845 through June 2011, a 98.1% decline since FY 1994. Currently 10 buildings, containing a total of 163 units, are in the sales pipeline.³¹

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,³² and a Housing Education Program, which teaches owners and superintendents basic management, maintenance, and finance skills to improve their properties.³³

Since the mid-1990s, 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.³⁴

An additional facet of the City’s anti-abandonment strategy is third party transfer. For buildings that are distressed and in tax arrears, the City can initiate an *in*

rem tax foreclosure action against property owners. The policy, authorized under Local Law 37 of 1996, transfers the title of *in rem* properties directly to new owners (qualified third parties) without the City ever taking title itself. 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.³⁵ Since it began in 1996, the program has collected \$474 million in back taxes, and more than 400 buildings have been transferred to responsible for-profit and non-profit owners.³⁶

In a relatively new initiative, the City also plans to spend \$750 million to rescue multi-family apartment buildings in financial and/or physical distress. The program aims to transfer distressed properties in foreclosure, in danger of foreclosure, or owned by HUD after a foreclosure, to pre-qualified developers and assist these new owners in making the building financial competitive, as well as physically sound.³⁷

Demolitions and Stalled Construction

While in the early 1990s 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 between 2005 and 2007 alone was almost triple the number demolished in all the years from 1990 to 1999 combined. But after declining for four consecutive years, demolitions in New York City rose in 2011 as compared to the prior year. A total of 1,129 buildings were demolished in 2011, a 1.2% increase over the prior year, following declines of 8%-39% between 2007 and 2010. Queens accounted for 41.0% of all the buildings demolished in 2011, Brooklyn had 27.3%, Staten Island had 12.5%, Manhattan had 11.0%, and the Bronx had the lowest proportion, 8.2%. Demolitions fell in the Bronx, Brooklyn, and Queens (by 23.1%, 5.5%, and 0.2%, respectively), but rose in both Manhattan and Staten Island (by 63.2% and 9.3%, respectively).³⁸ (See Appendix G.8)

Beginning in mid-July 2009, the NYC Dept. of Buildings began releasing a weekly “snapshot” of

stalled construction sites throughout the City.³⁹ Inclusive of data through May, 2012, stalled construction sites grew from a low of 395 sites on July 26, 2009 to a high of 709 on November 7, 2010. Following that high in November, 2010, rates generally declined, falling as low as 586 sites in February of 2011 before climbing again, reaching more just shy of 700 units in May of 2012. Similar to the results of a year ago, the bulk of these stalled sites are located in Brooklyn (45.8%), with significant shares also located in Queens (25.1%) and Manhattan (18.7%). Within Brooklyn, almost 45% of stalled construction sites are located in Community Districts that abut the East River waterfront, including areas such as Williamsburg, Greenpoint, Red Hook, and DUMBO. Conversely, the East River-adjacent Community Districts of Queens (Astoria and Long Island City) contain less than 15% of stalled construction sites, with more than 40% located in The Rockaways and Jamaica.

Conclusion

Housing permits increased for the second consecutive year, rising by 32.8%, while the number of completed housing units fell, by 41.8%. The number of new units receiving 421-a tax benefits increased 86.7% in 2011, while J-51 tax abatements and exemptions also rose, by 9.0%. But for the fifth consecutive year there was a decline in the number of units accepted in new or converted co-op and condo buildings, falling 7.5%. Rental housing availability remains tight, with a citywide vacancy rate of just 3.12% in 2011, and overcrowding remains a problem. Mayor Bloomberg’s ten-year housing initiative has begun development/construction on 130,000 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.
2. The U.S. housing stock was comprised of 36% renter-occupied units, according to the 2010 American Community Survey, conducted by the U.S. Census Bureau. To calculate the ratio of renter-occupied units in New York City, staff did not include vacant units that are not for sale or for rent in the total number of housing units.

3. Other units include public housing, Mitchell-Lama, *In Rem*, HUD-regulated, Article 4 and Loft Board units.
4. Since the number of vacant units available for rent in Staten Island is small, and the HVS is a sample survey, the sampling error of the vacancy rate is likely to be large, and thus, the Census Bureau could not calculate an accurate vacancy rate.
5. U.S. Census Bureau web site. World Wide Web page <<http://censtats.census.gov/bldg/bldgprmt.shtml>>.
6. NYC Dept. of City Planning data. Note that the data is continually updated and is subject to change, including data from prior years.
7. Beginning with the *2006 Housing Supply Report*, the RGB defines a housing completion as any unit receiving either a final or a temporary Certificate of Occupancy in the stated year. The Department of City Planning provided this information for the 2004 calendar year and beyond, and believes it is a more accurate representation of new housing in New York City than previous methodologies which only counted final Certificates of Occupancy.
8. Starts refer to the number of units beginning construction or rehabilitation in a given period.
9. Preliminary Fiscal 2012 Mayor's Management Report (MMR). <<http://home2.nyc.gov/html/ops/html/data/mmr.shtml>>
10. Citywide Performance Reporting website: <http://www.nyc.gov/html/ops/cpr/html/home/home.shtml>; Accessed May 2012
11. "Mayor Bloomberg Outlines Steps the City is Taking to Achieve Affordable Housing Goal of 165,000 Units to House 500,000 New Yorkers Despite Historic Economic Challenges." *HPD Press Release*. February 22, 2010.
12. Testimony of the NYC Dept. of Housing Preservation and Development before the NYC Rent Guidelines Board. March 22, 2012.
13. "City Partners Celebrate Opening of 168 New Affordable Apartments at the Elliott-Chelsea Development on the West Side of Manhattan," *HPD Press Release*. April 3, 2012.
14. "Speaker Quinn, HPD Commissioner Wambua Announce Second Deal in Pilot Program to Turn Stalled Private Residential Developments into Affordable Housing," *HPD Press Release*. July 18, 2011.
15. "Deal on Stalled Condo Project is First Under a City Program." *NY Times*. March 22, 2011.
16. See Endnote 14.
17. Program information available at: <http://nyc.gov/html/hpd/html/developers/421a.shtml>
18. NYC Department of Housing Preservation and Development, Tax Incentives Program data.
19. Data obtained from the NYC Dept. of Housing Preservation and Development, Inclusionary Housing/421-a Affordable Housing Program. Each affordable housing unit financed or built under the Affordable Housing Program creates between four and six certificates for market rate housing.
20. The number of Mitchell-Lama buyouts were provided most recently through the NYC Dept. of Housing Preservation and Development and the NYS Division of Housing and Community Renewal, and in previous years through other sources, such as the report "Affordable No More: An Update" by the Office of the New York City Comptroller, Office of Policy Management on May 25, 2006.
21. NYC Department of Housing Preservation and Development, Tax Incentives Program data.
22. NYC Department of Housing Preservation and Development.
23. Mayor Bloomberg Announces Results of City's Efforts to Curb Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities." *Mayor's Office Press Release 157-12*. April 27, 2012.
24. NYS Attorney General's Office, Real Estate Financing Bureau data. and the NYC Dept. of Housing Preservation and Development, Sales Unit.
25. *2011 NYC Housing and Vacancy Survey*, U.S. Census Bureau.
26. Landlord Information/Tax Incentives: J-51, NYC Department of Housing Preservation and Development web site. <http://www.nyc.gov/html/hpd/html/developers/j51.shtml>.
27. NYC Dept. 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.
28. "Annual Report on Tax Expenditures," NYC Dept. of Finance publication, February, 2012.
29. "HPD Commissioner Wambua, Council Speaker Quinn Celebrate Success of Proactive Preservation Initiative and Announce Publication of the Second At-Risk Building List." *HPD Press Release*. March 21, 2012.
30. "HPD Commissioner Wambua Announces List of 200 Buildings with 2,373 Units in Latest Round of Alternative Enforcement Program." *HPD Press Release*. February 14, 2012.
31. NYC Dept. of Housing Preservation and Development.
32. NYC Department of Housing Preservation and Development website. <http://www.nyc.gov/html/hpd/html/homeowners/tax.shtml>.
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36. Most recent figures obtained from NYC Dept. of Housing Preservation and Development, May, 2012.
37. "HPD Commissioner Cestero Announces New Initiative to Rescue Severely Distressed Residential Buildings and Keep New Yorkers in Their Homes." *HPD Press Release*. June 17, 2010.
38. 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.
39. NYC Department of Buildings Snapshot Reports: http://www.nyc.gov/html/dob/html/codes_and_reference_materials/snapshot_report.shtml. Data covers the period through May 20, 2012.

Changes to the Rent Stabilized Housing Stock in New York City in 2011

What's New

- ✓ The study finds a minimum net estimated loss of 6,096 rent stabilized units in 2011, 34% more than in the prior year.
- ✓ Most of the additions to the rent stabilized stock in 2011 were due to two tax incentive programs: the 420-c and 421-a programs.
- ✓ In 2011, High Rent/Vacancy Deregulation made up the largest category of subtractions from the stabilized stock, accounting for 80% of the subtractions.

Overview

Rent regulation has been a fixture in New York City's housing market for close to seven decades, although the 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, exit or change status within the regulatory system.

The figures in this study represent additions and subtractions of dwelling units to and from the rent stabilization system in 2011. These statistics are gathered from various City and State agencies.

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

Additions to the Rent Regulated Housing Stock

Since newly constructed or substantially rehabilitated units are exempt from rent regulation, increases to the regulated housing stock are frequently a result of owners "voluntarily" placing these new units under rent stabilization in exchange for tax benefits. These owners choose to place units under rent stabilization because of cost/benefit analyses concluding that short-term regulation with tax benefits is more profitable than free market rents without tax benefits. According to the NYS Division of Housing and Community Renewal (DHCR), the median rent of initially registered rent stabilized apartments in 2011 was \$1,818. Events that lead to the addition of stabilized units include:

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

Changes to the Rent Stabilized Housing Stock in 2011

Section 421-a and J-51 Programs

The New York City Department of Housing Preservation and Development (HPD) administers programs to increase the supply of 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 2011, an estimated total of 3,155 units were added to the rent stabilized stock through the 421-a program, 58% fewer than the 7,596 units added in 2010. The largest number of units were in Manhattan (1,345), followed by Brooklyn (812), the Bronx (759), Queens (234), and five units on Staten Island. According to DHCR, the median rent of registered rent stabilized apartments receiving 421-a tax abatements in 2011 was \$3,236.

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 a minimum, until the benefits expire. The J-51 program added 498 units to the rent stabilized stock in 2011, more than six times as many units, 80, added in 2010. These newly renovated units were located in eleven buildings in Manhattan and seven buildings in Brooklyn. (See Appendices H.1 and H.2)

Mitchell-Lama Buyouts

Where rents in a building are regulated 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 rent stabilization

laws. These federally regulated projects include Section 236 financed buildings and project-based Section 8 buildings.

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

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

In 2011, no Mitchell-Lama rental developments became rent stabilized. Since 1994, 9,994 rental units have left the Mitchell-Lama system and became a part of the rent stabilized housing stock. (See Appendices H.1 and H.2)

Loft Units

The New York City Loft Board, under Article 7-C of the Multiple Dwelling Law, regulates rents in buildings originally intended as commercial loft space that have been converted to residential housing. When the units are brought up to code standard, they become stabilized. Six units entered the rent stabilization system in 2011, compared to nine added in 2010. (See Appendix H.1)

Other Additions to the Stabilized Housing Stock

Additionally, several other events can increase the rent stabilized housing stock: tax incentive programs such as 420-c and 421-g, "deconversion," returned losses, and the sub-division of large units into two or more smaller units. At least 3,982 units were added to the

rent stabilized stock from these programs in 2011. (See Appendix H.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, accounted for the greatest number of additions to the rent stabilized stock. An estimated 3,982 units were added to the rent stabilized stock in 2011 through this program, a 5% decrease from the number added the prior year. Of the total 420-c units that were added, 44% (1,751) were located in the Bronx; 25% (995) were in Brooklyn; 20% (806) were in Manhattan; and the remaining 11% (430) were in Staten Island. No 420-c units were added in Queens in 2011.¹

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 no rent stabilized units to the housing stock in 2011, the same as in the prior year.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.

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 roughly 38,000.³ When a rent controlled unit is vacated, it either becomes rent stabilized or leaves the regulatory system. A rent controlled unit becomes rent stabilized when it is contained in a rental building with six or more units and the incoming tenant pays a legal regulated rent less than \$2,500 per month.⁴ This process results in a diminution of the rent controlled stock and an increase in the rent stabilized stock. Otherwise, the apartment is subject to deregulation and leaves the rent regulatory system entirely.

According to rent registration filings with the NYS Division of Housing and Community Renewal (DHCR), 438 units in 2011 were decontrolled and became rent stabilized, down from 451 the prior year. This represents 5% of the additions to the rent stabilization stock.⁵ (See Appendix H.1)

Subtractions from the Rent Regulated Housing Stock

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

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

High Rent/High Income Deregulation

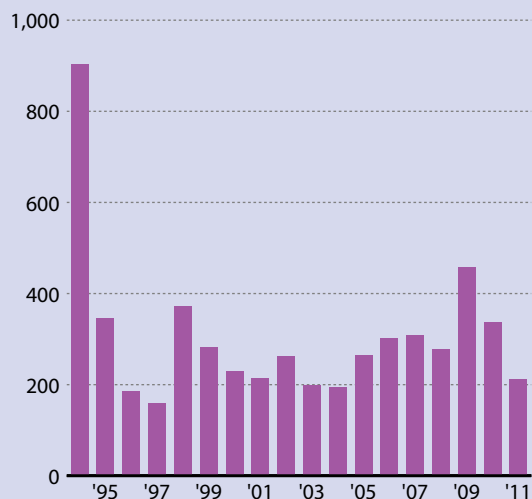
Since enactment of the Rent Regulation Reform Act (RRRA) of 1993, occupied apartments may be deregulated under certain circumstances. Beginning with the RRRA of 1993, apartments renting for \$2,000 or more in which the tenants in occupancy had a combined household income in excess of \$250,000 in each of the immediately two preceding years could be deregulated. In 1997, that year's RRRA reduced the income threshold to \$175,000. Last year, the Rent Act of 2011, effective for proceedings filed on or after July 1, 2011, raised the rent threshold to \$2,500 and the income requirement to \$200,000.

Deregulation occurs upon application by the owner and upon the expiration of the rent stabilized lease. This income-based Deregulation process, which is administered by DHCR, relies upon data furnished to the NYS Department of Taxation and Finance as part of the verification process. Please

Changes to the Rent Stabilized Housing Stock in 2011

High Rent/High Income Deregulation, 1994-2011

Number of Units Deregulated due to High Rent/Income Decreases in 2011



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

note that both the rent level and household income criteria have to be met for Deregulation to take place. For example, if a household earning at least \$200,000 paid less than \$2,500 per month, rent regulation would remain in effect. Also note that the owner must apply to DHCR in order to Deregulate the unit. If the owner did not submit a Deregulation 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 Deregulation.

Based on DHCR processing records, High Rent/High Income Deregulation removed a total of 212 apartments from rent regulation in 2012, a 37% decrease from the prior year.⁶ Of these units, 70% were located in Manhattan; 18% in Brooklyn; 9% in Queens; and the remaining 3% in the Bronx.

Since 1994, 5,506 units have been deregulated due to High Rent/High Income Deregulation, of which

90% have been located in Manhattan. (See graph on this page and Appendix H.3)

High Rent/Vacancy Deregulation

Similar to the provisions of High Rent/High Income Deregulation, High Rent/Vacancy Deregulation has also changed several times since 1993. In 1993, the New York State legislature reinstated High Rent/Vacancy Deregulation.⁷ RRRA-93 permitted the deregulation of vacant apartments and occupied regulated apartments that subsequently were vacated between July 7, 1993 and October 1, 1993 if the last tenant paid \$2,000 or more per month.

Next, the New York City Council allowed for the deregulation of apartments upon vacancy on or after April 1, 1994 if these units rented for \$2,000 or more. 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.

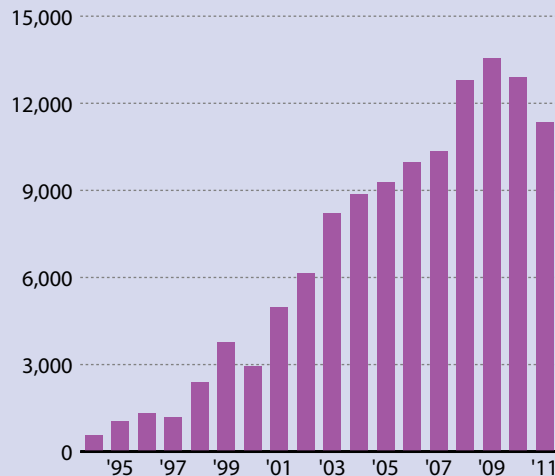
Then, in early 1997, the City Council amended the Rent Stabilization Law to only allow for vacancy deregulation of the apartment if the vacating tenant's legal regulated rent was \$2,000 or more.

Later, in June of 1997, with the passage of the RRRA of 1997, 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 calculation, the actual deregulated rent the new tenant pays can be less than \$2,000 per month.

Finally, the Rent Act of 2011 changed the threshold to \$2,500, effective June 24, 2011. Other than changing the rent threshold, the method used to calculate whether a vacated apartment could be deregulated based on high rent remained the same.

High Rent/Vacancy Deregulation, 1994-2011

Decrease in 2011 in Number of Units Deregulated due to High Rent/Vacancy



Note: Registration of deregulated units with DHCR is voluntary and not required. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years. (see Endnote 9).

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

According to DHCR rent registration records, 11,364 units were deregulated in 2011 under the High Rent/Vacancy Deregulation provisions of the RRRRA, down 12% from the number deregulated the prior year. Of these deregulated units, 56.1% were in Manhattan; 19.9% were in Brooklyn; 17.9% were in Queens; 5.8% were in the Bronx; and 0.4% were in Staten Island. Since 1994, a total of 121,659 units were registered with the DHCR as being deregulated due to High Rent/Vacancy Deregulation, 74% of which have been located in Manhattan.⁸

Since 2001, the first year owners were asked, but not required, to file High Rent/Vacancy Deregulation registrations, the rate at which they have changed over the prior year has varied.⁹ From 2001 to 2002, High Rent/Vacancy Deregulation registrations increased by 23%, and from 2002 to 2003, they increased by 34%. However, since 2004, the rate of increase has been between 4% and 8% each year, with the exception of 2008, when the number of units registering as

deregulated due to High Rent/Vacancy Deregulation increased 24% over the prior year, and the last two years, when the number declined 5% and 12%, respectively, from each of the prior years. (See graph on this page and Appendices H.4-H.6.)

Co-operative & 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. Apartments are immediately removed from rent regulation if the tenant chooses to purchase their unit after a rent stabilized building is converted to cooperatives or condominiums. These units are no longer rentals.

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

In 2011, 1,098 units located in co-ops or condos left the stabilized housing stock, 3% fewer than left the system the prior year. By borough, the largest proportion of units leaving rent stabilization and becoming co-op/condo was in Queens, with 34% of the units; followed by Brooklyn, with 29%; Manhattan, with 26%; the Bronx, with 11%; and Staten Island, with 1% of the units. An estimated total of 45,198 co-op or condo units have left the stabilized stock since 1994. (See Appendices H.5 and H.6.)

Expiration of Section 421-a and J-51 Benefits

As discussed earlier in this report, buildings receiving Section 421-a and J-51 benefits remain stabilized, at least until the benefits expire. Therefore, these units

Changes to the Rent Stabilized Housing Stock in 2011

enter the stabilized system for a prescribed time period of the benefits and then exit the system.

In 2011, expiration of 421-a benefits resulted in a total of 415 units removed from the rent stabilization system, 37% fewer units than the number removed the prior year. Similarly, the expiration of J-51 benefits resulted in a total of 230 units removed, 61% more than in 2010, when 143 units were removed from rent stabilization. Since 1994, 19,830 421-a units have left the rent stabilization system and 14,537 J-51 units are no longer rent regulated. (See Appendices H.5 and H.6)

Substantial Rehabilitation

The Emergency Tenant Protection Act (ETPA) of 1974 exempts apartments from rent regulation in buildings that have been substantially rehabilitated on or after January 1, 1974. 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 have been substantially rehabilitated and vacated tend to have been stabilized properties. Therefore, when these buildings are substantially rehabilitated, the apartments are no longer subject to regulation and are considered new construction. This counts as a subtraction from the regulated stock. Notably, these properties do not receive J-51 tax incentives for rehabilitation.

In 2011, 174 units were removed from stabilization through substantial rehabilitation, 36% fewer than the 274 units lost in the prior year. A total of 7,748 units have been removed from the rent stabilization system through substantial rehabilitation since 1994. (See Appendix H.5)

Conversion to Commercial or Professional Status

Space converted from residential use to commercial or professional use are no longer subject to rent regulation. In 2011, 29 units were converted to nonresidential use, down from 32 in the prior year.

Since 1994, 2,157 residential units have been converted to nonresidential use. (See Appendix H.5)

Other Losses to the Housing Stock

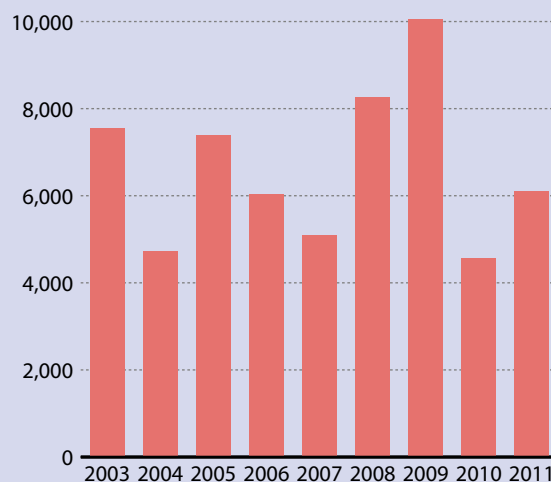
Owners may register units as permanently exempt when smaller units are merged into larger ones, or when the building is condemned, demolished or boarded-up/burnt-out. DHCR annual registration data shows that 653 units were removed from the stabilized housing stock in 2011 due to these reasons, down 54% from 2010. Since 1994, 23,221 units have been removed from rent stabilization due to these other types of losses. (See Appendix H.5)

Summary

At least 14,175 housing units left rent stabilization and approximately 8,079 units initially entered the stabilization system in 2011.

Net Loss in Rent Stabilized Units, 2003-2011

Increase in Net Loss of Number of Units under Rent Stabilization in 2011



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

Changes to the Rent Stabilized Housing Stock in 2011

The built-in fluidity of the system resulted in a minimum net loss of an estimated 6,096 units to the rent stabilized housing stock in 2011, 34% more than in 2010, when rent stabilization saw a minimum net estimated loss of 4,560 units.¹⁰ (See graph on the previous page and Summary Table on next page.)

The vast majority of additions to the stabilized stock in 2011 were the result of tax incentive programs. The creation of 420-c units equaled 49% of the additions and 421-a units resulted in 39%. By borough, the Bronx saw the most additions (2,962); followed by Manhattan (2,153); Brooklyn (1,857); Staten Island (435); and Queens (234).¹¹ (See Appendix H.2)

Meanwhile, High Rent/Vacancy Deregulation was the largest source of measured subtractions from the rent stabilized housing stock in 2011, accounting for 80% of the total number of subtractions. By borough, 55.1% of all units leaving rent stabilization in 2011 were located in Manhattan, a total of 7,806 units. Second largest was Brooklyn, representing 20.0% (2,831 units) removed; followed by Queens, 18.7% (2,653 units); the Bronx, 5.9% (831 units); and Staten Island, representing just 0.4% (54 units) of the total number of units removed from rent stabilization in 2011. (See Appendix H.6) □

5. In previous years the units leaving rent control and entering rent stabilization were reported citywide and by borough. Borough level data was not provided to the Rent Guidelines Board this year.
6. The final count for petitions for High Rent/High Income Deregulation may be slightly reduced as they are subject to appeal or in some cases, to review by a court of competent jurisdiction.
7. Decontrol of certain high rent apartments was instituted in New York City twice before, in 1964 and in 1968.
8. An October 2009 court decision, Roberts v Tishman Speyer Props., L.P., found that about 4,000 apartments in the Stuyvesant Town and Peter Cooper Village complexes in Manhattan were improperly deregulated because the buildings were receiving J-51 tax benefits. This ruling may affect other apartments deregulated elsewhere in the city. Since the full impact of this ruling hasn't been determined, the reregulation of these units is not included in this year's report. A tentative agreement concerning these apartments has not yet been finalized. See "Stuy Town Tenants Reach Tentative Settlement," by Theresa Agovino, *Crain's New York Business* online, March 2, 2012.
9. In March 2000, New York City enacted Local Law No. 2000/012, 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. However, NYC cannot supersede State law on these matters. Therefore, it is not binding, in particular with regard to filing a High Rent/Vacancy Deregulation form.
10. Almost the entire number of the estimated net loss of 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.
11. The borough additions do not include formerly rent controlled units, since borough level data was not provided to the Rent Guidelines Board.

Endnotes

1. 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.
2. The 421-g tax incentive program provides 14-year tax exemption and abatement benefits for the conversion of commercial buildings to multiple dwellings in the Lower Manhattan Abatement Zone, generally defined as the area south of the centerline of Murray, Frankfort and Dover Streets, excluding Battery Park City and the piers. All rental units in the project become subject to rent stabilization for the duration of the benefits. In 2011, no units created were deemed rent stabilized; 124 were condo units created under this tax incentive program.
3. The 2011 Housing and Vacancy Survey reported a total of 38,374 rent controlled units in New York City.
4. The Rent Act of 2011, contained within Chapter 97 of the Laws of 2011, raised the threshold for deregulation upon vacancy from \$2,000 to \$2,500 effective June 24, 2011.

Changes to the Rent Stabilized Housing Stock in 2011

Summary Table of Additions and Subtractions to the Rent Stabilized Housing Stock in 2011

Program	Number of Units
ADDITIONS	
421-a	+ 3,155
J-51 conversions	+ 498
Mitchell-Lama buyouts	+ 0
Loft conversions	+ 6
420-c	+ 3,982
421-g	+ 0
CHANGES	
Rent control to rent stabilization	+ 438
Subtotal Additions & Changes	+ 8,079
SUBTRACTIONS	
Co-op and Condo subtractions	- 1,098
High Rent/Vacancy Deregulation	- 11,364
High Rent/High Income Deregulation	- 212
421-a Expiration	- 415
J-51 Expiration	- 230
Substantial Rehabilitation	- 174
Commercial/Professional Conversion	- 29
Other Subtractions	- 653
Subtotal Subtractions	- 14,175
NET TOTAL	
Net Estimated Loss	- 6,096

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

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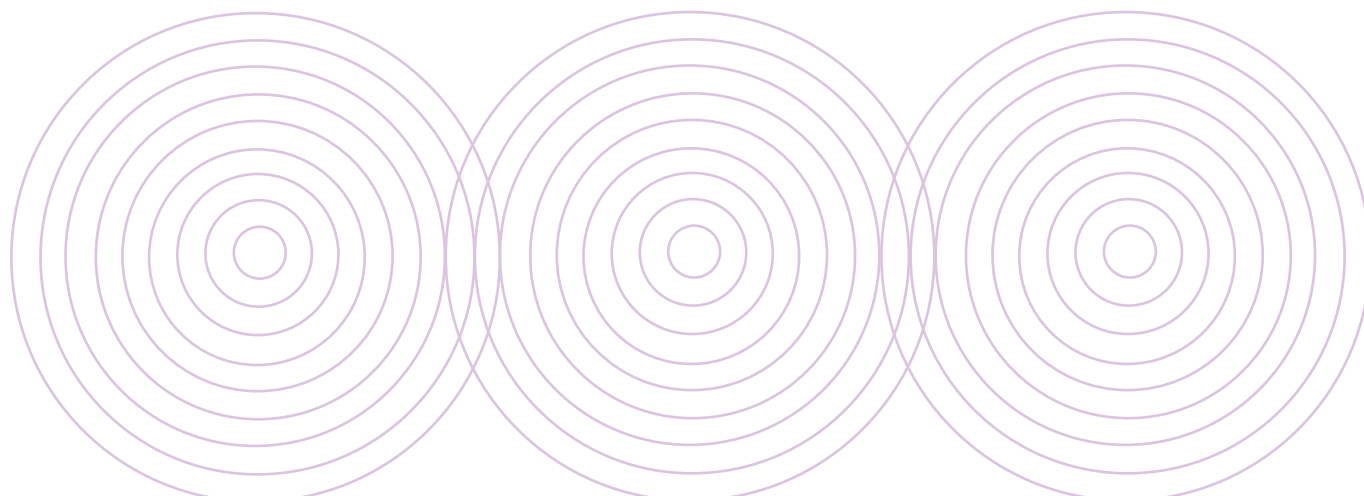
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Appendix A: Guidelines Adopted by the Board

A.1 Apartments & Lofts - Order #44

On June 21, 2012, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2012 and on or before September 30, 2013 for rent stabilized apartments:

One-Year Lease	Two-Year Lease
2.0%	4.0%
or \$20,	or \$40,
whichever is greater	whichever is greater

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 and the Rent Act of 2011.

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, 2012 and on or before September 30, 2013:

One-Year Increase Period	Two-Year Increase Period
2.0%	4.0%
or \$20,	or \$40,
whichever is greater	whichever is greater

Leases for units subject to rent control on September 30, 2012, 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, 2012, the special guideline shall be the greater of the following:

- (1) 30% 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, 2012.

A.2 Hotel Units - Order #42

On June 21, 2012, the Rent Guidelines Board (RGB) set the following maximum rent increases for leases commencing or being renewed on or after October 1, 2012 and on or before September 30, 2013 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, 2011 vs. 2012

Spec	Description	2011	2012	Spec	Description	2011	2012
211	Apartment Value	125	104	701	INSURANCE COSTS	573	534
212	Non-Union Super	79	102				
216	Non-Union Janitor/Porter	40	52	801	Light Bulbs	6	13
	LABOR COSTS	244	258	802	Light Switch	5	12
301	Fuel Oil #2	21	22	803	Wet Mop	8	11
302	Fuel Oil #4	5	5	804	Floor Wax	9	11
303	Fuel Oil #6	5	5	805	Paint	10	12
	FUEL OIL	31	32	806	Pushbroom	8	14
501	Repainting	128	126	807	Detergent	7	7
502	Plumbing, Faucet	33	33	808	Bucket	12	11
503	Plumbing, Stoppage	35	32	809	Washers	11	12
504	Elevator #1, 6 fl., 1 e.	10	12	810	Linens	10	10
505	Elevator #2, 13 fl., 2 e.	10	12	811	Pine Disinfectant	10	13
506	Elevator #3, 19 fl., 3 e.	10	11	812	Window/Glass Cleaner	10	13
507	Burner Repair	10	11	813	Switch Plate	11	12
508	Boiler Repair, Tube	10	10	814	Duplex Receptacle	10	13
509	Boiler Repair, Weld	5	7	815	Toilet Seat	12	14
510	Refrigerator Repair	8	5	816	Deck Faucet	13	13
511	Range Repair	12	10		PARTS & SUPPLIES	152	191
512	Roof Repair	22	23	901	Refrigerator #1	7	8
513	Air Conditioner Repair	10	6	902	Refrigerator #2	10	10
514	Floor Maint. #1, Studio	7	5	903	Air Conditioner #1	7	8
515	Floor Maint. #2, 1 Br.	7	5	904	Air Conditioner #2	6	5
516	Floor Maint. #3, 2 Br.	5	5	905	Floor Runner	9	8
518	Linen/Laundry Service	6	5	906	Dishwasher	5	8
	CONTRACTOR SERVICES	328	318	907	Range #1	8	8
601	Management Fees	93	72	908	Range #2	7	6
602	Accountant Fees	28	27	909	Carpet	11	11
603	Attorney Fees	21	21	910	Dresser	5	5
604	Newspaper Ads	18	18	911	Mattress & Box Spring	5	5
605	Agency Fees	3	5		REPLACEMENT COSTS	80	82
606	Lease Forms	9	7				
607	Bill Envelopes	11	10				
608*	Ledger Paper	5	N/A				
	ADMINISTRATIVE COSTS	190	150		ALL ITEMS	1,598	1,565

*Note: Item 608, Ledger Paper, has been removed from this year's Price Index due to the difficulty in obtaining pricing for this item in the past several years indicating that owners and/or managers of multi-family buildings are no longer using this item. It will not be used in future indices.

Appendix B: Price Index of Operating Costs

B.2 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Apartments, 2012

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error	Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES	0.2833	1.0747	7.47%	0.1529	601	Management Fees	0.7403	1.0304	3.04%	1.0330
201	Payroll, Bronx, All (Union)	0.1013	1.0139	1.39%	0.0000	602	Accountant Fees	0.1327	1.0080	0.80%	0.5738
202	Payroll, Other, Union, Supts.	0.1018	1.0193	1.93%	0.0000	603	Attorney Fees	0.1009	1.0187	1.87%	0.8062
203	Payroll, Other, Union, Other	0.2529	1.0190	1.90%	0.0000	604	Newspaper Ads	0.0039	1.0169	1.69%	0.6769
204	Payroll, Other, Non-Union, All	0.2927	1.0217	2.17%	0.3835	605	Agency Fees	0.0051	1.0000	0.00%	0.0000
205	Social Security Insurance	0.0432	1.0194	1.94%	0.0000	606	Lease Forms	0.0085	1.0146	1.46%	1.5843
206	Unemployment Insurance	0.0068	0.9582	-4.18%	0.0000	607	Bill Envelopes	0.0086	1.0158	1.58%	1.0631
207	Private Health & Welfare	0.2013	1.0489	4.89%	0.0000		ADMINISTRATIVE COSTS	0.0717	1.0258	2.58%	0.7730
	LABOR COSTS	0.1292	1.0249	2.49%	0.1123	701	INSURANCE COSTS	0.0684	1.0251	2.51%	0.7601
301	Fuel Oil #2	0.5141	1.0027	0.27%	0.5484	801	Light Bulbs	0.0344	1.0221	2.21%	1.4430
302	Fuel Oil #4	0.2522	1.0275	2.75%	0.7449	802	Light Switch	0.0423	1.0273	2.73%	1.8224
303	Fuel Oil #6	0.2337	1.0342	3.42%	0.7044	803	Wet Mop	0.0371	1.0231	2.31%	1.2912
	FUEL OIL	0.1330	1.0163	1.63%	0.3767	804	Floor Wax	0.0443	1.0360	3.60%	1.8892
401	Electricity #1, 2,500 KWH	0.0073	0.9775	-2.25%	0.0000	805	Paint	0.2405	1.0774	7.74%	2.5923
402	Electricity #2, 15,000 KWH	0.0921	0.9136	-8.64%	0.0000	806	Pushbroom	0.0317	1.0313	3.13%	2.0371
403	Electricity #3, 82,000 KWH	0.0000	0.7780	-22.20%	0.0000	807	Detergent	0.0344	1.0214	2.14%	1.4298
404	Gas #1, 12,000 therms	0.0029	0.9547	-4.53%	0.0000	808	Bucket	0.0363	1.0184	1.84%	1.3073
405	Gas #2, 65,000 therms	0.0574	0.7669	-23.31%	0.0000	809	Washers	0.0962	1.0000	0.00%	0.0000
406	Gas #3, 214,000 therms	0.2502	0.7624	-23.76%	0.0000	811	Pine Disinfectant	0.0562	1.0309	3.09%	1.3067
407	Steam #1, 1.2m lbs	0.0151	0.9350	-6.50%	0.0000	812	Window/Glass Cleaner	0.0516	1.0393	3.93%	1.8467
408	Steam #2, 2.6m lbs	0.0050	0.9360	-6.40%	0.0000	813	Switch Plate	0.0435	1.0049	0.49%	0.5171
409	Telephone	0.0070	1.0128	1.28%	0.0000	814	Duplex Receptacle	0.0308	1.0229	2.29%	1.6151
410	Water & Sewer	0.5629	1.0750	7.50%	0.0000	815	Toilet Seat	0.0955	1.0284	2.84%	1.5878
	UTILITIES	0.1750	0.9599	-4.01%	0.0000	816	Deck Faucet	0.1250	1.0339	3.39%	1.4018
501	Repainting	0.3816	1.0347	3.47%	1.3583		PARTS AND SUPPLIES	0.0143	1.0370	3.70%	0.6974
502	Plumbing, Faucet	0.1435	1.0365	3.65%	1.3549	901	Refrigerator #1	0.0957	1.0301	3.01%	1.6812
503	Plumbing, Stoppage	0.1271	1.0180	1.80%	1.4585	902	Refrigerator #2	0.4663	1.0304	3.04%	2.0839
504	Elevator #1, 6 fl., 1 e.	0.0547	1.0343	3.43%	1.4647	903	Air Conditioner #1	0.0166	1.0215	2.15%	1.5151
505	Elevator #2, 13 fl., 2 e.	0.0357	1.0139	1.39%	0.6417	904	Air Conditioner #2	0.0208	1.0118	1.18%	1.1430
506	Elevator #3, 19 fl., 3 e.	0.0198	1.0196	1.96%	0.7634	905	Floor Runner	0.0860	1.0536	5.36%	2.9980
507	Burner Repair	0.0379	1.0186	1.86%	1.3204	906	Dishwasher	0.0503	1.0171	1.71%	0.9033
508	Boiler Repair, Tube	0.0534	0.9909	-0.91%	0.9000	907	Range #1	0.0489	1.0328	3.28%	1.3237
509	Boiler Repair, Weld	0.0413	1.0222	2.22%	1.1650	908	Range #2	0.2154	1.0349	3.49%	2.2604
510	Refrigerator Repair	0.0118	1.0513	5.13%	2.1719		REPLACEMENT COSTS	0.0061	1.0323	3.23%	1.1319
511	Range Repair	0.0111	1.0420	4.20%	1.4710		ALL ITEMS	1.0000	1.0277	2.77%	0.1267
512	Roof Repair	0.0698	1.0915	9.15%	2.6633						
513	Air Conditioner Repair	0.0077	1.0267	2.67%	1.4559						
514	Floor Maint. #1, Studio	0.0003	1.0345	3.45%	3.4157						
515	Floor Maint. #2, 1 Br.	0.0004	1.0383	3.83%	3.6678						
516	Floor Maint. #3, 2 Br.	0.0039	1.0362	3.62%	3.5429						
	CONTRACTOR SERVICES	0.1191	1.0325	3.25%	0.6252						

Appendix B: Price Index of Operating Costs

B.3 Price Relative by Building Type, Apartments, 2012

Spec #	Item Description	Pre-1947	Post-1946	Gas Heated	Oil Heated	MASTER METERED BLDGS
101	TAXES	7.5%	7.4%	7.5%	7.5%	7.5%
201-207	LABOR COSTS	2.4%	2.6%	2.5%	2.5%	2.3%
301-303	FUEL OIL	1.6%	2.0%	0.3%	1.6%	0.3%
401-410	UTILITIES	-4.6%	-6.2%	-10.2%	4.2%	-10.6%
501-516	CONTRACTOR SERVICES	3.3%	3.1%	3.3%	3.2%	3.0%
601-607	ADMINISTRATIVE COSTS	2.5%	2.7%	2.6%	2.6%	2.1%
701	INSURANCE COSTS	2.5%	2.5%	2.5%	2.5%	2.5%
801-816	PARTS AND SUPPLIES	3.7%	3.7%	3.9%	3.6%	3.2%
901-908	REPLACEMENT COSTS	3.3%	3.1%	3.0%	3.3%	3.6%
ALL ITEMS		2.2%	2.9%	0.6%	3.9%	1.3%

B.4 Price Relative by Hotel Type, 2012

Spec #	Item Description	Hotel	Rooming House	SRO
101	TAXES	15.8%	8.2%	7.0%
205-206, 208-216	LABOR COSTS	2.9%	2.4%	2.3%
301-303	FUEL OIL	1.3%	0.3%	2.6%
401-407, 409-410	UTILITIES	-10.3%	0.6%	-11.5%
501-516, 518	CONTRACTOR SERVICES	5.1%	3.6%	2.7%
601-607	ADMINISTRATIVE COSTS	2.6%	2.2%	2.4%
701	INSURANCE COSTS	2.5%	2.5%	2.5%
801-816	PARTS AND SUPPLIES	1.7%	4.1%	3.2%
901-904, 907-911	REPLACEMENT COSTS	1.8%	2.2%	2.3%
ALL ITEMS		6.7%	3.7%	1.3%

B.5 Percentage Change in Real Estate Tax Sample by Borough and Source of Change, Apartments and Hotels, 2012

	% 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	8.40%	0.03%	-0.01%	0.71%	0.06%	9.18%
Bronx	2.49%	-0.21%	0.00%	0.68%	0.01%	2.97%
Brooklyn	5.71%	-1.80%	0.01%	0.67%	0.03%	4.62%
Queens	5.36%	-0.73%	-0.02%	0.68%	0.03%	5.31%
Staten Island	4.56%	-5.31%	-0.13%	0.68%	-0.01%	-0.21%
All Apartments	7.08%	-0.37%	0.00%	0.70%	0.05%	7.47%
Hotels						
Hotel	16.03%	0.50%	0.00%	-0.64%	-0.13%	15.77%
Rooming House	7.48%	-0.05%	0.00%	0.74%	0.04%	8.22%
SRO	6.42%	0.17%	-0.01%	0.35%	0.06%	6.99%
All Hotels	10.82%	0.29%	-0.01%	-0.03%	-0.03%	11.05%

Note: Totals may not add due to rounding.

B.6 Tax Change by Borough and Community Board, Apartments, 2012

Borough	Community Board	Number of Buildings	Tax Relative	Borough	Community Board	Number of Buildings	Tax Relative	Borough	Community Board	Number of Buildings	Tax Relative
Manhattan		11,988	9.18%	Brooklyn		11,848	4.62%	Queens		5,951	5.31%
	1	83	10.60%		7	932	5.24%		17	559	5.97%
	2	1,054	9.45%		8	336	5.69%		18	82	7.29%
	3	1,485	8.85%		9	296	13.53%		1	1,754	2.95%
	4	929	19.64%		10	188	5.51%		2	781	3.49%
	5	257	9.27%		11	294	1.19%		3	398	6.86%
	6	805	7.31%		12	353	5.41%		4	390	4.90%
	7	1,697	11.16%		1	1,412	2.99%		5	1,114	4.08%
	8	1,934	7.02%		2	573	-3.93%		6	290	5.10%
	9	737	11.66%		3	860	8.94%		7	404	6.93%
	10	823	9.01%		4	1,269	-2.41%		8	152	8.25%
	11	629	6.50%		5	382	3.60%		9	204	7.85%
	12	1,367	7.09%		6	849	7.39%		10	48	10.05%
Lower	7,848	9.32%	7	806	4.18%	11	74	4.09%			
Upper	4,140	8.34%	8	896	4.48%	12	159	8.39%			
Bronx		5,311	2.97%	9	527	6.87%	13	32	2.27%		
	1	386	-3.85%	10	757	6.75%	14	79	8.11%		
	2	255	-2.56%	11	662	6.49%	1	114	-1.15%		
	3	350	-4.78%	12	549	3.11%	2	27	-0.70%		
	4	732	-0.05%	13	161	6.93%	3	21	0.00%		
	5	664	0.88%	14	842	5.66%					
	6	502	-8.11%	15	348	5.54%					
				16	307	-1.29%					
						ALL	35,261	7.47%			

Note: No Community Board (CB) could be assigned to the following number of buildings for each borough: Manhattan (159), Bronx (23), Brooklyn (7), Queens (72), Staten Island (1). The number of buildings in the category "All" for each borough includes these buildings which could not be assigned a Community Board. In addition, 29 buildings in Manhattan are a part of Community Board 8 in the Bronx. These buildings are not included in the total for CB 8 in the Bronx but are represented in the Manhattan total and the total for "ALL" buildings. Core and Upper Manhattan building totals are defined by block count and cannot be calculated by using Community Board numbers alone.

Appendix B: Price Index of Operating Costs

B.7 Expenditure Weights, Price Relatives, Percent Changes and Standard Errors, All Hotels, 2012

Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error	Spec #	Item Description	Expenditure Weights	Price Relative	% Change	Standard Error
101	TAXES	0.3221	1.1105	11.05%	0.9268	601	Management Fees	0.6777	1.0304	3.04%	1.0330
205	Social Security Insurance	0.0512	1.0194	1.94%	0.0000	602	Accountant Fees	0.0782	1.0080	0.80%	0.5738
206	Unemployment Insurance	0.0143	0.9582	-4.18%	0.0000	603	Attorney Fees	0.1068	1.0187	1.87%	0.8062
208	Hotel Private Health/Welfare	0.0496	1.0359	3.59%	0.0000	604	Newspaper Ads	0.0928	1.0169	1.69%	0.6769
209	Hotel Union Labor	0.3159	1.0359	3.59%	0.0000	605	Agency Fees	0.0231	1.0000	0.00%	0.0000
210	SRO Union Labor	0.0123	1.0364	3.64%	0.0000	606	Lease Forms	0.0097	1.0146	1.46%	1.5843
211	Apartment Value	0.1190	1.0290	2.90%	0.5560	607	Bill Envelopes	0.0117	1.0158	1.58%	1.0631
212	Non-Union Superintendent	0.3113	1.0211	2.11%	0.4550		ADMINISTRATIVE COSTS	0.0777	1.0251	2.51%	0.7098
213	Non-Union Maid	0.0000	0.0000	NA	0.0000	701	INSURANCE COSTS	0.0377	1.0251	2.51%	0.7601
214	Non-Union Desk Clerk	0.0000	0.0000	NA	0.0000	801	Light Bulbs	0.0152	1.0221	2.21%	1.4430
215	Non-Union Maint. Worker	0.0000	0.0000	NA	0.0000	802	Light Switch	0.0171	1.0273	2.73%	1.8224
216	Non-Union Janitor/Porter	0.1264	1.0235	2.35%	0.7164	803	Wet Mop	0.0471	1.0231	2.31%	1.2912
	LABOR COSTS	0.1464	1.0270	2.70%	0.1807	804	Floor Wax	0.0593	1.0360	3.60%	1.8892
301	Fuel Oil #2	0.6322	1.0027	0.27%	0.5484	805	Paint	0.1418	1.0774	7.74%	2.5923
302	Fuel Oil #4	0.0170	1.0275	2.75%	0.7449	806	Pushbroom	0.0387	1.0313	3.13%	2.0371
303	Fuel Oil #6	0.3508	1.0342	3.42%	0.7044	807	Detergent	0.0494	1.0214	2.14%	1.4298
	FUEL OIL	0.1636	1.0142	1.42%	0.4259	808	Bucket	0.0476	1.0184	1.84%	1.3073
401	Electricity #1, 2,500 KWH	0.0649	0.9775	-2.25%	0.0000	809	Washers	0.0516	1.0000	0.00%	0.0000
402	Electricity #2, 15,000 KWH	0.0698	0.9136	-8.64%	0.0000	810	Linens	0.2738	1.0000	0.00%	0.0081
403	Electricity #3, 82,000 KWH	0.2282	0.7780	-22.20%	0.0000	811	Pine Disinfectant	0.0236	1.0309	3.09%	1.3067
404	Gas #1, 12,000 therms	0.0406	0.9547	-4.53%	0.0000	812	Window/Glass Cleaner	0.0214	1.0393	3.93%	1.8467
405	Gas #2, 65,000 therms	0.0382	0.7669	-23.31%	0.0000	813	Switch Plate	0.0553	1.0049	0.49%	0.5171
406	Gas #3, 214,000 therms	0.1718	0.7624	-23.76%	0.0000	814	Duplex Receptacle	0.0399	1.0229	2.29%	1.6151
407	Steam #1, 1.2m lbs	0.0003	0.9350	-6.50%	0.0000	815	Toilet Seat	0.0511	1.0284	2.84%	1.5878
409	Telephone	0.1636	1.0128	1.28%	0.0000	816	Deck Faucet	0.0671	1.0339	3.39%	1.4018
410	Water & Sewer	0.2226	1.0750	7.50%	0.0000		PARTS AND SUPPLIES	0.0350	1.0246	2.46%	0.4369
	UTILITIES	0.1307	0.9091	-9.09%	0.0000	901	Refrigerator #1	0.0210	1.0301	3.01%	1.6812
501	Repainting	0.2146	1.0347	3.47%	1.3583	902	Refrigerator #2	0.1016	1.0304	3.04%	2.0839
502	Plumbing, Faucet	0.0917	1.0365	3.65%	1.3549	903	Air Conditioner #1	0.0605	1.0215	2.15%	1.5151
503	Plumbing, Stoppage	0.0859	1.0180	1.80%	1.4585	904	Air Conditioner #2	0.0722	1.0118	1.18%	1.1430
504	Elevator #1, 6 fl., 1 e.	0.0378	1.0343	3.43%	1.4647	907	Range #1	0.0094	1.0328	3.28%	1.3237
505	Elevator #2, 13 fl., 2 e.	0.0340	1.0139	1.39%	0.6417	908	Range #2	0.0426	1.0349	3.49%	2.2604
506	Elevator #3, 19 fl., 3 e.	0.0310	1.0196	1.96%	0.7634	909	Carpet	0.3480	1.0157	1.57%	1.1939
507	Burner Repair	0.0280	1.0186	1.86%	1.3204	910	Dresser	0.1766	1.0240	2.40%	2.5461
508	Boiler Repair, Tube	0.0355	0.9909	-0.91%	0.9000	911	Mattress & Box Spring	0.1681	1.0145	1.45%	1.4615
509	Boiler Repair, Weld	0.0325	1.0222	2.22%	2.1719		REPLACEMENT COSTS	0.0149	1.0198	1.98%	0.7113
511	Range Repair	0.1317	1.0420	4.20%	1.4710		ALL ITEMS	1.0000	1.0372	3.72%	0.3390
512	Roof Repair	0.0318	1.0915	9.15%	2.6633						
513	Air Conditioner Repair	0.0402	1.0267	2.67%	1.4559						
514	Floor Maint. #1, Studio	0.0008	1.0345	3.45%	3.4157						
515	Floor Maint. #2, 1 Br.	0.0017	1.0383	3.83%	3.6678						
516	Floor Maint. #3, 2 Br.	0.0151	1.0362	3.62%	3.5429						
518	Linen/Laundry Service	0.1878	1.0943	9.43%	9.1002						
	CONTRACTOR SERVICES	0.0720	1.0435	4.35%	1.7596						

B.8 Expenditure Weights and Price Relatives, Lofts, 2012

Spec #	Item Description	Weights	Price Relative	Spec #	Item Description	Weights	Price Relative
101	TAXES	0.2836	7.47%		ADMINISTRATIVE COSTS, LEGAL	0.0669	1.87%
201	Payroll, Bronx, All"	0.0000	1.39%	601	Management Fees	0.8320	3.04%
202	Payroll, Other, Union, Supts.	0.2456	1.93%	602	Accountant Fees	0.1377	0.80%
203	Payroll, Other, Union, Other	0.0000	1.90%	604	Newspaper Ads	0.0046	1.69%
204	Payroll, Other, Non-Union, All	0.5380	2.17%	605	Agency Fees	0.0061	0.00%
205	Social Security Insurance	0.0412	1.94%	606	Lease Forms	0.0089	1.46%
206	Unemployment Insurance	0.0073	-4.18%	607	Bill Envelopes	0.0106	1.58%
207	Private Health & Welfare	0.1679	4.89%		ADMINISTRATIVE COSTS - OTHER	0.0941	2.68%
	LABOR COSTS	0.0883	2.51%	701	INSURANCE COSTS	0.1734	2.51%
301	Fuel Oil #2	0.2854	0.27%	801	Light Bulbs	0.0343	2.21%
302	Fuel Oil #4	0.5891	2.75%	802	Light Switch	0.0423	2.73%
303	Fuel Oil #6	0.1255	3.42%	803	Wet Mop	0.0371	2.31%
	FUEL OIL	0.1141	2.13%	804	Floor Wax	0.0444	3.60%
401	Electricity #1, 2,500 KWH	0.0086	-2.25%	805	Paint	0.2404	7.74%
402	Electricity #2, 15,000 KWH	0.1104	-8.64%	806	Pushbroom	0.0317	3.13%
403	Electricity #3, 82,000 KWH	0.0000	-22.20%	807	Detergent	0.0344	2.14%
404	Gas #1, 12,000 therms	0.0035	-4.53%	808	Bucket	0.0363	1.84%
405	Gas #2, 65,000 therms	0.0464	-23.31%	809	Washers	0.0963	0.00%
406	Gas #3, 214,000 therms	0.1288	-23.76%	811	Pine Disinfectant	0.0561	3.09%
407	Steam #1, 1.2m lbs	0.0179	-6.50%	812	Window/Glass Cleaner	0.0516	3.93%
408	Steam #2, 2.6m lbs	0.0059	-6.40%	813	Switch Plate	0.0434	0.49%
409	Telephone	0.0084	1.28%	814	Duplex Receptacle	0.0309	2.29%
410	Water & Sewer	0.6700	7.50%	815	Toilet Seat	0.0955	2.84%
	UTILITIES	0.0847	-0.25%	816	Deck Faucet	0.1251	3.39%
501	Repainting	0.3815	3.47%		PARTS AND SUPPLIES	0.0156	3.70%
502	Plumbing, Faucet	0.1436	3.65%	901	Refrigerator #1	0.0957	3.01%
503	Plumbing, Stoppage	0.1271	1.80%	902	Refrigerator #2	0.4663	3.04%
504	Elevator #1, 6 fl., 1 e.	0.0547	3.43%	903	Air Conditioner #1	0.0166	2.15%
505	Elevator #2, 13 fl., 2 e.	0.0358	1.39%	904	Air Conditioner #2	0.0208	1.18%
506	Elevator #3, 19 fl., 3 e.	0.0198	1.96%	905	Floor Runner	0.0859	5.36%
507	Burner Repair	0.0379	1.86%	906	Dishwasher	0.0504	1.71%
508	Boiler Repair, Tube	0.0534	-0.91%	907	Range #1	0.0488	3.28%
509	Boiler Repair, Weld	0.0414	2.22%	908	Range #2	0.2155	3.49%
510	Refrigerator Repair	0.0118	5.13%		REPLACEMENT COSTS	0.0123	3.23%
511	Range Repair	0.0111	4.20%				
512	Roof Repair	0.0697	9.15%				
513	Air Conditioner Repair	0.0077	2.67%				
514	Floor Maint. #1, Studio	0.0002	3.45%				
515	Floor Maint. #2, 1 Br.	0.0005	3.83%				
516	Floor Maint. #3, 2 Br.	0.0039	3.62%				
	CONTRACTOR SERVICES	0.0668	3.25%		ALL ITEMS	1.0000	3.69%

Appendix B: Price Index of Operating Costs

B.9 Changes in the Price Index of Operating Costs, Expenditure Weights and Price Relatives, Apartments, 2002-2012

	2002		2003		2004		2005		2006	
	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
All Buildings										
Taxes	0.245	6.6%	0.266	14.8%	0.261	16.2%	0.283	1.2%	0.271	7.8%
Labor Costs	0.160	4.0%	0.170	3.5%	0.150	4.5%	0.147	3.5%	0.144	2.5%
Fuel	0.116	-36.1%	0.076	66.9%	0.108	-2.8%	0.098	20.0%	0.111	22.8%
Utilities	0.163	-9.9%	0.149	21.7%	0.155	0.8%	0.146	8.4%	0.150	7.9%
Contractor Services	0.145	3.9%	0.153	4.8%	0.137	4.1%	0.133	4.5%	0.132	5.9%
Administrative Costs	0.082	4.6%	0.087	5.4%	0.078	4.0%	0.076	4.0%	0.075	6.5%
Insurance Costs	0.060	16.5%	0.071	40.5%	0.085	14.7%	0.091	8.9%	0.094	2.5%
Parts and Supplies	0.021	0.9%	0.021	0.4%	0.018	1.2%	0.017	2.6%	0.017	5.5%
Replacement Costs	0.009	-0.6%	0.009	1.4%	0.008	1.0%	0.007	3.1%	0.007	4.5%
All Items		-1.6%		16.9%		6.9%		5.8%		7.8%
Pre '47										
Taxes	0.166	6.6%	0.183	14.8%	0.178	16.8%	0.195	1.3%	0.185	8.6%
Labor Costs	0.139	4.4%	0.150	3.6%	0.131	4.7%	0.129	3.5%	0.125	2.5%
Fuel	0.143	-35.4%	0.095	64.3%	0.132	-2.3%	0.122	20.9%	0.138	21.9%
Utilities	0.188	-11.4%	0.172	22.2%	0.177	2.4%	0.171	8.4%	0.173	9.6%
Contractor Services	0.174	3.9%	0.187	4.9%	0.166	4.1%	0.162	4.5%	0.159	5.9%
Administrative Costs	0.074	4.4%	0.080	5.2%	0.071	3.9%	0.070	3.8%	0.068	6.1%
Insurance Costs	0.078	16.5%	0.094	40.5%	0.112	14.7%	0.121	8.9%	0.123	2.5%
Parts and Supplies	0.024	0.9%	0.025	0.4%	0.021	1.2%	0.020	2.6%	0.019	5.4%
Replacement Costs	0.013	-0.6%	0.014	1.4%	0.012	1.0%	0.011	3.1%	0.011	4.6%
All Items		-3.2%		18.4%		6.4%		6.8%		8.4%
Post '46										
Taxes	0.322	6.6%	0.345	14.8%	0.341	15.2%	0.368	1.1%	0.355	6.6%
Labor Costs	0.195	3.6%	0.203	3.3%	0.181	4.3%	0.177	3.5%	0.175	2.5%
Fuel	0.091	-38.8%	0.056	77.7%	0.085	-5.0%	0.076	16.3%	0.084	26.2%
Utilities	0.135	-10.5%	0.121	24.9%	0.131	-1.7%	0.120	8.9%	0.124	7.8%
Contractor Services	0.100	3.6%	0.104	4.7%	0.094	3.9%	0.091	4.3%	0.091	5.9%
Administrative Costs	0.092	4.9%	0.098	5.7%	0.089	4.0%	0.087	4.2%	0.086	6.9%
Insurance Costs	0.041	16.5%	0.048	40.5%	0.059	14.7%	0.063	8.9%	0.065	2.5%
Parts and Supplies	0.017	1.0%	0.017	0.4%	0.015	1.2%	0.014	2.6%	0.014	5.6%
Replacement Costs	0.007	-0.7%	0.007	1.4%	0.006	1.0%	0.006	3.0%	0.006	4.3%
All Items		-0.6%		16.2%		6.9%		4.7%		7.4%

Appendix B: Price Index of Operating Costs

2007		2008		2009		2010		2011		2012	
Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative	Item Weight	Price Relative
0.271	5.8%	0.273	0.3%	0.254	11.7%	0.273	10.1%	0.290	3.5%	0.283	7.5%
0.136	8.1%	0.140	4.0%	0.135	2.9%	0.134	3.1%	0.134	2.7%	0.129	2.5%
0.127	0.5%	0.121	37.4%	0.154	-10.1%	0.133	0.5%	0.130	23.1%	0.133	1.6%
0.150	6.3%	0.152	8.9%	0.153	10.9%	0.164	-1.7%	0.155	7.7%	0.175	-4.0%
0.129	5.6%	0.130	4.6%	0.126	2.8%	0.124	2.3%	0.123	2.7%	0.119	3.2%
0.074	6.9%	0.075	5.3%	0.073	4.1%	0.073	4.1%	0.074	2.9%	0.072	2.6%
0.089	1.9%	0.087	2.3%	0.083	-2.9%	0.077	-2.0%	0.073	-0.4%	0.068	2.5%
0.016	3.0%	0.016	2.3%	0.015	2.6%	0.015	1.7%	0.015	3.7%	0.014	3.7%
0.007	1.6%	0.007	4.0%	0.006	6.1%	0.007	0.9%	0.006	0.6%	0.006	3.2%
		0									
5.1%		7.8%		4.0%		3.4%		6.1%		2.8%	
0.185	6.1%	0.188	1.7%	0.175	12.9%	0.191	10.5%	0.207	4.7%	0.204	7.5%
0.118	7.3%	0.121	4.2%	0.116	3.0%	0.115	3.0%	0.117	2.6%	0.112	2.4%
0.155	1.3%	0.150	36.0%	0.187	-9.5%	0.163	-1.2%	0.158	22.5%	0.171	1.6%
0.175	5.3%	0.176	8.1%	0.175	12.1%	0.189	-3.9%	0.178	6.3%	0.189	-4.6%
0.155	5.7%	0.156	4.7%	0.150	2.8%	0.149	2.5%	0.150	2.7%	0.144	3.3%
0.066	6.6%	0.067	5.2%	0.065	4.0%	0.065	3.9%	0.067	2.8%	0.064	2.5%
0.116	1.9%	0.113	2.3%	0.106	-2.9%	0.100	-2.0%	0.096	-0.4%	0.090	2.5%
0.019	3.1%	0.018	2.3%	0.017	2.7%	0.017	1.7%	0.017	3.7%	0.017	3.7%
0.010	1.5%	0.010	4.0%	0.010	6.1%	0.010	0.9%	0.010	0.7%	0.009	3.3%
4.7%		9.1%		3.4%		1.9%		6.6%		2.2%	
0.353	5.4%	0.353	-1.7%	0.327	10.0%	0.346	9.5%	0.362	1.6%	0.350	7.4%
0.167	9.0%	0.173	3.7%	0.169	2.8%	0.167	3.3%	0.164	2.7%	0.161	2.6%
0.099	-2.8%	0.092	43.1%	0.123	-12.7%	0.104	7.2%	0.106	25.3%	0.099	2.0%
0.125	6.3%	0.127	9.3%	0.130	9.4%	0.137	-2.4%	0.128	7.9%	0.159	-6.2%
0.089	5.4%	0.090	4.5%	0.088	2.7%	0.087	1.9%	0.085	2.5%	0.083	3.1%
0.086	7.3%	0.087	5.4%	0.087	4.2%	0.087	4.3%	0.087	3.0%	0.085	2.7%
0.062	1.9%	0.060	2.3%	0.058	-2.9%	0.054	-2.0%	0.051	-0.4%	0.048	2.5%
0.013	3.0%	0.013	2.2%	0.012	2.5%	0.012	1.7%	0.012	3.6%	0.012	3.7%
0.006	1.7%	0.005	3.9%	0.005	5.9%	0.005	1.0%	0.005	0.6%	0.005	3.1%
5.2%		6.2%		3.9%		4.7%		5.2%		2.9%	

Appendix C: Income and Expense Study

C.1 Cross-Sectional Income and Expense Study, Estimated Average Operating & Maintenance Cost (2010) 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	\$198	\$72	\$102	\$58	\$26	\$121	\$87	\$38	\$55	\$759
11-19 units	\$223	\$64	\$105	\$59	\$28	\$126	\$92	\$42	\$62	\$801
20-99 units	\$176	\$62	\$103	\$59	\$24	\$118	\$82	\$38	\$52	\$715
100+ units	\$344	\$182	\$82	\$48	\$41	\$143	\$121	\$33	\$76	\$1,071
Bronx	\$103	\$62	\$114	\$64	\$25	\$113	\$70	\$39	\$42	\$634
11-19 units	\$99	\$70	\$122	\$66	\$31	\$115	\$71	\$43	\$50	\$667
20-99 units	\$104	\$61	\$113	\$64	\$25	\$112	\$69	\$39	\$42	\$630
100+ units	\$107	\$72	\$106	\$61	\$24	\$128	\$92	\$33	\$33	\$655
Brooklyn	\$135	\$51	\$96	\$57	\$22	\$108	\$68	\$37	\$46	\$620
11-19 units	\$146	\$53	\$100	\$56	\$21	\$115	\$73	\$38	\$49	\$651
20-99 units	\$130	\$49	\$96	\$58	\$22	\$105	\$65	\$37	\$45	\$608
100+ units	\$146	\$76	\$80	\$54	\$25	\$107	\$75	\$32	\$50	\$646
Manhattan	\$324	\$100	\$99	\$56	\$32	\$142	\$120	\$39	\$75	\$987
11-19 units	\$345	\$73	\$105	\$62	\$36	\$145	\$126	\$46	\$82	\$1,021
20-99 units	\$285	\$77	\$101	\$57	\$27	\$137	\$111	\$38	\$68	\$901
100+ units	\$482	\$251	\$76	\$44	\$54	\$163	\$152	\$32	\$97	\$1,352
Queens	\$170	\$59	\$96	\$52	\$20	\$107	\$72	\$35	\$46	\$657
11-19 units	\$153	\$59	\$100	\$49	\$19	\$101	\$55	\$38	\$40	\$613
20-99 units	\$171	\$53	\$96	\$53	\$20	\$106	\$75	\$35	\$47	\$656
100+ units	\$198	\$110	\$91	\$48	\$19	\$119	\$74	\$34	\$57	\$750
Core Man	\$437	\$120	\$86	\$50	\$36	\$152	\$140	\$40	\$84	\$1,145
11-19 units	\$430	\$75	\$97	\$58	\$36	\$157	\$137	\$48	\$85	\$1,123
20-99 units	\$402	\$84	\$85	\$50	\$29	\$143	\$133	\$39	\$76	\$1,040
100+ units	\$542	\$278	\$74	\$42	\$59	\$173	\$165	\$32	\$103	\$1,467
Upper Man	\$182	\$75	\$115	\$64	\$27	\$129	\$94	\$38	\$64	\$789
11-19 units	\$191	\$70	\$120	\$69	\$37	\$123	\$104	\$43	\$76	\$834
20-99 units	\$178	\$71	\$116	\$64	\$25	\$131	\$92	\$38	\$61	\$776
100+ units	\$216	\$135	\$87	\$54	\$32	\$121	\$93	\$32	\$71	\$841
City w/o Core	\$139	\$61	\$106	\$60	\$24	\$113	\$74	\$38	\$49	\$664
11-19 units	\$149	\$60	\$107	\$59	\$26	\$114	\$76	\$40	\$53	\$684
20-99 units	\$136	\$58	\$106	\$61	\$23	\$113	\$74	\$38	\$47	\$657
100+ units	\$163	\$95	\$90	\$54	\$25	\$116	\$81	\$33	\$52	\$710

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 C.3 due to rounding. Data in this table is 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 Study is the sum of "Water & Sewer" and "Light & Power." The number of Pre-47 rent stabilized buildings in Staten Island was too small to calculate reliable statistics. Owners are not required to report tax expenses; therefore, tax figures used in this report were calculated by the Dept. of Finance.

Source: NYC Department of Finance, RPIE Filings.

C.2 Cross-Sectional Income and Expense Study, Estimated Average Operating & Maintenance Cost (2010) 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	\$240	\$129	\$83	\$52	\$41	\$110	\$99	\$33	\$67	\$855
11-19 units	\$160	\$70	\$77	\$51	\$42	\$115	\$81	\$39	\$60	\$696
20-99 units	\$170	\$82	\$83	\$53	\$34	\$103	\$82	\$33	\$53	\$692
100+ units	\$322	\$185	\$83	\$52	\$49	\$116	\$118	\$31	\$82	\$1,037
Bronx	\$109	\$81	\$96	\$59	\$40	\$96	\$76	\$33	\$55	\$646
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	\$110	\$70	\$93	\$57	\$36	\$95	\$71	\$34	\$52	\$619
100+ units	\$110	\$103	\$98	\$63	\$45	\$95	\$84	\$31	\$58	\$687
Brooklyn	\$154	\$93	\$74	\$51	\$35	\$101	\$77	\$33	\$53	\$672
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	\$150	\$76	\$75	\$52	\$31	\$100	\$81	\$34	\$58	\$658
100+ units	\$166	\$131	\$72	\$49	\$42	\$101	\$71	\$31	\$44	\$706
Manhattan	\$504	\$237	\$86	\$47	\$56	\$139	\$166	\$36	\$118	\$1,388
11-19 units	\$290	\$78	\$84	\$51	\$54	\$135	\$123	\$47	\$99	\$961
20-99 units	\$332	\$115	\$79	\$46	\$40	\$133	\$129	\$36	\$64	\$975
100+ units	\$567	\$283	\$87	\$47	\$61	\$140	\$179	\$35	\$135	\$1,533
Queens	\$187	\$103	\$79	\$53	\$36	\$104	\$80	\$29	\$45	\$716
11-19 units	\$139	\$71	\$68	\$46	\$34	\$101	\$66	\$33	\$37	\$596
20-99 units	\$180	\$84	\$83	\$53	\$33	\$103	\$76	\$31	\$44	\$686
100+ units	\$200	\$130	\$75	\$55	\$40	\$106	\$86	\$27	\$48	\$767
St. Island	\$162	\$108	\$78	\$45	\$27	\$104	\$59	\$33	\$51	\$666
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	\$131	\$58	\$73	\$47	\$34	\$110	\$55	\$38	\$39	\$585
100+ units	-	-	-	-	-	-	-	-	-	-
Core Man	\$612	\$270	\$83	\$44	\$57	\$149	\$183	\$36	\$115	\$1,549
11-19 units	\$491	\$83	\$80	\$46	\$54	\$160	\$158	\$48	\$101	\$1,221
20-99 units	\$444	\$126	\$68	\$39	\$38	\$144	\$140	\$33	\$74	\$1,105
100+ units	\$652	\$308	\$86	\$45	\$61	\$149	\$193	\$36	\$125	\$1,656
Upper Man	\$157	\$132	\$93	\$56	\$55	\$104	\$111	\$34	\$127	\$870
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	\$161	\$100	\$96	\$56	\$44	\$116	\$112	\$39	\$50	\$775
100+ units	-	-	-	-	-	-	-	-	-	-
City w/o Core	\$156	\$97	\$82	\$54	\$38	\$102	\$80	\$32	\$56	\$697
11-19 units	\$120	\$69	\$77	\$51	\$41	\$109	\$72	\$38	\$56	\$633
20-99 units	\$150	\$78	\$84	\$54	\$34	\$101	\$78	\$33	\$51	\$663
100+ units	\$169	\$128	\$81	\$55	\$43	\$101	\$84	\$29	\$63	\$753

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 C.3 due to rounding. Data in this table is 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 Study is the sum of "Water & Sewer" and "Light & Power." The number of Post-46 rent stabilized buildings with 11-19 units in the Bronx, Brooklyn, Staten Island and Upper Manhattan, as well as 100+ unit buildings on Staten Island and Upper Manhattan, was too small to calculate reliable statistics. Owners are not required to report tax expenses; therefore, tax figures used in this report were calculated by the Dept. of Finance.

Source: NYC Department of Finance, RPIE Filings.

Appendix C: Income and Expense Study

C.3 Cross-Sectional Income and Expense Study, Estimated Average Rent, Income and Costs (2010) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	\$1,161	\$1,299	\$855	\$979	\$1,110	\$759	\$1,037	\$1,171	\$790
11-19 units	\$968	\$1,084	\$696	\$973	\$1,169	\$801	\$972	\$1,160	\$790
20-99 units	\$971	\$1,050	\$692	\$934	\$1,041	\$715	\$943	\$1,043	\$709
100+ units	\$1,375	\$1,575	\$1,037	\$1,386	\$1,615	\$1,071	\$1,378	\$1,586	\$1,046
Bronx	\$857	\$931	\$646	\$766	\$857	\$634	\$789	\$876	\$637
11-19 units	-	-	-	\$738	\$846	\$667	\$738	\$848	\$668
20-99 units	\$840	\$900	\$619	\$765	\$855	\$630	\$772	\$859	\$629
100+ units	\$897	\$989	\$687	\$855	\$923	\$655	\$874	\$954	\$670
Brooklyn	\$914	\$991	\$672	\$855	\$911	\$620	\$873	\$935	\$636
11-19 units	-	-	-	\$857	\$928	\$651	\$857	\$927	\$650
20-99 units	\$911	\$978	\$658	\$847	\$897	\$608	\$853	\$905	\$613
100+ units	\$926	\$1,029	\$706	\$947	\$1,017	\$646	\$934	\$1,025	\$682
Manhattan	\$1,838	\$2,176	\$1,388	\$1,237	\$1,485	\$987	\$1,384	\$1,653	\$1,084
11-19 units	\$1,280	\$1,553	\$961	\$1,171	\$1,541	\$1,021	\$1,177	\$1,542	\$1,017
20-99 units	\$1,393	\$1,593	\$975	\$1,163	\$1,354	\$901	\$1,185	\$1,377	\$908
100+ units	\$1,999	\$2,381	\$1,533	\$1,693	\$2,040	\$1,352	\$1,887	\$2,256	\$1,467
Queens	\$1,022	\$1,092	\$716	\$942	\$985	\$657	\$985	\$1,043	\$689
11-19 units	\$954	\$1,030	\$596	\$864	\$909	\$613	\$871	\$918	\$612
20-99 units	\$987	\$1,052	\$686	\$945	\$986	\$656	\$955	\$1,002	\$663
100+ units	\$1,071	\$1,148	\$767	\$1,059	\$1,117	\$750	\$1,068	\$1,141	\$763
St. Island	\$921	\$991	\$666	-	-	-	\$909	\$976	\$652
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	\$829	\$855	\$585	-	-	-	\$846	\$881	\$599
100+ units	-	-	-	-	-	-	-	-	-
Core Man	\$2,059	\$2,453	\$1,549	\$1,479	\$1,812	\$1,145	\$1,657	\$2,008	\$1,269
11-19 units	\$1,542	\$2,003	\$1,221	\$1,311	\$1,779	\$1,123	\$1,317	\$1,785	\$1,126
20-99 units	\$1,621	\$1,857	\$1,105	\$1,420	\$1,676	\$1,040	\$1,434	\$1,688	\$1,044
100+ units	\$2,171	\$2,597	\$1,656	\$1,835	\$2,231	\$1,467	\$2,040	\$2,455	\$1,582
Upper Man	\$1,125	\$1,282	\$870	\$935	\$1,076	\$789	\$963	\$1,106	\$801
11-19 units	-	-	-	\$915	\$1,107	\$834	\$916	\$1,107	\$832
20-99 units	\$1,043	\$1,188	\$775	\$930	\$1,062	\$776	\$933	\$1,066	\$776
100+ units	-	-	-	\$1,064	\$1,191	\$841	\$1,107	\$1,250	\$879
City w/o Core	\$957	\$1,037	\$697	\$874	\$939	\$649	\$901	\$971	\$665
11-19 units	\$900	\$974	\$633	\$840	\$921	\$658	\$848	\$928	\$654
20-99 units	\$925	\$993	\$663	\$865	\$926	\$639	\$880	\$943	\$645
100+ units	\$1,009	\$1,106	\$753	\$985	\$1,054	\$708	\$1,004	\$1,094	\$743

Notes: City, borough totals and building size categories are weighted. 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 11-19 units in the Bronx, Brooklyn, Staten Island and Upper Manhattan, as well as 100+ unit buildings on Staten Island and in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings of all sizes in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.4 Cross-Sectional Income and Expense Study, Estimated Median Rent, Income and Costs (2010) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	\$999	\$1,055	\$715	\$898	\$969	\$688	\$910	\$980	\$691
11-19 units	\$972	\$1,031	\$671	\$946	\$1,075	\$761	\$947	\$1,073	\$760
20-99 units	\$942	\$991	\$658	\$881	\$942	\$663	\$888	\$948	\$663
100+ units	\$1,083	\$1,187	\$859	\$1,023	\$1,111	\$763	\$1,066	\$1,154	\$829
Bronx	\$855	\$914	\$607	\$767	\$848	\$617	\$776	\$854	\$616
11-19 units	-	-	-	\$728	\$815	\$645	\$726	\$815	\$644
20-99 units	\$837	\$893	\$603	\$771	\$849	\$613	\$777	\$853	\$611
100+ units	\$880	\$970	\$657	\$843	\$935	\$627	\$866	\$951	\$637
Brooklyn	\$931	\$979	\$633	\$832	\$874	\$589	\$840	\$885	\$594
11-19 units	-	-	-	\$820	\$863	\$617	\$821	\$866	\$617
20-99 units	\$912	\$962	\$619	\$832	\$872	\$582	\$840	\$883	\$584
100+ units	\$956	\$1,045	\$685	\$922	\$978	\$617	\$939	\$1,020	\$652
Manhattan	\$1,663	\$1,895	\$1,175	\$1,146	\$1,334	\$873	\$1,170	\$1,364	\$888
11-19 units	\$1,378	\$1,623	\$1,051	\$1,193	\$1,485	\$964	\$1,197	\$1,485	\$965
20-99 units	\$1,428	\$1,573	\$957	\$1,110	\$1,245	\$827	\$1,123	\$1,258	\$831
100+ units	\$2,095	\$2,438	\$1,574	\$1,623	\$1,962	\$1,278	\$1,946	\$2,287	\$1,416
Queens	\$1,023	\$1,077	\$702	\$937	\$964	\$623	\$963	\$994	\$642
11-19 units	\$925	\$985	\$551	\$875	\$894	\$578	\$878	\$896	\$577
20-99 units	\$994	\$1,036	\$672	\$957	\$980	\$634	\$967	\$994	\$642
100+ units	\$1,056	\$1,111	\$768	\$1,048	\$1,090	\$729	\$1,054	\$1,111	\$764
St. Island	\$818	\$889	\$598	-	-	-	\$825	\$890	\$603
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	\$777	\$825	\$580	-	-	-	\$827	\$839	\$581
100+ units	-	-	-	-	-	-	-	-	-
Core Man	\$1,813	\$2,156	\$1,289	\$1,359	\$1,578	\$979	\$1,384	\$1,610	\$1,002
11-19 units	\$1,414	\$1,711	\$1,112	\$1,307	\$1,630	\$1,033	\$1,309	\$1,633	\$1,035
20-99 units	\$1,580	\$1,713	\$1,018	\$1,379	\$1,521	\$934	\$1,390	\$1,529	\$939
100+ units	\$2,153	\$2,541	\$1,642	\$1,849	\$2,297	\$1,427	\$2,078	\$2,431	\$1,564
Upper Man	\$994	\$1,104	\$766	\$875	\$965	\$724	\$880	\$969	\$724
11-19 units	-	-	-	\$855	\$971	\$752	\$857	\$973	\$750
20-99 units	\$957	\$1,047	\$662	\$881	\$962	\$718	\$882	\$964	\$717
100+ units	-	-	-	\$927	\$1,058	\$740	\$976	\$1,143	\$829
City w/o Core	\$940	\$991	\$656	\$832	\$890	\$625	\$844	\$903	\$628
11-19 units	\$866	\$906	\$577	\$818	\$879	\$636	\$819	\$880	\$634
20-99 units	\$914	\$960	\$631	\$832	\$889	\$622	\$840	\$896	\$623
100+ units	\$1,007	\$1,079	\$741	\$938	\$993	\$656	\$985	\$1,044	\$706

Notes: 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 11-19 units in the Bronx, Brooklyn, Staten Island and Upper Manhattan, as well as 100+ unit buildings on Staten Island and in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings of all sizes in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

Appendix C: Income and Expense Study

C.5 Cross-Sectional Income and Expense Study, Average Net Operating Income in 2010 per Apartment per Month by Building Size and Location

	Post-46	Pre-47	All		Post-46	Pre-47	All
Citywide	\$444	\$351	\$381	Core Man	\$904	\$666	\$739
11-19 units	\$388	\$368	\$370	11-19 units	\$782	\$656	\$659
20-99 units	\$358	\$326	\$334	20-99 units	\$752	\$636	\$644
100+ units	\$538	\$544	\$539	100+ units	\$941	\$764	\$873
Bronx	\$285	\$223	\$239	Upper Man	\$412	\$288	\$306
11-19 units	-	\$179	\$180	11-19 units	-	\$273	\$275
20-99 units	\$281	\$225	\$230	20-99 units	\$413	\$286	\$290
100+ units	\$302	\$268	\$284	100+ units	-	\$350	\$371
Brooklyn	\$318	\$290	\$299	City w/o Core	\$340	\$290	\$306
11-19 units	-	\$277	\$277	11-19 units	\$341	\$264	\$274
20-99 units	\$320	\$289	\$292	20-99 units	\$330	\$287	\$298
100+ units	\$323	\$371	\$343	100+ units	\$353	\$346	\$351
Manhattan	\$788	\$498	\$568				
11-19 units	\$592	\$520	\$525				
20-99 units	\$618	\$452	\$468				
100+ units	\$848	\$688	\$789				
Queens	\$376	\$328	\$354				
11-19 units	\$434	\$296	\$306				
20-99 units	\$366	\$330	\$339				
100+ units	\$381	\$367	\$378				
St. Island	\$325	-	\$324				
11-19 units	-	-	-				
20-99 units	\$270	-	\$282				
100+ units	-	-	-				

Notes: City, borough totals and building size categories are weighted. 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 11-19 units in the Bronx, Brooklyn, Staten Island and Upper Manhattan, as well as 100+ unit buildings on Staten Island and in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings of all sizes in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.6 Cross-Sectional Distribution of Operating Costs in 2010, by Building Size and Age

	Taxes	Maint.	Labor	Admin.	Utilities	Fuel	Misc.	Insurance	Total
Pre-47	26.1%	16.0%	9.5%	11.5%	11.1%	13.4%	7.3%	5.0%	100.0%
11-19 units	27.8%	15.7%	8.0%	11.5%	10.9%	13.1%	7.7%	5.3%	100.0%
20-99 units	24.7%	16.5%	8.7%	11.5%	11.6%	14.4%	7.2%	5.3%	100.0%
100+ units	32.1%	13.4%	17.0%	11.3%	8.4%	7.7%	7.1%	3.0%	100.0%
Post-46	28.1%	12.9%	15.1%	11.6%	11.0%	9.7%	7.8%	3.8%	100.0%
11-19 units	23.0%	16.5%	10.1%	11.7%	13.3%	11.1%	8.7%	5.7%	100.0%
20-99 units	24.6%	15.0%	11.8%	11.8%	12.6%	11.9%	7.6%	4.8%	100.0%
100+ units	31.0%	11.2%	17.8%	11.4%	9.6%	8.0%	7.9%	3.0%	100.0%
All Bldgs.	26.8%	14.9%	11.4%	11.5%	11.1%	12.1%	7.5%	4.6%	100.0%
11-19 units	27.3%	15.8%	8.2%	11.5%	11.2%	12.9%	7.8%	5.3%	100.0%
20-99 units	24.7%	16.1%	9.4%	11.6%	11.8%	13.9%	7.3%	5.2%	100.0%
100+ units	31.3%	11.8%	17.6%	11.4%	9.3%	7.9%	7.7%	3.0%	100.0%

Source: NYC Department of Finance, RPIE Filings.

C.7 Cross-Sectional Number of “Distressed” Buildings, 2010 RPIE Filings

	Citywide	Bronx	Brooklyn	Manhattan	Queens	St. Island	Core Man	Upper Man
Pre-47								
11-19 units	436	88	86	232	27	3	117	115
20-99 units	674	220	107	313	34	0	99	214
100+ units	12	3	2	7	0	0	6	1
All	1,122	311	195	552	61	3	222	330
Post-46								
11-19 units	9	3	1	3	1	1	3	0
20-99 units	45	18	13	5	9	0	3	2
100+ units	28	4	2	18	4	0	12	6
All	82	25	16	26	14	1	18	8
All Bldgs.								
11-19 units	445	91	87	235	28	4	120	115
20-99 units	719	238	120	318	43	0	102	216
100+ units	40	7	4	25	4	0	18	7
All	1,204	336	211	578	75	4	240	338

Source: NYC Department of Finance, RPIE Filings.

C.8 Cross-Sectional Sample, 2010 RPIE Filings

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
Citywide	1,824	197,094	14,363	521,806	16,189	718,937
11-19 units	134	1,967	4,043	60,949	4,178	62,930
20-99 units	1,075	62,380	9,931	390,912	11,007	453,315
100+ units	615	132,747	389	69,945	1,004	202,692
Bronx	361	28,575	3,150	131,669	3,511	160,244
11-19 units	13	188	441	6,546	454	6,734
20-99 units	283	16,722	2,635	114,893	2,918	131,615
100+ units	65	11,665	74	10,230	139	21,895
Brooklyn	389	37,972	3,398	121,633	3,789	159,642
11-19 units	20	298	976	14,652	997	14,964
20-99 units	256	16,064	2,350	98,207	2,607	114,294
100+ units	113	21,610	72	8,774	185	30,384
Manhattan	491	72,562	6,415	213,924	6,906	286,486
11-19 units	50	753	2,204	33,241	2,254	33,994
20-99 units	208	10,608	4,030	139,188	4,238	149,796
100+ units	233	61,201	181	41,495	414	102,696
Queens	519	53,693	1,375	53,320	1,894	107,013
11-19 units	36	518	411	6,342	447	6,860
20-99 units	293	17,570	906	38,178	1,199	55,748
100+ units	190	35,605	58	8,800	248	44,405
St. Island	64	4,292	25	1,260	89	5,552
11-19 units	15	210	11	168	26	378
20-99 units	35	1,416	10	446	45	1,862
100+ units	14	2,666	4	646	18	3,312
Core Man	407	63,681	3,927	126,178	4,334	189,859
11-19 units	42	633	1,624	24,492	1,666	25,125
20-99 units	155	7,868	2,169	67,372	2,324	75,240
100+ units	210	55,180	134	34,314	344	89,494
Upper Man	84	8,881	2,488	87,746	2,572	96,627
11-19 units	8	120	580	8,749	588	8,869
20-99 units	53	2,740	1,861	71,816	1,914	74,556
100+ units	23	6,021	47	7,181	70	13,202

Source: NYC Department of Finance, RPIE Filings.

Appendix C: Income and Expense Study

C.9 Longitudinal Income and Expense Study, Estimated Average Rent, Income and Costs Changes (2009-2010) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	0.4%	0.9%	1.5%	1.0%	1.4%	0.6%	0.7%	1.2%	0.9%
11-19 units	-3.0%	-2.9%	-8.5%	0.9%	1.5%	-1.8%	0.5%	1.0%	-2.5%
20-99 units	2.3%	2.1%	1.2%	1.1%	1.5%	0.7%	1.4%	1.6%	0.8%
100+ units	-0.8%	0.3%	2.5%	0.2%	0.6%	3.5%	-0.5%	0.4%	2.8%
Bronx	2.5%	3.7%	2.7%	1.4%	2.3%	0.0%	1.7%	2.6%	0.6%
11-19 units	-	-	-	2.7%	3.4%	-3.6%	2.8%	3.8%	-3.2%
20-99 units	2.6%	2.9%	1.5%	1.8%	2.9%	0.6%	2.0%	2.9%	0.8%
100+ units	2.5%	4.7%	5.1%	-9.9%	-11.2%	-7.3%	-0.7%	0.6%	1.9%
Brooklyn	1.8%	2.3%	-1.1%	2.8%	3.1%	-0.8%	2.5%	2.8%	-0.9%
11-19 units	-	-	-	2.5%	2.9%	-3.6%	2.5%	2.9%	-3.7%
20-99 units	2.3%	1.9%	-1.8%	3.0%	3.2%	-0.2%	2.8%	2.8%	-0.7%
100+ units	0.9%	2.9%	0.6%	1.6%	2.2%	4.3%	1.1%	2.7%	1.5%
Manhattan	-2.8%	-1.8%	2.5%	-0.2%	0.3%	1.8%	-1.1%	-0.4%	2.0%
11-19 units	-6.3%	-7.7%	-4.9%	-0.4%	0.6%	0.2%	-0.8%	0.1%	-0.1%
20-99 units	0.4%	0.2%	1.7%	-0.5%	-0.2%	1.5%	-0.4%	-0.1%	1.5%
100+ units	-3.3%	-2.0%	2.9%	0.7%	1.4%	4.8%	-2.0%	-0.9%	3.5%
Queens	2.9%	2.8%	1.5%	1.5%	1.6%	-0.8%	2.3%	2.3%	0.5%
11-19 units	-	-	-	1.0%	0.7%	-4.5%	-1.1%	-1.1%	-8.1%
20-99 units	3.0%	2.8%	3.6%	1.5%	1.5%	-0.6%	2.2%	2.1%	1.3%
100+ units	3.7%	3.7%	1.4%	2.7%	3.2%	3.2%	3.6%	3.7%	1.7%
Staten Island	3.0%	2.5%	-0.4%	-	-	-	2.4%	2.0%	-2.1%
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-	6.1%	4.7%	-4.1%
100+ units	-	-	-	-	-	-	-	-	-
Core Manhattan	-0.3%	0.5%	5.0%	-0.7%	0.0%	2.6%	-0.5%	0.2%	3.5%
11-19 units	-	-	-	-1.3%	-0.1%	0.5%	-1.2%	-0.2%	0.4%
20-99 units	0.4%	0.5%	4.6%	-1.3%	-0.8%	2.4%	-1.1%	-0.6%	2.6%
100+ units	-0.4%	0.6%	5.2%	1.1%	1.7%	5.1%	0.1%	1.0%	5.2%
Upper Manhattan	-15.5%	-14.6%	-10.2%	0.8%	0.9%	0.5%	-2.5%	-2.1%	-1.4%
11-19 units	-	-	-	2.1%	2.6%	-0.5%	0.2%	1.0%	-1.5%
20-99 units	0.5%	-0.6%	-3.8%	0.8%	0.7%	0.5%	0.7%	0.6%	0.2%
100+ units	-	-	-	-2.3%	-0.9%	2.3%	-16.9%	-15.3%	-8.3%
All City w/o Core	0.7%	1.1%	-0.2%	1.7%	2.1%	-0.3%	1.3%	1.7%	-0.2%
11-19 units	-3.8%	-2.8%	-10.3%	2.2%	2.5%	-3.1%	1.3%	1.8%	-4.0%
20-99 units	2.6%	2.3%	0.8%	1.9%	2.2%	0.2%	2.1%	2.3%	0.4%
100+ units	-1.1%	-0.1%	-0.2%	-1.5%	-1.3%	0.7%	-1.2%	-0.3%	0.0%

Notes: City, borough totals and building size categories are weighted. 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 11-19 units in the Bronx, Brooklyn, Queens, Staten Island and Upper Manhattan, as well as 20-99 and 100+ unit buildings on Staten Island and 100+ units buildings in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings in all categories in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.10 Longitudinal Income and Expense Study, Estimated Median Rent, Income and Costs Changes (2009-2010) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	3.4%	2.8%	2.0%	3.3%	3.0%	1.7%	3.0%	3.1%	1.8%
11-19 units	2.2%	2.2%	-2.3%	3.0%	2.1%	-1.3%	2.9%	2.3%	-1.2%
20-99 units	4.1%	2.9%	2.6%	3.3%	3.2%	2.2%	3.2%	3.3%	2.0%
100+ units	2.1%	3.9%	0.7%	1.4%	0.6%	2.2%	1.5%	1.1%	2.0%
Bronx	3.6%	3.9%	2.4%	2.1%	4.0%	2.5%	2.2%	3.9%	2.7%
11-19 units	-	-	-	4.4%	3.9%	-1.3%	4.4%	3.8%	-1.4%
20-99 units	2.7%	2.9%	3.3%	2.2%	3.8%	3.7%	2.2%	3.8%	3.5%
100+ units	2.6%	5.4%	2.7%	-1.3%	-1.9%	-2.3%	1.0%	2.5%	-0.1%
Brooklyn	4.0%	3.4%	-0.5%	4.0%	3.9%	1.4%	3.8%	3.9%	1.4%
11-19 units	-	-	-	4.6%	3.8%	0.5%	4.3%	3.5%	0.5%
20-99 units	2.6%	3.0%	-2.5%	4.0%	3.9%	2.1%	4.0%	4.0%	1.6%
100+ units	2.9%	2.4%	3.2%	2.7%	3.6%	6.0%	3.1%	3.6%	4.4%
Manhattan	-1.1%	0.9%	4.2%	1.5%	1.1%	2.5%	1.3%	1.1%	2.2%
11-19 units	5.5%	-2.4%	6.3%	2.1%	1.4%	1.2%	2.2%	1.2%	1.1%
20-99 units	-0.6%	-1.9%	4.6%	1.3%	1.2%	3.0%	1.5%	0.9%	3.1%
100+ units	0.2%	0.1%	5.5%	0.8%	1.3%	5.5%	-0.4%	1.5%	1.4%
Queens	3.8%	3.9%	4.3%	3.4%	3.6%	-0.2%	3.4%	2.8%	0.6%
11-19 units	-	-	-	3.5%	2.5%	-3.2%	3.7%	1.8%	-3.4%
20-99 units	3.9%	2.8%	5.7%	2.9%	2.8%	0.0%	3.0%	2.5%	1.3%
100+ units	4.7%	4.2%	-0.4%	2.2%	5.9%	2.6%	4.1%	4.2%	0.9%
Staten Island	0.7%	2.0%	-0.3%	-	-	-	1.2%	-1.0%	-2.4%
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-	7.4%	5.6%	4.2%
100+ units	-	-	-	-	-	-	-	-	-
Core Manhattan	-1.6%	2.5%	4.5%	0.5%	0.8%	3.3%	0.4%	0.2%	3.2%
11-19 units	-	-	-	1.5%	0.5%	2.0%	1.4%	0.5%	2.2%
20-99 units	0.1%	-0.5%	4.9%	0.1%	0.4%	4.4%	0.2%	0.3%	4.7%
100+ units	0.2%	1.4%	6.5%	1.1%	2.3%	2.4%	2.6%	2.3%	5.6%
Upper Manhattan	2.4%	0.8%	-1.0%	3.4%	3.1%	2.6%	3.4%	2.9%	2.5%
11-19 units	4.1%	1.8%	-4.6%	3.2%	1.4%	-0.3%	3.6%	1.1%	-0.5%
20-99 units	1.0%	2.0%	-0.1%	3.2%	3.4%	2.7%	3.1%	3.4%	2.8%
100+ units	-	-	-	0.4%	1.4%	3.6%	3.3%	-3.4%	-1.8%
All City w/o Core	3.7%	3.2%	2.6%	3.2%	3.8%	1.6%	3.2%	3.7%	1.6%
11-19 units	0.4%	0.1%	-3.3%	3.1%	3.6%	-0.9%	2.9%	3.4%	-1.2%
20-99 units	3.5%	3.6%	2.3%	3.3%	3.8%	2.5%	3.3%	3.7%	2.3%
100+ units	3.8%	3.5%	1.9%	1.4%	1.2%	1.4%	2.9%	2.2%	1.7%

Notes: 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 11-19 units in the Bronx, Brooklyn, Queens, Staten Island and Upper Manhattan, as well as 20-99 and 100+ unit buildings on Staten Island and 100+ units buildings in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings in all categories in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

Appendix C: Income and Expense Study

C.11 Longitudinal Income and Expense Study, Av. Net Operating Income Changes (2009-2010) by Bldg. Size & Location

	Post-46	Pre-47	All		Post-46	Pre-47	All
Citywide	-0.4%	3.2%	1.8%	Queens	5.4%	6.7%	5.9%
11-19 units	9.8%	9.3%	9.4%	11-19 units	-	13.7%	15.9%
20-99 units	4.0%	3.3%	3.5%	20-99 units	-2.0%	-3.4%	-3.2%
100+ units	-3.6%	-4.5%	-3.8%	100+ units	8.6%	3.0%	7.8%
Bronx	5.8%	9.2%	8.2%	Core Manhattan	-6.2%	-4.2%	-5.0%
11-19 units	-	41.7%	43.8%	11-19 units	-	-0.9%	-1.4%
20-99 units	6.1%	9.5%	8.7%	20-99 units	-4.8%	-5.4%	-5.4%
100+ units	3.8%	-19.5%	-2.1%	100+ units	-6.4%	-4.1%	-5.7%
Brooklyn	10.5%	12.3%	11.7%	Upper Manhattan	-23.4%	2.0%	-3.8%
11-19 units	-	21.7%	22.0%	11-19 units	-	12.7%	8.5%
20-99 units	10.8%	11.0%	10.9%	20-99 units	6.2%	1.0%	1.6%
100+ units	8.6%	-1.3%	5.4%	100+ units	-	-7.9%	-29.5%
Manhattan	-8.5%	-2.7%	-4.7%	All City w/o Core	3.7%	8.1%	6.5%
11-19 units	-11.9%	1.5%	0.5%	11-19 units	16.7%	20.3%	19.7%
20-99 units	-2.0%	-3.4%	-3.2%	20-99 units	5.6%	7.4%	6.9%
100+ units	-9.7%	-4.5%	-8.1%	100+ units	0.2%	-5.2%	-1.1%
St. Island	3.3%	-	8.2%				
11-19 units	-	-	-				
20-99 units	-	-	29.1%				
100+ units	-	-	-				

Notes: City, borough totals and building size categories are weighted. The number of Post-46 rent stabilized buildings with 11-19 units in the Bronx, Brooklyn, Queens, Staten Island and Upper Manhattan, as well as 20-99 and 100+ unit buildings on Staten Island and 100+ units buildings in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings in all categories in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.12 Longitudinal Income and Expense Study, Median Net Operating Income Changes (2009-2010) by Bldg. Size & Location

	Post-46	Pre-47	All		Post-46	Pre-47	All
Citywide	4.5%	6.4%	6.5%	Queens	3.3%	11.0%	6.9%
11-19 units	13.4%	11.1%	11.6%	11-19 units	-	15.6%	13.3%
20-99 units	3.7%	5.6%	6.2%	20-99 units	-2.4%	8.4%	4.7%
100+ units	12.6%	-2.8%	-0.9%	100+ units	15.8%	13.1%	12.9%
Bronx	6.9%	8.3%	7.2%	Core Manhattan	-0.3%	-2.9%	-4.3%
11-19 units	-	31.7%	31.5%	11-19 units	-	-2.0%	-2.3%
20-99 units	2.1%	3.9%	4.3%	20-99 units	-7.6%	-5.2%	-6.2%
100+ units	11.2%	-1.0%	7.8%	100+ units	-6.7%	2.2%	-3.3%
Brooklyn	11.3%	9.5%	9.3%	Upper Manhattan	5.1%	4.7%	3.8%
11-19 units	-	13.2%	11.7%	11-19 units	-	7.2%	6.9%
20-99 units	14.8%	7.7%	9.1%	20-99 units	5.8%	5.6%	5.1%
100+ units	0.8%	-0.6%	2.2%	100+ units	-	-3.0%	-7.7%
Manhattan	-3.5%	-1.3%	-0.8%	All City w/o Core	4.3%	9.4%	8.6%
11-19 units	-16.5%	1.9%	1.3%	11-19 units	7.0%	17.6%	17.9%
20-99 units	-10.9%	-2.1%	-3.1%	20-99 units	6.2%	6.7%	7.0%
100+ units	-8.5%	-5.4%	1.6%	100+ units	7.2%	0.6%	3.4%
St. Island	7.6%	-	2.0%				
11-19 units	-	-	-				
20-99 units	-	-	9.0%				
100+ units	-	-	-				

Notes: 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 11-19 units in the Bronx, Brooklyn, Queens, Staten Island and Upper Manhattan, as well as 20-99 and 100+ unit buildings on Staten Island and 100+ units buildings in Upper Manhattan was too small to calculate reliable statistics. In addition, the number of Pre-47 rent stabilized buildings in all categories in Staten Island was too small to calculate reliable statistics.

Source: NYC Department of Finance, RPIE Filings.

C.13 Longitudinal Sample, 2009 & 2010 RPIE Filings

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
Citywide	1,604	173,855	12,866	473,652	14,472	647,544
11-19 units	111	1,628	3,517	53,081	3,629	54,723
20-99 units	944	55,043	8,986	354,605	9,931	409,671
100+ units	549	117,184	363	65,966	912	183,150
Bronx	315	25,446	2,833	120,006	3,148	145,452
11-19 units	9	127	370	5,490	379	5,617
20-99 units	247	14,690	2,392	104,677	2,639	119,367
100+ units	59	10,629	71	9,839	130	20,468
Brooklyn	336	32,472	3,034	109,196	3,372	141,705
11-19 units	17	252	843	12,679	861	12,945
20-99 units	221	13,862	2,127	88,783	2,349	102,668
100+ units	98	18,358	64	7,734	162	26,092
Manhattan	425	61,809	5,737	194,340	6,162	256,149
11-19 units	43	644	1,933	29,153	1,976	29,797
20-99 units	185	9,438	3,635	125,867	3,820	135,305
100+ units	197	51,727	169	39,320	366	91,047
Queens	471	50,054	1,240	48,903	1,711	98,957
11-19 units	28	407	362	5,620	390	6,027
20-99 units	262	15,843	823	34,856	1,085	50,699
100+ units	181	33,804	55	8,427	236	42,231
St. Island	57	4,074	22	1,207	79	5,281
11-19 units	14	198	9	139	23	337
20-99 units	29	1,210	9	422	38	1,632
100+ units	14	2,666	4	646	18	3,312
Core Manhattan	355	54,215	3,530	115,277	3,885	169,492
11-19 units	35	524	1,443	21,772	1,478	22,296
20-99 units	142	7,194	1,962	60,918	2,104	68,112
100+ units	178	46,497	125	32,587	303	79,084
Upper Manhattan	70	7,594	2,207	79,063	2,277	86,657
11-19 units	8	120	490	7,381	498	7,501
20-99 units	43	2,244	1,673	64,949	1,716	67,193
100+ units	19	5,230	44	6,733	63	11,963

Source: NYC Department of Finance, RPIE Filings.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.1 Occupancy Status

	<u>ALL UNITS</u>	<u>Owner Units</u>	<u>Renter Units</u>	<u>Stabilized</u>
<u>Total Number of Units</u> (occupied, vacant available, and vacant not available)	3,352,041 [®]			
<u>Number of Units</u> (occupied and vacant, available)	3,187,574	1,014,941	2,172,634	986,840
<u>Occupied Units</u>	3,088,881	984,066	2,104,816	960,870
Bronx	473,656	98,166	375,491	222,586
Brooklyn	929,296	256,130	673,166	288,569
Manhattan	752,459	181,606	570,853	260,148
Queens	769,860	337,775	432,085	182,213
Staten Island	163,610	110,389	53,221	7,354
<u>Vacant Units</u>	263,160			
<u>Vacant, for rent or sale</u>	98,693	30,875	67,818	25,970
Bronx	16,999	4,468	12,531	6,775
Brooklyn	28,444	10,433	18,011	7,062
Manhattan	22,452	5,992	16,460	4,217
Queens	25,969	8,946	17,023	6,808
Staten Island	4,828	1,036	3,792	1,107
<u>Asking Rent</u>				
<\$600	-	-	1,809	174
\$600-799	-	-	3,269	1,446
\$800-999	-	-	9,305	4,911
\$1000-\$1249	-	-	17,045	10,183
\$1250-\$1499	-	-	11,583	4,506
\$1500-\$1749	-	-	8,704	3,018
\$1750-\$1999	-	-	3,551	1,312
\$2000+	-	-	12,553	420
<u>Vacant, not for rent or sale</u>	164,467	-	-	-
Bronx	19,691	-	-	-
Brooklyn	39,756	-	-	-
Manhattan	65,764	-	-	-
Queens	32,616	-	-	-
Staten Island	6,639	-	-	-
Dilapidated	2,514	-	-	-
Rented-Not Yet Occupied	7,553	-	-	-
Sold-Not Yet Occupied	7,084	-	-	-
Undergoing Renovation	29,087	-	-	-
Awaiting Renovation	19,043	-	-	-
Non-Residential Use	401	-	-	-
Legal Dispute	13,904	-	-	-
Awaiting Conversion	416	-	-	-
Held for Occasional Use	64,590	-	-	-
Unable to Rent or Sell	10,465	-	-	-
Held Pending Sale of Building	2,649	-	-	-
Held for Planned Demolition	406	-	-	-
Held for Other Reasons	5,591	-	-	-
(Not Reported)	764	-	-	-

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

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units		Rent Controlled	Mitchell- Lama	Public Housing	Other Regulated*	Other Rentals**	
Pre-1947	Post-1946						
							<u>Total Number of Units</u>
743,528	243,312	38,374	49,320	185,534	62,766	849,800	<u>Number of Units</u> (occupied and vacant, available)
							<u>Occupied Units</u>
724,649	236,221	38,374	47,295	184,946	61,207	812,124	
181,206	41,381	2,392	10,035	48,074	15,671	76,731	Bronx
228,558	60,011	10,744	18,883	62,089	15,658	277,224	Brooklyn
213,973	46,175	19,723	12,769	52,753	22,066	203,394	Manhattan
98,007	84,206	5,515	4,542	17,236	6,109	216,470	Queens
2,905	4,449	0	1,066	4,792	1,703	38,305	Staten Island
							<u>Vacant Units</u>
							<u>Vacant, for rent or sale</u>
18,879	7,091	0	2,025	588	1,559	37,676	
4,977	1,798	0	188	200	577	4,791	Bronx
5,672	1,390	0	221	177	214	10,337	Brooklyn
2,604	1,614	0	415	211	768	10,849	Manhattan
5,626	1,182	0	800	0	0	9,416	Queens
0	1,107	0	402	0	0	2,284	Staten Island
							<u>Asking Rent</u>
174	0	0	221	411	443	559	<\$600
1,029	416	0	387	0	220	1,217	\$600-799
3,885	1,026	0	377	177	0	3,839	\$800-999
7,050	3,132	0	593	0	347	5,922	\$1000-\$1249
2,985	1,521	0	222	0	0	6,856	\$1250-\$1499
2,787	231	0	0	0	383	5,302	\$1500-\$1749
968	345	0	0	0	0	2,238	\$1750-\$1999
0	420	0	225	0	166	11,742	\$2000+
							<u>Vacant, not for rent or sale</u>
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	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.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.1 Occupancy Status (continued)

	<u>ALL UNITS</u>	<u>Owner Units</u>	<u>Renter Units</u>	<u>Stabilized</u>
<u>Total Number of Units</u> (occupied, vacant available, and vacant not available)	3,352,041 [@]			
<u>Number of Units</u> (occupied and vacant, available)	3,187,574	31.8%	68.2%	45.4%
<u>Occupied Units</u>	3,088,881	31.9%	68.1%	45.7%
Bronx	15.3%	10.0%	17.8%	23.2%
Brooklyn	30.1%	26.0%	32.0%	30.0%
Manhattan	24.4%	18.5%	27.1%	27.1%
Queens	24.9%	34.3%	20.5%	19.0%
Staten Island	5.3%	11.2%	2.5%	0.8%
<u>Vacant Units</u>	263,160			
<u>Vacant, for rent or sale</u>	98,693	31.3%	68.7%	38.3%
Bronx	17.2%	14.5%	18.5%	26.1%
Brooklyn	28.8%	33.8%	26.6%	27.2%
Manhattan	22.7%	19.4%	24.3%	16.2%
Queens	26.3%	29.0%	25.1%	26.2%
Staten Island	4.9%	3.4%	5.6%	4.3%
<u>Asking Rent</u>				
<\$600	-	-	2.7%	0.7%
\$600-799	-	-	4.8%	5.6%
\$800-999	-	-	13.7%	18.9%
\$1000-\$1249	-	-	25.1%	39.2%
\$1250-\$1499	-	-	17.1%	17.4%
\$1500-\$1749	-	-	12.8%	11.6%
\$1750-\$1999	-	-	5.2%	5.1%
\$2000+	-	-	18.5%	1.6%
<u>Vacant, not for rent or sale</u>	164,467			
Bronx	12.0%	-	-	-
Brooklyn	24.2%	-	-	-
Manhattan	40.0%	-	-	-
Queens	19.8%	-	-	-
Staten Island	4.0%	-	-	-
Dilapidated	1.5%	-	-	-
Rented-Not Yet Occupied	4.6%	-	-	-
Sold-Not Yet Occupied	4.3%	-	-	-
Undergoing Renovation	17.7%	-	-	-
Awaiting Renovation	11.6%	-	-	-
Non-Residential Use	0.2%	-	-	-
Legal Dispute	8.5%	-	-	-
Awaiting Conversion	0.3%	-	-	-
Held for Occasional Use	39.3%	-	-	-
Unable to Rent or Sell	6.4%	-	-	-
Held Pending Sale of Building	1.6%	-	-	-
Held for Planned Demolition	0.2%	-	-	-
Held for Other Reasons	3.4%	-	-	-
(Not Reported)	0.5%	-	-	-

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

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units <i>Pre-1947</i>	Rent Stabilized Units <i>Post-1946</i>	Rent Controlled	Mitchell- Lama	Public Housing	Other Regulated*	Other Rentals**	
							<u>Total Number of Units</u>
75.3%	24.7%	1.8%	2.3%	8.5%	2.9%	39.1%	<u>Number of Units</u> (occupied and vacant, available)
75.4%	24.6%	1.8%	2.2%	8.8%	2.9%	38.6%	<u>Occupied Units</u>
25.0%	17.5%	6.2%	21.2%	26.0%	25.6%	9.4%	Bronx
31.5%	25.4%	28.0%	39.9%	33.6%	25.6%	34.1%	Brooklyn
29.5%	19.5%	51.4%	27.0%	28.5%	36.1%	25.0%	Manhattan
13.5%	35.6%	14.4%	9.6%	9.3%	10.0%	26.7%	Queens
0.4%	1.9%	0.0%	2.3%	2.6%	2.8%	4.7%	Staten Island
							<u>Vacant Units</u>
72.7%	27.3%	-	3.0%	0.9%	2.3%	55.6%	<u>Vacant, for rent or sale</u>
26.4%	25.4%	-	9.3%	34.0%	37.0%	12.7%	Bronx
30.0%	19.6%	-	10.9%	30.1%	13.7%	27.4%	Brooklyn
13.8%	22.8%	-	20.5%	35.9%	49.3%	28.8%	Manhattan
29.8%	16.7%	-	39.5%	0.0%	0.0%	25.0%	Queens
0.0%	15.6%	-	19.9%	0.0%	0.0%	6.1%	Staten Island
							<u>Asking Rent</u>
0.9%	0.0%	-	10.9%	69.9%	28.4%	1.5%	<\$600
5.5%	5.9%	-	19.1%	0.0%	14.1%	3.2%	\$600-799
20.6%	14.5%	-	18.6%	30.1%	0.0%	10.2%	\$800-999
37.3%	44.2%	-	29.3%	0.0%	22.3%	15.7%	\$1000-\$1249
15.8%	21.4%	-	11.0%	0.0%	0.0%	18.2%	\$1250-\$1499
14.8%	3.3%	-	0.0%	0.0%	24.6%	14.1%	\$1500-\$1749
5.1%	4.9%	-	0.0%	0.0%	0.0%	5.9%	\$1750-\$1999
0.0%	5.9%	-	11.1%	0.0%	10.6%	31.2%	\$2000+
							<u>Vacant, not for rent or sale</u>
-	-	-	-	-	-	-	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.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.2 Economic Characteristics

	All Households@	Owner Households	Renter Households	Stabilized
<u>Monthly Contract Rent</u>				
\$1-\$199	-	-	29,808	2,760
\$200-\$299	-	-	52,725	6,187
\$300-\$399	-	-	43,485	6,766
\$400-\$499	-	-	44,975	11,879
\$500-\$599	-	-	66,327	23,937
\$600-\$699	-	-	95,811	42,934
\$700-\$799	-	-	123,813	72,226
\$800-\$899	-	-	169,491	101,486
\$900-\$999	-	-	181,284	122,179
\$1000-\$1249 -	-	-	454,724	263,560
\$1250-\$1499 -	-	-	256,296	133,306
\$1500-\$1749	-	-	196,909	89,454
\$1750-\$1999	-	-	86,569	41,781
\$2000+	-	-	256,411	28,345
(No Cash Rent)	-	-	(46,188)	(14,069)
Mean	-	-	\$1,280	\$1,137
Mean/Room	-	-	\$429	\$422
Median	-	-	\$1,100	\$1,050
Median/Room	-	-	\$318	\$333
<u>Monthly Cost of Electricity</u>				
Mean	\$115	\$152	\$94	\$87
Median	\$93	\$125	\$80	\$76
<u>Monthly Cost of Utility Gas</u>				
Mean	\$116	\$190	\$60	\$39
Median	\$50	\$150	\$30	\$28
<u>Monthly Cost of Water/Sewer</u>				
Mean	\$86	\$87	\$61	-
Median	\$67	\$71	\$48	-
<u>Monthly Cost of Other Fuels</u>				
Mean	\$272	\$292	\$94	-
Median	\$242	\$250	\$67	-
<u>Monthly Mortgage Payments</u>				
Mean	-	\$2,132	-	-
Median	-	\$1,800	-	-
<u>Monthly Insurance Payments</u>				
Mean	-	\$115	-	-
Median	-	\$83	-	-
<u>Monthly Property Taxes</u>				
Mean	-	\$349	-	-
Median	-	\$292	-	-

@ All households, including owners and renters.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units		Rent Controlled	Mitchell- Lama	Public Housing	Other Regulated*	Other Rentals**	
<i>Pre-1947</i>	<i>Post-1946</i>						
							<u>Monthly Contract Rent</u>
1,898	863	2,464	0	13,453	9,426	1,706	\$1-\$199
4,166	2,021	2,311	404	38,028	2,948	2,847	\$200-\$299
6,246	519	2,064	1,417	27,420	1,986	3,832	\$300-\$399
9,920	1,959	1,932	532	22,654	2,134	5,844	\$400-\$499
19,662	4,274	3,396	1,089	22,123	3,759	12,024	\$500-\$599
35,962	6,972	3,441	3,609	21,287	2,185	22,354	\$600-\$699
58,197	14,029	2,768	4,044	11,589	4,390	28,795	\$700-\$799
78,139	23,347	3,792	5,560	9,036	2,789	46,829	\$800-\$899
94,173	28,006	2,674	5,531	5,313	3,291	42,297	\$900-\$999
198,749	64,812	4,248	9,541	10,363	9,645	157,367	\$1000-\$1249
98,768	34,538	2,856	6,232	2,200	6,064	105,638	\$1250-\$1499
65,089	24,365	2,260	3,080	771	3,283	98,061	\$1500-\$1749
33,937	7,843	1,106	1,924	135	2,736	38,887	\$1750-\$1999
9,799	18,546	2,371	3,773	217	5,933	215,772	\$2000+
(9,943)	(4,126)	(693)	(560)	(358)	(638)	(29,870)	(No Cash Rent)
\$1,097	\$1,260	\$960	\$1,162	\$506	\$1,011	\$1,679	Mean
\$408	\$464	\$262	\$372	\$140	\$351	\$519	Mean/Room
\$1,030	\$1,100	\$800	\$1,000	\$450	\$910	\$1,369	Median
\$325	\$366	\$210	\$300	\$120	\$268	\$343	Median/Room
							<u>Monthly Cost of Electricity</u>
\$86	\$90	\$82	\$118	\$86	\$85	\$103	Mean
\$75	\$80	\$70	\$85	\$75	\$69	\$85	Median
							<u>Monthly Cost of Utility Gas</u>
\$36	\$60	\$31	\$44	\$48	\$76	\$84	Mean
\$26	\$30	\$20	\$35	\$40	\$26	\$40	Median
							<u>Monthly Cost of Water/Sewer</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Cost of Other Fuels</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Mortgage Payments</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Insurance Payments</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Property Taxes</u>
-	-	-	-	-	-	-	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.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
<u>Monthly Contract Rent</u>				
\$0-\$199	-	-	1.4%	0.3%
\$200-\$299	-	-	2.6%	0.7%
\$300-\$399	-	-	2.1%	0.7%
\$400-\$499	-	-	2.2%	1.3%
\$500-\$599	-	-	3.2%	2.5%
\$600-\$699	-	-	4.7%	4.5%
\$700-\$799	-	-	6.0%	7.6%
\$800-\$899	-	-	8.2%	10.7%
\$900-\$999	-	-	8.8%	12.9%
\$1000-\$1249	-	-	22.1%	27.8%
\$1250-\$1499	-	-	12.4%	14.1%
\$1500-\$1749	-	-	9.6%	9.4%
\$1750-\$1999	-	-	4.2%	4.4%
\$2000+	-	-	12.5%	3.0%
(No Cash Rent)	-	-	-	-
Mean	-	-	-	-
Mean/Room	-	-	-	-
Median	-	-	-	-
Median/Room	-	-	-	-
<u>Monthly Cost of Electricity</u>				
Mean	-	-	-	-
Median	-	-	-	-
<u>Monthly Cost of Utility Gas</u>				
Mean	-	-	-	-
Median	-	-	-	-
<u>Monthly Cost of Water/Sewer</u>				
Mean	-	-	-	-
Median	-	-	-	-
<u>Monthly Cost of Other Fuels</u>				
Mean	-	-	-	-
Median	-	-	-	-
<u>Monthly Mortgage Payments</u>				
Mean	-	-	-	-
Median	-	-	-	-
<u>Monthly Insurance Payments</u>				
Mean	-	-	-	-
Median	-	-	-	-
<u>Monthly Property Taxes</u>				
Mean	-	-	-	-
Median	-	-	-	-

@ All households, including owners and renters.

Totals may not add to 100% due to rounding.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units		Rent Controlled	Mitchell- Lama	Public Housing	Other Regulated*	Other Rentals**	
<i>Pre-1947</i>	<i>Post-1946</i>						
							<u>Monthly Contract Rent</u>
0.3%	0.4%	6.5%	0.0%	7.3%	15.6%	0.2%	\$0-\$199
0.6%	0.9%	6.1%	0.9%	20.6%	4.9%	0.4%	\$200-\$299
0.9%	0.2%	5.5%	3.0%	14.9%	3.3%	0.5%	\$300-\$399
1.4%	0.8%	5.1%	1.1%	12.3%	3.5%	0.7%	\$400-\$499
2.8%	1.8%	9.0%	2.3%	12.0%	6.2%	1.5%	\$500-\$599
5.0%	3.0%	9.1%	7.7%	11.5%	3.6%	2.9%	\$600-\$699
8.1%	6.0%	7.3%	8.7%	6.3%	7.2%	3.7%	\$700-\$799
10.9%	10.1%	10.1%	11.9%	4.9%	4.6%	6.0%	\$800-\$899
13.2%	12.1%	7.1%	11.8%	2.9%	5.4%	5.4%	\$900-\$999
27.8%	27.9%	11.3%	20.4%	5.6%	15.9%	20.1%	\$1000-\$1249
13.8%	14.9%	7.6%	13.3%	1.2%	10.0%	13.5%	\$1250-\$1499
9.1%	10.5%	6.0%	6.6%	0.4%	5.4%	12.5%	\$1500-\$1749
4.7%	3.4%	2.9%	4.1%	0.1%	4.5%	5.0%	\$1750-\$1999
1.4%	8.0%	6.3%	8.1%	0.1%	9.8%	27.6%	\$2000+
-	-	-	-	-	-	-	(No Cash Rent)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Mean/Room
-	-	-	-	-	-	-	Median
-	-	-	-	-	-	-	Median/Room
							<u>Monthly Cost of Electricity</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Cost of Utility Gas</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Cost of Water/Sewer</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Cost of Other Fuels</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Mortgage Payments</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Insurance Payments</u>
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Monthly Property Taxes</u>
-	-	-	-	-	-	-	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.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
<u>2010 Total Household Income</u>				
Loss, no income or <\$5000	140,637	28,026	112,611	50,567
\$5000-\$9999	201,093	22,148	178,945	78,016
\$10,000-\$19,999	381,509	67,561	313,948	146,304
\$20,000-\$29,999	323,823	70,435	253,387	120,423
\$30,000-\$39,999	281,138	70,369	210,770	107,346
\$40,000-\$49,999	239,792	62,130	177,662	90,797
\$50,000-\$59,999	220,085	70,048	150,037	72,509
\$60,000-\$69,999	192,772	64,783	127,989	56,806
\$70,000-\$79,999	169,266	59,202	110,064	53,914
\$80,000-\$89,999	138,730	54,493	84,237	37,375
\$90,000-\$99,999	108,044	44,431	63,614	28,821
\$100,000-\$124,999	220,932	99,166	121,766	49,282
\$125,000-\$149,999	127,784	66,394	61,390	25,899
\$150,000+	343,276	204,880	138,397	42,812
Mean	\$78,203	\$120,409	\$58,471	\$51,367
Median	\$48,000	\$74,992	\$38,447	\$37,000
<u>Contract Rent to Income Ratio</u>				
<10%	-	-	103,151	47,858
10%-19%	-	-	420,270	187,105
20%-29%	-	-	432,856	189,287
30%-39%	-	-	276,928	122,252
40%-49%	-	-	170,450	78,151
50%-59%	-	-	114,441	50,588
60%-69%	-	-	90,656	39,963
70%+	-	-	377,186	197,524
(Not Computed)	-	-	118,879	48,142
Mean	-	-	41.5%	43.1%
Median	-	-	30.8%	31.9%
<u>Households in Poverty</u>				
Households Below 100% of Poverty Level	536,417	72,722	463,695	204,103
Households at or Above 100% of Poverty Level	2,552,465	911,344	1,641,121	756,767
Households Below 125% of Poverty Level	695,272	100,753	594,519	263,626
Households at or Above 125% of Poverty Level	2,393,610	883,313	1,510,297	697,244
<u>Households Receiving Public Assistance¥</u>				
Households Not Receiving Public Assistance (Do Not Know/Not Reported)	494,519 2,512,314 (82,048)	55,911 901,500 (26,654)	438,608 1,610,814 (55,394)	204,178 732,714 (23,978)
Households Receiving TANF/FAP§	44,545	2,450	42,095	19,601
Households Receiving Safety Net	19,576	1,270	18,306	7,212
Households Receiving SSI	224,578	28,508	196,070	84,706
Households Receiving Other Public Assistance	314,270	30,723	283,547	137,962
<u>Households Receiving Rent Subsidy</u>				
Households Receiving Section 8 Certif./Voucher	-	-	152,202	82,688
Households Receiving Shelter Allowance	-	-	43,540	21,881
Households Receiving SCRIE∞	-	-	20,459	16,329
Households Receiving Jiggets	-	-	4,231	2,333
Households Receiving Advantage/HSP/EIHP/LTSP/FEPS†	-	-	33,190	16,976
Households Receiving Another Federal Housing Subsidy	-	-	13,224	3,644
Households Receiving Another State/City Housing Subsidy	-	-	39,486	17,892

§Temporary Assistance for Needy Families/Family Assistance Program; ∞Senior Citizens Rent Increase Exemption;

†Various "Advantage" Programs, Housing Stability Plus, Employee Incentive Housing Program, Long-Term Stayers Program, Family Eviction Prevention Supplement

@ All households, including owners and renters

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
<i>Pre-1947</i>	<i>Post-1946</i>	Controlled	Lama	Housing	Regulated*	Rentals**	
							<u>2010 Total Household Income</u>
39,463	11,104	2,100	1,843	13,276	4,713	40,112	Loss, no income or <\$5000
63,816	14,200	4,109	5,168	41,946	16,587	33,119	\$5000-\$9999
112,942	33,362	7,166	11,111	47,079	15,805	86,485	\$10,000-\$19,999
92,958	27,465	6,722	6,614	33,752	6,593	79,283	\$20,000-\$29,999
79,826	27,520	3,741	3,323	20,402	4,574	71,383	\$30,000-\$39,999
66,480	24,317	2,552	4,344	9,488	2,033	68,448	\$40,000-\$49,999
55,745	16,765	1,480	3,804	7,210	2,754	62,279	\$50,000-\$59,999
40,745	16,061	1,984	3,029	4,369	1,786	60,014	\$60,000-\$69,999
40,085	13,829	1,145	930	2,227	923	50,926	\$70,000-\$79,999
26,281	11,094	1,786	1,223	2,075	430	41,347	\$80,000-\$89,999
22,303	6,518	763	976	952	679	31,423	\$90,000-\$99,999
35,180	14,102	1,739	2,124	1,532	1,325	65,765	\$100,000-\$124,999
19,565	6,333	715	1,624	480	1,020	31,651	\$125,000-\$149,999
29,259	13,553	2,371	1,183	157	1,986	89,888	\$150,000+
\$49,801	\$56,170	\$55,919	\$43,166	\$23,211	\$29,892	\$78,072	Mean
\$36,000	\$40,000	\$28,000	\$27,510	\$16,972	\$14,976	\$52,003	Median
							<u>Contract Rent to Income Ratio</u>
37,086	10,771	5,589	1,340	8,532	4,015	35,816	<10%
141,864	45,241	7,415	8,421	41,578	7,245	168,505	10%-19%
138,994	50,292	7,024	7,664	51,851	11,642	165,388	20%-29%
91,457	30,794	4,374	4,875	30,993	4,475	109,959	30%-39%
57,280	20,871	2,440	3,994	14,092	3,222	68,551	40%-49%
37,542	13,046	2,294	3,377	8,925	3,770	45,487	50%-59%
32,824	7,139	2,033	3,147	3,747	2,771	38,995	60%-69%
152,197	45,328	4,769	12,632	18,569	20,698	122,994	70%+
35,405	12,737	2,436	1,846	6,658	3,368	56,429	(Not Computed)
43.5%	41.9%	35.6%	50.2%	34.6%	53.2%	40.2%	Mean
32.0%	31.4%	26.5%	40.5%	28.4%	43.0%	30.3%	Median
							<u>Households in Poverty</u>
163,486	40,617	7,275	10,318	85,601	25,708	130,690	Households Below 100% of Poverty Level
561,162	195,605	31,099	36,977	99,345	35,499	681,434	Households at or Above 100% of Poverty Level
209,648	53,978	10,018	16,411	103,498	33,049	167,917	Households Below 125% of Poverty Level
515,001	182,243	28,356	30,884	81,448	28,158	644,207	Households at or Above 125% of Poverty Level
170,673	33,505	6,582	12,388	83,670	28,825	102,965	<u>Households Receiving Public Assistance</u> ‡
536,070	196,645	30,534	33,177	94,935	30,720	688,733	Households Not Receiving Public Assistance
(17,906)	(6,072)	(1,258)	(1,730)	(6,340)	(1,662)	(20,426)	(Do Not Know/Not Reported)
16,611	2,990	257	949	8,315	2,027	10,946	Households Receiving TANF/FAP§
5,935	1,277	0	215	4,073	1,062	5,743	Households Receiving Safety Net
71,690	13,016	2,910	8,407	44,803	16,720	38,524	Households Receiving SSI
115,750	22,212	4,024	7,049	47,365	16,476	70,671	Households Receiving Other Public Assistance
							<u>Households Receiving Rent Subsidy</u>
68,606	14,082	243	9,274	6,206	18,862	34,929	Households Receiving Section 8 Certif./Voucher
18,423	3,458	172	1,194	9,159	1,382	9,751	Households Receiving Shelter Allowance
11,624	4,705	2,146	543	161	238	1,042	Households Receiving SCRIE¶
1,758	576	0	375	430	0	1,093	Households Receiving Jiggets
15,330	1,645	168	1,091	4,732	695	9,529	Households Receiving Advantage/HSP/EIHP/LTSP/FEPST
2,832	812	172	2,243	2,236	3,716	1,212	Households Receiving Another Federal Housing Subsidy
15,168	2,724	157	2,868	5,968	2,705	9,897	Households Receiving Another State/City Housing Subsidy

‡ 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.

* 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.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.2 Economic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
<u>2010 Total Household Income</u>				
Loss, no income or <\$5000	4.6%	2.8%	5.4%	5.3%
\$5000-\$9999	6.5%	2.3%	8.5%	8.1%
\$10,000-\$19,999	12.4%	6.9%	14.9%	15.2%
\$20,000-\$29,999	10.5%	7.2%	12.0%	12.5%
\$30,000-\$39,999	9.1%	7.2%	10.0%	11.2%
\$40,000-\$49,999	7.8%	6.3%	8.4%	9.4%
\$50,000-\$59,999	7.1%	7.1%	7.1%	7.5%
\$60,000-\$69,999	6.2%	6.6%	6.1%	5.9%
\$70,000-\$79,999	5.5%	6.0%	5.2%	5.6%
\$80,000-\$89,999	4.5%	5.5%	4.0%	3.9%
\$90,000-\$99,999	3.5%	4.5%	3.0%	3.0%
\$100,000-\$124,999	7.2%	10.1%	5.8%	5.1%
\$125,000-\$149,999	4.1%	6.7%	2.9%	2.7%
\$150,000+	11.1%	20.8%	6.6%	4.5%
Mean	-	-	-	-
Median	-	-	-	-
<u>Contract Rent to Income Ratio</u>				
<10%	-	-	5.2%	5.2%
10%-19%	-	-	21.2%	20.5%
20%-29%	-	-	21.8%	20.7%
30%-39%	-	-	13.9%	13.4%
40%-49%	-	-	8.6%	8.6%
50%-59%	-	-	5.8%	5.5%
60%-69%	-	-	4.6%	4.4%
70%+	-	-	19.0%	21.6%
(Not Computed)	-	-	-	-
Mean	-	-	-	-
Median	-	-	-	-
<u>Households in Poverty</u>				
Households Below 100% of Poverty Level	17.4%	7.4%	22.0%	21.2%
Households at or Above 100% of Poverty Level	82.6%	92.6%	78.0%	78.8%
Households Below 125% of Poverty Level	22.5%	10.2%	28.2%	27.4%
Households at or Above 125% of Poverty Level	77.5%	89.8%	71.8%	72.6%
<u>Households Receiving Public Assistance‡</u>				
Households Not Receiving Public Assistance (Not Reported)	83.6%	94.2%	78.6%	78.2%
Households Receiving TANF/FAP§	1.5%	0.3%	2.0%	2.1%
Households Receiving Safety Net	0.6%	0.1%	0.9%	0.8%
Households Receiving SSI	7.4%	3.0%	9.5%	9.0%
Households Receiving Other Public Assistance	10.5%	3.2%	13.9%	14.8%
<u>Households Receiving Rent Subsidy</u>				
Households Receiving Section 8 Certif./Voucher	-	-	7.6%	9.0%
Households Receiving Shelter Allowance	-	-	2.2%	2.4%
Households Receiving SCRIE∞	-	-	4.6%	7.9%
Households Receiving Jiggets	-	-	0.2%	0.3%
Households Receiving Advantage/HSP/EIHP/LTSP/FEPS†	-	-	1.6%	1.8%
Households Receiving Another Federal Housing Subsidy	-	-	0.7%	0.4%
Households Receiving Another State/City Housing Subsidy	-	-	2.0%	1.9%

§Temporary Assistance for Needy Families/Family Assistance Program; ∞Senior Citizens Rent Increase Exemption;

†Various "Advantage" Programs, Housing Stability Plus, Employee Incentive Housing Program, Long-Term Stayers Program, Family Eviction Prevention Supplement

@ All households, including owners and renters

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
<i>Pre-1947</i>	<i>Post-1946</i>	Controlled	Lama	Housing	Regulated*	Rentals**	
							<u>2010 Total Household Income</u>
5.4%	4.7%	5.5%	3.9%	7.2%	7.7%	4.9%	Loss, no income or <\$5000
8.8%	6.0%	10.7%	10.9%	22.7%	27.1%	4.1%	\$5000-\$9999
15.6%	14.1%	18.7%	23.5%	25.5%	25.8%	10.6%	\$10,000-\$19,999
12.8%	11.6%	17.5%	14.0%	18.2%	10.8%	9.8%	\$20,000-\$29,999
11.0%	11.7%	9.7%	7.0%	11.0%	7.5%	8.8%	\$30,000-\$39,999
9.2%	10.3%	6.7%	9.2%	5.1%	3.3%	8.4%	\$40,000-\$49,999
7.7%	7.1%	3.9%	8.0%	3.9%	4.5%	7.7%	\$50,000-\$59,999
5.6%	6.8%	5.2%	6.4%	2.4%	2.9%	7.4%	\$60,000-\$69,999
5.5%	5.9%	3.0%	2.0%	1.2%	1.5%	6.3%	\$70,000-\$79,999
3.6%	4.7%	4.7%	2.6%	1.1%	0.7%	5.1%	\$80,000-\$89,999
3.1%	2.8%	2.0%	2.1%	0.5%	1.1%	3.9%	\$90,000-\$99,999
4.9%	6.0%	4.5%	4.5%	0.8%	2.2%	8.1%	\$100,000-\$124,999
2.7%	2.7%	1.9%	3.4%	0.3%	1.7%	3.9%	\$125,000-\$149,999
4.0%	5.7%	6.2%	2.5%	0.1%	3.2%	11.1%	\$150,000+
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Contract Rent to Income Ratio</u>
5.4%	4.8%	15.6%	2.9%	4.8%	6.9%	4.7%	<10%
20.6%	20.2%	20.6%	18.5%	23.3%	12.5%	22.3%	10%-19%
20.2%	22.5%	19.5%	16.9%	29.1%	20.1%	21.9%	20%-29%
13.3%	13.8%	12.2%	10.7%	17.4%	7.7%	14.6%	30%-39%
8.3%	9.3%	6.8%	8.8%	7.9%	5.6%	9.1%	40%-49%
5.4%	5.8%	6.4%	7.4%	5.0%	6.5%	6.0%	50%-59%
4.8%	3.2%	5.7%	6.9%	2.1%	4.8%	5.2%	60%-69%
22.1%	20.3%	13.3%	27.8%	10.4%	35.8%	16.3%	70%+
-	-	-	-	-	-	-	(Not Computed)
-	-	-	-	-	-	-	Mean
-	-	-	-	-	-	-	Median
							<u>Households in Poverty</u>
22.6%	17.2%	19.0%	21.8%	46.3%	42.0%	16.1%	Households Below 100% of Poverty Level
77.4%	82.8%	81.0%	78.2%	53.7%	58.0%	83.9%	Households at or Above 100% of Poverty Level
28.9%	22.9%	26.1%	34.7%	56.0%	54.0%	20.7%	Households Below 125% of Poverty Level
71.1%	77.1%	73.9%	65.3%	44.0%	46.0%	79.3%	Households at or Above 125% of Poverty Level
24.1%	14.6%	17.7%	27.2%	46.8%	48.4%	13.0%	<u>Households Receiving Public Assistance</u> ‡
75.9%	85.4%	82.3%	72.8%	53.2%	51.6%	87.0%	Households Not Receiving Public Assistance
-	-	-	-	-	-	-	(Not Reported)
2.3%	1.3%	0.7%	2.1%	4.6%	3.4%	1.4%	Households Receiving TANF/FAP§
0.8%	0.6%	0.0%	0.5%	2.3%	1.8%	0.7%	Households Receiving Safety Net
10.1%	5.6%	7.8%	18.2%	25.0%	27.8%	4.8%	Households Receiving SSI
16.4%	9.6%	10.9%	15.6%	26.8%	28.1%	8.9%	Households Receiving Other Public Assistance
							<u>Households Receiving Rent Subsidy</u>
9.9%	6.2%	0.7%	20.4%	3.5%	32.4%	4.6%	Households Receiving Section 8 Certif./Voucher
2.7%	1.5%	0.5%	2.6%	5.2%	2.4%	1.3%	Households Receiving Shelter Allowance
8.3%	7.0%	7.8%	3.0%	0.3%	0.8%	1.1%	Households Receiving SCRIE∞
0.3%	0.3%	0.0%	0.8%	0.2%	0.0%	0.1%	Households Receiving Jiggets
2.2%	0.7%	0.4%	2.4%	2.6%	1.2%	1.2%	Households Receiving Advantage/HSP/EIHP/LTSP/FEPS†
0.4%	0.4%	0.5%	5.0%	1.3%	6.3%	0.2%	Households Receiving Another Federal Housing Subsidy
2.2%	1.2%	0.4%	6.3%	3.4%	4.6%	1.3%	Households Receiving Another State/City Housing Subsidy

‡ 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.

* 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.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.3 Demographic Characteristics

	All Households@	Owner Households	Renter Households	Stabilized
<u>Year Moved Into Current Dwelling</u>				
2008-2011	964,803	117,432	847,370	351,531
2005-2007	449,079	133,306	315,773	135,643
2002-2004	275,381	101,030	174,351	73,624
1999-2001	281,017	116,682	164,335	74,915
1996-1998	201,556	84,487	117,069	62,414
1993-1995	161,467	71,547	89,920	52,118
1990-1992	150,504	60,273	90,231	49,800
1987-1989	79,413	40,980	38,433	22,126
1984-1986	81,736	43,773	37,963	22,488
1981-1983	70,094	30,441	39,653	23,588
1971-1980	218,604	100,049	118,555	70,972
Prior to 1971	155,228	84,066	71,163	21,652
<u>Household Composition</u>				
Married Couples	1,173,017	533,814	639,203	277,247
w/o Other Household Members	420,906	201,665	219,241	103,132
Children <18 Years of Age	381,933	139,502	242,431	100,738
w/o Children <18 Years of Age	202,843	117,241	85,602	37,483
Other Household Members	167,335	75,406	91,929	35,894
Female Householder	1,216,000	293,157	922,843	424,868
w/o Other Household Members	570,715	162,843	407,872	198,497
Children <18 Years of Age	166,629	14,470	152,158	67,890
w/o Children <18 Years of Age	320,577	85,162	235,415	102,519
Other Household Members	158,079	30,682	127,398	55,962
Male Householder	699,865	157,095	542,770	258,756
w/o Other Household Members	408,730	96,362	312,368	152,489
Children <18 Years of Age	15,541	3,695	11,847	5,636
w/o Children <18 Years of Age	233,044	47,976	185,068	85,936
Other Household Members	42,550	9,063	33,487	14,695
<u>Race of Householder</u>				
White, non-Hispanic	1,276,551	536,371	740,181	330,062
Black, non-Hispanic	688,053	182,170	505,883	217,200
Puerto Rican	264,181	43,660	220,521	99,368
Other Spanish/Hispanic	474,780	73,082	401,697	213,126
Asian/Pacific Islander, non-Hispanic	357,331	140,534	216,797	91,693
American/Aleut/Eskimo, non-Hispanic	5,369	1,745	3,624	1,284
Two or more races, non-Hispanic	22,616	6,503	16,113	8,136
<u>Age of Householder</u>				
Under 25 years	111,032	4,520	106,512	50,660
25-34	585,391	73,798	511,593	219,304
35-44	670,914	191,312	479,602	215,171
45-54	621,052	224,530	396,522	187,547
55-61	366,944	160,088	206,856	104,166
62-64	132,535	58,829	73,707	34,312
65-74	320,422	146,483	173,938	84,924
75-84	200,177	91,709	108,468	45,373
85 or more years	80,415	32,796	47,619	19,414
Mean	49	55	46	46
Median	47	54	43	44

@ All households, including owners and renters.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units		Rent Controlled	Mitchell- Lama	Public Housing	Other Regulated*	Other Rentals**	Year Moved Into Current Dwelling
Pre-1947	Post-1946						
263,293	88,238	3,203	10,099	33,009	14,811	434,717	2008-2011
100,540	35,103	0	5,593	23,161	10,305	141,070	2005-2007
59,739	13,884	178	4,235	19,510	5,634	71,169	2002-2004
59,102	15,813	372	7,455	18,897	8,991	53,704	1999-2001
50,754	11,660	1,233	4,197	15,470	4,428	29,325	1996-1998
38,713	13,404	315	2,686	12,570	3,752	18,480	1993-1995
39,180	10,620	568	3,354	10,510	3,770	22,228	1990-1992
17,731	4,395	584	1,187	5,106	1,225	8,206	1987-1989
17,278	5,210	866	398	5,604	2,212	6,395	1984-1986
18,878	4,709	1,073	1,306	5,315	3,150	5,222	1981-1983
49,823	21,149	3,898	5,868	20,599	2,381	14,838	1971-1980
9,616	12,035	26,084	915	15,195	548	6,770	Prior to 1971
<u>Household Composition</u>							
199,998	77,248	7,539	14,985	30,844	10,402	298,186	Married Couples
71,344	31,788	4,432	7,841	11,003	5,909	86,923	w/o Other Household Members
74,708	26,030	1,271	3,562	8,723	2,229	125,908	Children <18 Years of Age
24,760	12,723	1,289	1,629	5,395	1,302	38,503	w/o Children <18 Years of Age
29,186	6,707	547	1,953	5,722	962	46,852	Other Household Members
325,551	99,317	22,079	20,175	126,291	36,774	292,656	Female Householder
146,610	51,887	16,984	11,108	42,625	21,015	117,644	w/o Other Household Members
53,599	14,290	541	3,902	30,330	4,728	44,768	Children <18 Years of Age
79,331	23,188	4,167	3,857	27,232	5,474	92,166	w/o Children <18 Years of Age
46,010	9,952	388	1,309	26,104	5,557	38,078	Other Household Members
199,100	59,656	8,756	12,135	27,811	14,030	221,282	Male Householder
117,244	35,245	5,926	8,824	19,026	10,168	115,935	w/o Other Household Members
3,917	1,719	0	401	834	307	4,669	Children <18 Years of Age
66,039	19,897	2,260	2,523	6,071	2,857	85,421	w/o Children <18 Years of Age
11,900	2,794	570	388	1,879	698	15,257	Other Household Members
<u>Race of Householder</u>							
233,707	96,355	22,579	15,991	10,461	12,155	348,931	White, non-Hispanic
165,331	51,870	6,518	18,170	83,123	16,437	164,435	Black, non-Hispanic
80,254	19,114	3,177	3,725	45,335	11,937	56,980	Puerto Rican
179,686	33,440	4,179	3,206	36,768	15,264	129,154	Other Hispanic
59,001	32,692	1,734	5,328	7,711	4,708	105,625	Asian/Pacific Islander, non-Hisp
356	928	0	184	478	319	1,358	American/Aleut/Eskimo, non-Hisp
6,313	1,823	188	691	1,070	387	5,640	Two or more races, non-Hispanic
<u>Age of Householder</u>							
43,725	6,935	329	0	5,176	1,583	48,764	Under 25 years
169,662	49,641	1,334	6,218	25,416	8,139	251,182	25-34
168,093	47,078	3,050	8,207	33,224	7,341	212,609	35-44
141,961	45,586	2,547	9,514	37,774	9,920	149,220	45-54
79,395	24,771	3,948	6,472	22,971	4,653	64,647	55-61
23,952	10,360	3,118	3,527	8,575	2,726	21,449	62-64
58,834	26,090	8,254	5,788	27,786	10,823	36,363	65-74
26,665	18,708	8,481	4,357	19,585	12,490	18,182	75-84
12,362	7,052	7,313	3,213	4,438	3,533	9,707	85 or more years
45	49	69	55	53	58	42	Mean
43	48	70	54	52	59	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.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.3 Demographic Characteristics (Continued)

	All Households@	Owner Households	Renter Households	Stabilized
<u>Year Moved Into Current Dwelling</u>				
2008-2011	31.2%	11.9%	40.3%	36.6%
2005-2007	14.5%	13.5%	15.0%	14.1%
2002-2004	8.9%	10.3%	8.3%	7.7%
1999-2001	9.1%	11.9%	7.8%	7.8%
1996-1998	6.5%	8.6%	5.6%	6.5%
1993-1995	5.2%	7.3%	4.3%	5.4%
1990-1992	4.9%	6.1%	4.3%	5.2%
1987-1989	2.6%	4.2%	1.8%	2.3%
1984-1986	2.6%	4.4%	1.8%	2.3%
1981-1983	2.3%	3.1%	1.9%	2.5%
1971-1980	7.1%	10.2%	5.6%	7.4%
Prior to 1971	5.0%	8.5%	3.4%	2.3%
<u>Household Composition</u>				
Married Couples	38.0%	54.2%	30.4%	28.9%
w/o Other Household Members	13.6%	20.5%	10.4%	10.7%
Children <18 Years of Age	12.4%	14.2%	11.5%	10.5%
w/o Children <18 Years of Age	6.6%	11.9%	4.1%	3.9%
Other Household Members	5.4%	7.7%	4.4%	3.7%
Female Householder	39.4%	29.8%	43.8%	44.2%
w/o Other Household Members	18.5%	16.5%	19.4%	20.7%
Children <18 Years of Age	5.4%	1.5%	7.2%	7.1%
w/o Children <18 Years of Age	10.4%	8.7%	11.2%	10.7%
Other Household Members	5.1%	3.1%	6.1%	5.8%
Male Householder	22.7%	16.0%	25.8%	26.9%
w/o Other Household Members	13.2%	9.8%	14.8%	15.9%
Children <18 Years of Age	0.5%	0.4%	0.6%	0.6%
w/o Children <18 Years of Age	7.5%	4.9%	8.8%	8.9%
Other Household Members	1.4%	0.9%	1.6%	1.5%
<u>Race of Householder</u>				
White, non-Hispanic	41.3%	54.5%	35.2%	34.4%
Black, non-Hispanic	22.3%	18.5%	24.0%	22.6%
Puerto Rican	8.6%	4.4%	10.5%	10.3%
Other Spanish/Hispanic	15.4%	7.4%	19.1%	22.2%
Asian/Pacific Islander, non-Hispanic	11.6%	14.3%	10.3%	9.5%
American/Aleut/Eskimo, non-Hispanic	0.2%	0.2%	0.2%	0.1%
2 or more races, non-Hispanic	0.7%	0.7%	0.8%	0.8%
<u>Age of Householder</u>				
Under 25 years	3.6%	0.5%	5.1%	5.3%
25-34	19.0%	7.5%	24.3%	22.8%
35-44	21.7%	19.4%	22.8%	22.4%
45-54	20.1%	22.8%	18.8%	19.5%
55-61	11.9%	16.3%	9.8%	10.8%
62-64	4.3%	6.0%	3.5%	3.6%
65-74	10.4%	14.9%	8.3%	8.8%
75-84	6.5%	9.3%	5.2%	4.7%
85 or more years	2.6%	3.3%	2.3%	2.0%
Mean	-	-	-	-
Median	-	-	-	-

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

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
<i>Pre-1947</i>	<i>Post-1946</i>	Controlled	Lama	Housing	Regulated*	Rentals**	
							<u>Year Moved Into Current Dwelling</u>
36.3%	37.4%	8.3%	21.4%	17.8%	24.2%	53.5%	2008-2011
13.9%	14.9%	0.0%	11.8%	12.5%	16.8%	17.4%	2005-2007
8.2%	5.9%	0.5%	9.0%	10.5%	9.2%	8.8%	2002-2004
8.2%	6.7%	1.0%	15.8%	10.2%	14.7%	6.6%	1999-2001
7.0%	4.9%	3.2%	8.9%	8.4%	7.2%	3.6%	1996-1998
5.3%	5.7%	0.8%	5.7%	6.8%	6.1%	2.3%	1993-1995
5.4%	4.5%	1.5%	7.1%	5.7%	6.2%	2.7%	1990-1992
2.4%	1.9%	1.5%	2.5%	2.8%	2.0%	1.0%	1987-1989
2.4%	2.2%	2.3%	0.8%	3.0%	3.6%	0.8%	1984-1986
2.6%	2.0%	2.8%	2.8%	2.9%	5.1%	0.6%	1981-1983
6.9%	9.0%	10.2%	12.4%	11.1%	3.9%	1.8%	1971-1980
1.3%	5.1%	68.0%	1.9%	8.2%	0.9%	0.8%	Prior to 1971
							<u>Household Composition</u>
27.6%	32.7%	19.6%	31.7%	16.7%	17.0%	36.7%	Married Couples
9.8%	13.5%	11.6%	16.6%	5.9%	9.7%	10.7%	w/o Other Household Members
10.3%	11.0%	3.3%	7.5%	4.7%	3.6%	15.5%	Children <18 Years of Age
3.4%	5.4%	3.4%	3.4%	2.9%	2.1%	4.7%	w/o Children <18 Years of Age
4.0%	2.8%	1.4%	4.1%	3.1%	1.6%	5.8%	Other Household Members
44.9%	42.0%	57.5%	42.7%	68.3%	60.1%	36.0%	Female Householder
20.2%	22.0%	44.3%	23.5%	23.0%	34.3%	14.5%	w/o Other Household Members
7.4%	6.0%	1.4%	8.3%	16.4%	7.7%	5.5%	Children <18 Years of Age
10.9%	9.8%	10.9%	8.2%	14.7%	8.9%	11.3%	w/o Children <18 Years of Age
6.3%	4.2%	1.0%	2.8%	14.1%	9.1%	4.7%	Other Household Members
27.5%	25.3%	22.8%	25.7%	15.0%	22.9%	27.2%	Male Householder
16.2%	14.9%	15.4%	18.7%	10.3%	16.6%	14.3%	w/o Other Household Members
0.5%	0.7%	0.0%	0.8%	0.5%	0.5%	0.6%	Children <18 Years of Age
9.1%	8.4%	5.9%	5.3%	3.3%	4.7%	10.5%	w/o Children <18 Years of Age
1.6%	1.2%	1.5%	0.8%	1.0%	1.1%	1.9%	Other Household Members
							<u>Race of Householder</u>
32.3%	40.8%	58.8%	33.8%	5.7%	19.9%	43.0%	White, non-Hispanic
22.8%	22.0%	17.0%	38.4%	44.9%	26.9%	20.2%	Black, non-Hispanic
11.1%	8.1%	8.3%	7.9%	24.5%	19.5%	7.0%	Puerto Rican
24.8%	14.2%	10.9%	6.8%	19.9%	24.9%	15.9%	Other Spanish/Hispanic
8.1%	13.8%	4.5%	11.3%	4.2%	7.7%	13.0%	Asian/Pacific Islander, non-Hisp
0.0%	0.4%	0.0%	0.4%	0.3%	0.5%	0.2%	American/Aleut/Eskimo, non-Hisp
0.9%	0.8%	0.5%	1.5%	0.6%	0.6%	0.7%	2 or more races, non-Hispanic
							<u>Age of Householder</u>
6.0%	2.9%	0.9%	0.0%	2.8%	2.6%	6.0%	Under 25 years
23.4%	21.0%	3.5%	13.1%	13.7%	13.3%	30.9%	25-34
23.2%	19.9%	7.9%	17.4%	18.0%	12.0%	26.2%	35-44
19.6%	19.3%	6.6%	20.1%	20.4%	16.2%	18.4%	45-54
11.0%	10.5%	10.3%	13.7%	12.4%	7.6%	8.0%	55-61
3.3%	4.4%	8.1%	7.5%	4.6%	4.5%	2.6%	62-64
8.1%	11.0%	21.5%	12.2%	15.0%	17.7%	4.5%	65-74
3.7%	7.9%	22.1%	9.2%	10.6%	20.4%	2.2%	75-84
1.7%	3.0%	19.1%	6.8%	2.4%	5.8%	1.2%	85 or more years
-	-	-	-	-	-	-	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.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.4 Housing / Neighborhood Quality Characteristics

	All Units@	Owner Units	Renter Units	Stabilized
<u>Maintenance Quality</u> (Units Experiencing:)				
Additional Heating Required	448,200	77,427	370,773	179,091
Additional Heating Not Required (Not Reported)	2,208,596 (432,086)	748,241 (158,397)	1,460,354 (273,689)	661,395 (120,384)
Heating Breakdowns	360,624	56,799	303,825	167,170
No Breakdowns (Not Reported)	2,272,654 (455,603)	761,443 (165,824)	1,511,211 (289,779)	664,872 (128,828)
Broken Plaster/Peeling Paint	429,775	61,599	368,175	198,142
No Broken Plaster/Peeling Paint (Not Reported)	2,207,797 (451,310)	759,386 (163,081)	1,448,411 (288,229)	635,117 (127,611)
Cracked Interior Walls or Ceilings	360,543	37,849	322,693	176,189
No Cracked Interior Walls or Ceilings (Not Reported)	2,291,985 (436,354)	785,484 (160,733)	1,506,501 (275,621)	664,197 (120,484)
Holes in Floor	158,649	13,705	144,945	89,861
No Holes in Floor (Not Reported)	2,479,449 (450,783)	806,103 (164,258)	1,673,345 (286,526)	745,135 (125,873)
Rodent Infestation	607,036	89,649	517,387	282,931
No Infestation (Not Reported)	2,050,608 (431,238)	734,938 (159,479)	1,315,670 (271,758)	559,159 (118,781)
Cockroach Infestation	632,667	80,589	552,079	287,591
No Infestation (Not Reported)	2,005,918 (430,438)	740,333 (157,669)	1,265,585 (272,769)	545,820 (120,018)
Toilet Breakdown	268,585	59,907	208,678	99,224
No Toilet Breakdown/No Facilities (Not Reported)	2,409,041 (407,910)	778,002 (146,005)	1,631,039 (261,905)	746,773 (113,717)
Water Leakage Inside Unit	546,746	114,718	432,028	241,487
No Water Leakage (Not Reported)	2,105,270 (436,865)	709,057 (160,290)	1,396,212 (276,575)	597,873 (121,510)
Units in Buildings w. No Maintenance Defects	1,220,608	501,102	719,506	279,030
Units in Buildings w. 1 Maintenance Defect	635,293	194,925	440,368	200,880
Units in Buildings w. 2 Maintenance Defects	311,938	59,765	252,172	127,887
Units in Buildings w. 3 Maintenance Defects	186,224	27,442	158,782	89,270
Units in Buildings w. 4 Maintenance Defects	116,421	7,340	109,081	62,111
Units in Buildings w. 5+ Maintenance Defects (Not Reported)	80,569 (537,829)	4,389 (189,102)	76,180 (348,726)	44,461 (157,232)
<u>Condition of Neighboring Buildings</u>				
Excellent	552,620	248,528	304,092	115,346
Good	1,444,785	458,763	986,022	452,275
Fair	544,562	107,739	436,823	224,357
Poor Quality (Not Reported)	115,618 (431,296)	10,267 (158,768)	105,351 (272,528)	48,856 (120,037)
<u>Boarded Up/Broken Windows in Neighborhood</u>				
No Boarded Up/Broken Windows in Neighborhood (Not Reported)	201,374 (2,830,154 (57,353))	50,020 (915,610 (18,436))	151,355 (1,914,544 (38,917))	67,622 (872,893 (20,354))

@ All housing units, including owners and renters.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units		Rent	Mitchell-	Public	Other	Other	
<i>Pre-1947</i>	<i>Post-1946</i>	Controlled	Lama	Housing	Regulated*	Rentals**	
							<u>Maintenance Quality</u> (Units Experiencing:)
141,974	37,117	7,297	7,844	47,316	11,809	117,416	Additional Heating Required
493,825	167,570	25,122	32,747	117,487	45,050	578,553	Additional Heating Not Required (Not Reported)
(88,849)	(31,535)	(5,955)	(6,704)	(20,143)	(4,348)	(116,155)	
141,613	25,557	5,131	4,204	43,464	7,378	76,478	Heating Breakdowns
488,067	176,805	26,546	36,048	119,752	49,236	614,758	No Breakdowns (Not Reported)
(94,969)	(33,860)	(6,698)	(7,043)	(21,730)	(4,593)	(120,887)	
163,528	34,614	9,855	5,015	63,930	6,535	84,698	Broken Plaster/Peeling Paint
468,000	167,116	22,205	35,373	99,056	49,777	606,884	No Broken Plaster/Peeling Paint (Not Reported)
(93,120)	(34,491)	(6,314)	(6,907)	(21,959)	(4,896)	(120,542)	
150,181	26,008	8,038	4,895	50,437	6,626	76,508	Cracked Interior Walls or Ceilings
485,907	178,290	24,381	35,493	113,191	50,044	619,194	No Cracked Interior Walls or Ceilings (Not Reported)
(88,561)	(31,923)	(5,955)	(6,907)	(21,317)	(4,537)	(116,421)	
81,468	8,394	4,890	946	14,558	3,357	31,332	Holes in Floor
550,762	194,373	27,333	39,443	148,853	52,597	659,984	No Holes in Floor (Not Reported)
(92,419)	(33,454)	(6,151)	(6,907)	(21,534)	(5,253)	(120,807)	
237,422	45,509	9,449	9,935	60,574	20,060	134,439	Rodent Infestation
399,770	159,388	23,160	30,453	103,706	36,657	562,536	No Infestation (Not Reported)
(87,457)	(31,324)	(5,766)	(6,907)	(20,666)	(4,490)	(115,149)	
233,123	54,467	8,177	10,683	104,965	12,160	128,502	Cockroach Infestation
398,480	147,340	23,703	29,372	57,006	44,512	565,172	No Infestation (Not Reported)
(88,518)	(31,500)	(5,968)	(6,692)	(20,531)	(4,307)	(115,253)	
78,409	20,815	5,117	4,479	26,601	7,905	65,351	Toilet Breakdown
559,259	187,514	27,101	37,055	137,467	49,008	633,634	No Toilet Breakdown/No Facilities (Not Reported)
(85,824)	(27,893)	(6,156)	(5,761)	(20,877)	(4,294)	(111,100)	
197,224	44,263	9,217	6,170	52,573	10,649	111,932	Water Leakage Inside Unit
437,842	160,031	23,202	34,218	111,194	46,247	583,479	No Water Leakage (Not Reported)
(89,583)	(31,927)	(5,955)	(6,907)	(21,179)	(4,312)	(116,713)	
190,106	88,923	10,848	18,590	33,518	20,971	356,549	Units in Buildings w. No Maintenance Defects
147,617	53,263	8,469	10,747	40,892	16,787	162,592	Units in Buildings w. 1 Maintenance Defect
103,011	24,876	4,106	5,511	28,356	6,909	79,404	Units in Buildings w. 2 Maintenance Defects
74,997	14,273	3,411	2,569	24,116	5,365	34,051	Units in Buildings w. 3 Maintenance Defects
51,849	10,262	2,447	1,444	16,925	3,049	23,105	Units in Buildings w. 4 Maintenance Defects
40,403	4,057	1,695	817	13,841	1,241	14,125	Units in Buildings w. 5+ Maintenance Defects (Not Reported)
(116,666)	(40,567)	(7,399)	(7,617)	(27,296)	(6,886)	(142,296)	
							<u>Condition of Neighboring Buildings</u>
79,802	35,544	7,833	7,139	6,707	7,092	159,974	Excellent
332,944	119,331	19,486	21,192	65,297	30,562	397,212	Good
181,180	43,176	4,192	9,366	63,169	14,998	120,741	Fair
42,502	6,354	1,097	2,489	28,691	4,414	19,805	Poor Quality
(88,221)	(31,817)	(5,767)	(7,109)	(21,081)	(4,141)	(114,392)	(Not Reported)
56,036	11,587	1,685	1,305	14,747	5,977	60,019	<u>Boarded Up/Broken Windows in Neighborhood</u>
652,739	220,154	36,138	45,116	167,837	54,702	737,858	No Boarded Up/Broken Windows in Neighborhood (Not Reported)
(15,874)	(4,481)	(552)	(874)	(2,362)	(528)	(14,247)	

* 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.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

D.4 Housing/Neighborhood Quality Characteristics (Continued)

	All Dwellings@	Owner Units	Rental Units	Stabilized
<u>Maintenance Quality</u> (Units Experiencing:)				
Additional Heating Required	16.9%	9.4%	20.2%	21.3%
Additional Heating Not Required (Not Reported)	83.1%	90.6%	79.8%	78.7%
Heating Breakdowns	13.7%	6.9%	16.7%	20.1%
No Breakdowns (Not Reported)	86.3%	93.1%	83.3%	79.9%
Broken Plaster/Peeling Paint	16.3%	7.5%	20.3%	23.8%
No Broken Plaster/Peeling Paint (Not Reported)	83.7%	92.5%	79.7%	76.2%
Cracked Interior Walls or Ceilings	13.6%	4.6%	17.6%	21.0%
No Cracked Interior Walls or Ceilings (Not Reported)	86.4%	95.4%	82.4%	79.0%
Holes in Floor	6.0%	1.7%	8.0%	10.8%
No Holes in Floor (Not Reported)	94.0%	98.3%	92.0%	89.2%
Rodent Infestation	22.8%	10.9%	28.2%	33.6%
No Infestation (Not Reported)	77.2%	89.1%	71.8%	66.4%
Cockroach Infestation	24.0%	9.8%	30.4%	34.5%
No Infestation (Not Reported)	76.0%	90.2%	69.6%	65.5%
Toilet Breakdown	10.0%	7.1%	11.3%	11.7%
No Toilet Breakdown (Not Reported)	90.0%	92.9%	88.7%	88.3%
Water Leakage Inside Unit	20.6%	13.9%	23.6%	28.8%
No Water Leakage (Not Reported)	79.4%	86.1%	76.4%	71.2%
Units in Buildings w. No Maintenance Defects	47.8%	63.0%	41.0%	34.7%
Units in Buildings w. 1 Maintenance Defect	24.9%	24.5%	25.1%	25.0%
Units in Buildings w. 2 Maintenance Defects	12.2%	7.5%	14.4%	15.9%
Units in Buildings w. 3 Maintenance Defects	7.3%	3.5%	9.0%	11.1%
Units in Buildings w. 4 Maintenance Defects	4.6%	0.9%	6.2%	7.7%
Units in Buildings w. 5+ Maintenance Defects (Not Reported)	3.2%	0.6%	4.3%	5.5%
<u>Condition of Neighboring Buildings</u>				
Excellent	20.8%	30.1%	16.6%	13.7%
Good	54.4%	55.6%	53.8%	53.8%
Fair	20.5%	13.1%	23.8%	26.7%
Poor Quality (Not Reported)	4.4%	1.2%	5.7%	5.8%
<u>Boarded Up/Broken Windows in Neighborhood</u>				
No Boarded Up/Broken Windows in Neighborhood (Not Reported)	6.6%	5.2%	7.3%	7.2%
	93.4%	94.8%	92.7%	92.8%

@ All housing units, including owners and renters.

Totals may not add to 100% due to rounding.

Appendix D: 2011 Housing and Vacancy Survey, Summary Tables

Rent Stabilized Units		Rent Controlled	Mitchell- Lama	Public Housing	Other Regulated*	Other Rentals**	
Pre-1947	Post-1946						
							<u>Maintenance Quality</u> (Units Experiencing:)
22.3%	18.1%	22.5%	19.3%	28.7%	20.8%	16.9%	Additional Heating Required
77.7%	81.9%	77.5%	80.7%	71.3%	79.2%	83.1%	Additional Heating Not Required
-	-	-	-	-	-	-	(Not Reported)
22.5%	12.6%	16.2%	10.4%	26.6%	13.0%	11.1%	Heating Breakdowns
77.5%	87.4%	83.8%	89.6%	73.4%	87.0%	88.9%	No Breakdowns
-	-	-	-	-	-	-	(Not Reported)
25.9%	17.2%	30.7%	12.4%	39.2%	11.6%	12.2%	Broken Plaster/Peeling Paint
74.1%	82.8%	69.3%	87.6%	60.8%	88.4%	87.8%	No Broken Plaster/Peeling Paint
-	-	-	-	-	-	-	(Not Reported)
23.6%	12.7%	24.8%	12.1%	30.8%	11.7%	11.0%	Cracked Interior Walls or Ceilings
76.4%	87.3%	75.2%	87.9%	69.2%	88.3%	89.0%	No Cracked Interior Walls or Ceilings
-	-	-	-	-	-	-	(Not Reported)
12.9%	4.1%	15.2%	2.3%	8.9%	6.0%	4.5%	Holes in Floor
87.1%	95.9%	84.8%	97.7%	91.1%	94.0%	95.5%	No Holes in Floor
-	-	-	-	-	-	-	(Not Reported)
37.3%	22.2%	29.0%	24.6%	36.9%	35.4%	19.3%	Rodent Infestation
62.7%	77.8%	71.0%	75.4%	63.1%	64.6%	80.7%	No Infestation
-	-	-	-	-	-	-	(Not Reported)
36.9%	27.0%	25.6%	26.7%	64.8%	21.5%	18.5%	Cockroach Infestation
63.1%	73.0%	74.4%	73.3%	35.2%	78.5%	81.5%	No Infestation
-	-	-	-	-	-	-	(Not Reported)
12.3%	10.0%	15.9%	10.8%	16.2%	13.9%	9.3%	Toilet Breakdown
87.7%	90.0%	84.1%	89.2%	83.8%	86.1%	90.7%	No Toilet Breakdown
-	-	-	-	-	-	-	(Not Reported)
31.1%	21.7%	28.4%	15.3%	32.1%	18.7%	16.1%	Water Leakage Inside Unit
68.9%	78.3%	71.6%	84.7%	67.9%	81.3%	83.9%	No Water Leakage
-	-	-	-	-	-	-	(Not Reported)
31.3%	45.4%	35.0%	46.9%	21.3%	38.6%	53.2%	Units in Buildings w. No Maintenance Defects
24.3%	27.2%	27.3%	27.1%	25.9%	30.9%	24.3%	Units in Buildings w. 1 Maintenance Defect
16.9%	12.7%	13.3%	13.9%	18.0%	12.7%	11.9%	Units in Buildings w. 2 Maintenance Defects
12.3%	7.3%	11.0%	6.5%	15.3%	9.9%	5.1%	Units in Buildings w. 3 Maintenance Defects
8.5%	5.2%	7.9%	3.6%	10.7%	5.6%	3.4%	Units in Buildings w. 4 Maintenance Defects
6.6%	2.1%	5.5%	2.1%	8.8%	2.3%	2.1%	Units in Buildings w. 5+ Maintenance Defects
-	-	-	-	-	-	-	(Not Reported)
							<u>Condition of Neighboring Buildings</u>
12.5%	17.4%	24.0%	17.8%	4.1%	12.4%	22.9%	Excellent
52.3%	58.4%	59.8%	52.7%	39.8%	53.6%	56.9%	Good
28.5%	21.1%	12.9%	23.3%	38.5%	26.3%	17.3%	Fair
6.7%	3.1%	3.4%	6.2%	17.5%	7.7%	2.8%	Poor Quality
-	-	-	-	-	-	-	(Not Reported)
7.9%	5.0%	4.5%	2.8%	8.1%	9.9%	7.5%	<u>Boarded Up/Broken Windows in Neighborhood</u>
92.1%	95.0%	95.5%	97.2%	91.9%	90.1%	92.5%	No Boarded Up/Broken Windows in Neighborhood
-	-	-	-	-	-	-	(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 Report

E.1 Interest Rates and Terms for New and Refinanced Mortgages, 2012

Lending Institution	New Mortgages					Refinanced Mortgages				
	Rate (%)	Points	Term (yrs)	Type	Volume	Rate (%)	Points	Term (yrs)	Type	Volume
7	4.00%	0.50	5 to 10 yrs	fixed	40	4.00%	0.50	5 to 10 yrs	fixed	15
11	4.13%	NR	5/5/5/5/5 30 yr arm	adj	NR	4.13%	NR	5/5/5/5/5 30 yr arm	adj	NR
14	3.75%	0.00	5 & 5	adj	NR	3.75%	0.00	5 & 5	adj	NR
15	NR	1.50	5, 7, 10, 15, 20, 30 yrs	both	NR	NR	1.50	5, 7, 10, 15, 20, 30	both	NR
16	4.00%	0.00	5 yr	fixed	NR	4.00%	0.00	5 yrs	fixed	NR
28	4.50%	0.00	5, 7, 10 yrs	both	11	4.50%	0.00	5, 7, 10 yrs	both	11
30	4.65%	1.00	30 yr	fixed	33	5.00%	1.00	10 yrs/ 30 yr amort	fixed	10
33	4.25%	0.50	5+5 yrs	adj	12	4.50%	0.50	5, 10, 15 yrs	adj	4
35	5.00%	0.50	15 yr	fixed	27	5.00%	0.50	15 yr	fixed	7
37	7.25%	1.00	10 yrs	fixed	1	7.25%	1.00	10 yrs	fixed	0
40	6.25%	2.50	15 yr or 10/25 *	fixed	0	6.25%	2.50	15 yr or 10/25 *	fixed	0
117	3.85%	0.00	5 yrs	fixed	300	3.85%	0.00	5 yrs	fixed	175
208	4.50%	0.25	5 yrs + 5 yrs, 30 yr §	fixed	5	4.50%	0.25	5 yrs + 5 yrs, 30 yr §	fixed	15
301	3.50%	0.50	7 yr	fixed	5	3.75%	0.50	7 yr	fixed	5
AVERAGE	4.59%	0.63	†	†	43	4.65%	0.63	†	†	24

§ Amortization Adj = adjustable rate mortgage † No average computed NR = no response to this question * Balloon

Note: The average for interest rates and points is calculated by using the midpoint when a range of values is given by the lending institution.

Source: 2012 Rent Guidelines Board Mortgage Survey

E.2 Typical Characteristics of Rent Stabilized Buildings, 2012

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
7	75%	1.30	5%	50-99	\$660	\$1,203
11	70%	1.50	NR	1-10	NR	NR
14	70%	1.15	0.5%	20-49	\$1,000	\$1,000
15	80%	1.25	5%	20-49	\$1,200	\$1,900
16	75%	1.40	4%	50-99	NR	NR
28	75%	1.30	2%	50-99	\$350	\$1,000
30	80%	1.25	5%	20-49	\$625	\$900
33	NR	1.30	5%	11-19	\$458	\$1,200
35	65%	1.25	3%	1-10	\$150	\$1,000
37	65%	1.20	3%	11-19	\$375	\$1,000
40	68%	1.30	5%	1-10	NR	NR
117	75%	1.25	2%	50-99	\$575	\$885
208	75%	1.25	3%	11-19	NR	NR
301	65%	1.35	3%	50-99	NR	NR
AVERAGE	72.1%	1.29	3.50%	†	\$599	\$1,121

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: 2012 Rent Guidelines Board Mortgage Survey

E.3 Interest Rates and Terms for New Financing, Longitudinal Study, 2011-2012

Lending Inst.	Interest Rates		Points		Term		Type	
	2012	2011	2012	2011	2012	2011	2012	2011
7	4.00%	NR	0.5	NR	5 to 10 yrs	NR	fixed	NR
14	3.75%	5.00%	0.0	0.0	5&5	5&5	adj	adj
15	NR	NR	NR	NR	5/7/10/15/20/30 yrs	5/7/10/15/20/30 yrs	both	fixed
28	4.50%	5.75%	0.0	0.0	5, 7, 10 yrs	10 yrs	both	fixed
30	4.65%	5.75%	1.0	1.0	30 yr	30 yrs	fixed	both
33	4.25%	4.75%	0.5	0.5	5+5 yrs	3-10 yrs	adj	adj
35	5.00%	6.25%	0.5	0.5	15 yr	+	fixed	fixed
37	7.25%	7.75%	1.0	1.0	10 yrs	10 yrs	fixed	fixed
40	6.25%	8.38%	2.5	2.5	15 yr or 10/25 *	15 yr or 10/25 *	fixed	fixed
117	3.85%	4.63%	0.0	0.0	5 yrs	5 yrs	fixed	fixed
208	4.50%	5.25%	0.3	0.3	5 + 5, 30 yr §	5 + 5, 30 yr §	fixed	fixed
AVERAGE	4.80%	5.94%	0.70	0.64	†	†	†	†

NR indicates no response to this question

† No average computed

§ Amortization

* Balloon

Adj = adjustable rate mortgage

+ 10 yr term/9.5 yrs yield maint, 30 yr §

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: 2011 and 2012 Rent Guidelines Board Mortgage Surveys

E.4 Interest Rates and Terms for Refinanced Loans, Longitudinal Study, 2011-2012

Lending Inst.	Interest Rates		Points		Term		Type	
	2012	2011	2012	2011	2012	2011	2012	2011
7	4.00%	5.00%	0.5	NR	5 to 10 yrs	5, 7, 10, 30 yr	fixed	adj
14	3.75%	5.00%	0.0	0.0	5&5	5&5	adj	adj
15	NR	NR	1.5	NR	5/7/10/15/20/30 yrs	5/7/10/15/20/30 yrs	both	fixed
28	4.50%	5.75%	0.0	0.0	5, 7, 10 yrs	10 yrs	both	fixed
30	5.00%	5.75%	1.0	1.0	10 yrs/ 30 yr §	30 yrs	fixed	both
33	4.50%	4.50%	0.5	0.5	5, 10, 15 yrs	3-10 yrs	adj	adj
35	5.00%	6.25%	0.5	0.5	15 yr	15 yr or 10/20 *	fixed	fixed
37	7.25%	7.75%	1.0	1.0	10 yrs	10 yrs	fixed	fixed
40	6.25%	8.38%	2.5	2.5	15 yr or 10/25 *	15 yr or 10/25 *	fixed	fixed
117	3.85%	4.63%	0.0	0.0	5 yrs	5 yrs	fixed	fixed
208	4.50%	5.25%	0.3	0.3	5 + 5, 30 yr §	5 + 5, 30 yr §	fixed	fixed
AVERAGE	4.86%	5.83%	0.70	0.64	†	†	†	†

NR indicates no response to this question

† No average computed

§ Amortization

* Balloon

Adj = adjustable rate mortgage

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

Source: 2011 and 2012 Rent Guidelines Board Mortgage Surveys

Appendix E: Mortgage Survey Report

E.5 Lending Standards and Relinquished Rental Income, Longitudinal Study, 2011-2012

Lending Inst.	Max Loan-to-Value		Debt Service Coverage		V&C Losses	
	2012	2011	2012	2011	2012	2011
7	75%	NR	1.30	NR	5%	NR
14	70%	75%	1.15	1.20	0.5%	5%
15	80%	80%	1.25	1.25	5%	5%
28	75%	80%	1.30	1.25	2%	3%
30	80%	80%	1.25	1.25	5%	5%
33	NR	70%	1.30	1.30	5%	4%
35	65%	65%	1.25	1.15	3%	3%
37	65%	85%	1.20	1.20	3%	3%
40	68%	60%	1.30	1.40	5%	5%
117	75%	75%	1.25	1.25	2%	5%
208	75%	75%	1.25	1.25	3%	3%
AVERAGE	72.8%	74.5%	1.25	1.25	3.50%	4.10%

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: 2011 and 2012 Rent Guidelines Board Mortgage Surveys

E.6 Retrospective of New York City's Housing Market, 1982-2012

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	16,856
2002	7.4%	21,423	18,500
2003	6.2%	23,778	21,218
2004	5.8%	27,695	25,208
2005	5.5%	33,606	31,599
2006	6.3%	32,609	30,927
2007	6.3%	34,514	31,902
2008	6.1% [*]	34,715	33,911
2009	6.5%	6,665	6,057
2010	6.3%	7,406 [◆]	6,727
2011	5.8%	9,868 [∅]	8,936 [∅]
2012	4.6%	.	.

^b Prior to 1984, Bergen Co., NJ permit figures are included. [∅] Figures are preliminary.

[◆] This figure has been revised from the preliminary figure reported last year to reflect the final adjusted count.

^{*} The 2008 figure has been revised from that which was originally published due to the exclusion of one government lender

Notes: Interest rate data was collected in January-February 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 2012 Survey of Mortgage Financing for Multifamily Properties

I. Financing Availability and Terms for Multifamily Buildings	
<p>1a. Do you currently offer new permanent financing (i.e., loans secured by a property not previously mortgaged by your institution) for rent stabilized buildings?</p> <p><input type="checkbox"/> Yes (Indicate typical terms and conditions at right.)</p> <p><input type="checkbox"/> No</p>	<p>Interest rate: _____ % _____ % (current) (12 mo. average for 2011)</p> <p>Points: _____</p> <p>Terms: _____</p> <p>Type: Fixed / Adjustable (circle one)</p> <p>Special conditions: _____</p>
<p>1b. How many loans were made by your institution in 2011 for new permanent financing of rent stabilized buildings?</p>	<p>Number of loans: _____</p>
<p>2a. Do you currently offer refinancing of mortgages on rent stabilized buildings?</p> <p><input type="checkbox"/> Yes (Indicate typical terms and conditions at right.)</p> <p><input type="checkbox"/> No (Skip to question 4a if you do not offer refinancing.)</p>	<p>Interest rate: _____ % _____ % (current) (12 mo. average for 2011)</p> <p>Points: _____</p> <p>Terms: _____</p> <p>Type: Fixed / Adjustable (circle one)</p> <p>Special conditions: _____ (if any)</p>
<p>2b. How many loans did your institution refinance in 2011 for rent stabilized buildings?</p>	<p>Number of loans: _____</p>
<p>3a. In the past year, has the total volume of new and refinanced loans underwritten by your institution changed significantly (by at least 5%)?</p>	<p><input type="checkbox"/> Yes, we have experienced a significant _____ of about _____ % (increase / decrease)</p> <p><input type="checkbox"/> No, it is about the same. (Please skip Question 2b.)</p>
<p>3b. If loan volume has changed significantly, is the change attributable to: (Please check and fill in all applicable choices.)</p>	<p><input type="checkbox"/> A significant _____ in the volume of loan applications of about _____ % (increase / decrease)</p> <p><input type="checkbox"/> A significant _____ in the rate of application approvals of about _____ % (increase / decrease)</p>
<p>Are there any trends related to financing availability and terms on which you wish to comment?</p> <p>_____</p> <p>_____</p> <p>_____</p>	
<p>CONFIDENTIAL 1</p>	

II. Underwriting Criteria for Rent Stabilized Buildings	
<p>4a. What standards does your institution employ when assessing loan applications for rent stabilized buildings?</p> <p>(Provide the maximum criteria.)</p>	<p>Loan-to-Value Ratio: _____ <input type="checkbox"/> N/A</p> <p>Debt Service Coverage: _____ <input type="checkbox"/></p> <p>Appraised Value of Building: _____ <input type="checkbox"/></p>
<p>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.)</p>	<p>N/A</p> <p>Number of Units in Building: _____ <input type="checkbox"/></p> <p>Building Age: _____ <input type="checkbox"/></p> <p>Borrower Lives in Building: _____ <input type="checkbox"/></p> <p>Overall Building Maintenance: _____ <input type="checkbox"/></p> <p>Co-op / Condo Conversion Potential: _____ <input type="checkbox"/></p> <p>Other (Please Specify): _____ <input type="checkbox"/></p>
<p>5. Did your institution change its underwriting practices for financing or refinancing rent stabilized buildings over the past year?</p>	<p><input type="checkbox"/> Yes.</p> <p><input type="checkbox"/> No. (If no, please skip to Question 7.)</p>
<p>6. Yes, we changed our underwriting practices for rent stabilized buildings to: (Please check and fill in all applicable choices.)</p>	<p><input type="checkbox"/> Use _____ stringent approvals. (more / less)</p> <p><input type="checkbox"/> Require _____ fees (i.e., points or fees). (higher / lower)</p> <p><input type="checkbox"/> _____ loan-to-value ratio. (Increase / Decrease)</p> <p><input type="checkbox"/> _____ monitoring requirements. (Increase / Decrease)</p> <p><input type="checkbox"/> _____ lending to rent stabilized buildings. (Discontinue / Reduce / Expand)</p> <p><input type="checkbox"/> Other: _____</p>
III. Additional Mortgage Questions	
<p>7. How many dwelling units are contained in the average rent stabilized building financed by your institution? (Please check only one.)</p>	<p><input type="checkbox"/> 1 - 10 <input type="checkbox"/> 11 - 19 <input type="checkbox"/> 20 - 49</p> <p><input type="checkbox"/> 50 - 99 <input type="checkbox"/> 100 or more</p>
<p>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.)</p>	<p><input type="checkbox"/> < 1% <input type="checkbox"/> 1% <input type="checkbox"/> 2%</p> <p><input type="checkbox"/> 3% <input type="checkbox"/> 4% <input type="checkbox"/> 5%</p> <p><input type="checkbox"/> 6% <input type="checkbox"/> 7% <input type="checkbox"/> > 7%</p>
<p>9. Approximately what percentage of your loans to rent stabilized buildings are currently non-performing?</p>	<p><input type="checkbox"/> None</p> <p><input type="checkbox"/> Approximately _____ %</p>
<p>CONFIDENTIAL 2</p>	

<p>10. Approximately what percentage of your loans to rent stabilized buildings are currently in foreclosure?</p>	<p><input type="checkbox"/> None</p> <p><input type="checkbox"/> Approximately _____ %</p>
<p>11a. Does your institution retain the mortgages you offer or do you sell any to secondary markets?</p>	<p><input type="checkbox"/> We retain all the mortgages sold. (If so, please skip to question 12.)</p> <p><input type="checkbox"/> We sell all our mortgages to secondary markets.</p> <p><input type="checkbox"/> We sell _____ % of our mortgages to secondary markets.</p>
<p>11b. To whom do you sell your mortgages? (Please check and fill in all applicable choices.)</p>	<p><input type="checkbox"/> Fannie Mae</p> <p><input type="checkbox"/> Freddie Mac</p> <p><input type="checkbox"/> Other: _____</p> <p>_____</p> <p>_____</p>
<p>12. In your sector, who are your major competitors in multi-family lending?</p> <p>_____</p> <p>_____</p>	
<p>13. Do the mortgages offered to rent stabilized buildings include any commercial space?</p>	<p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes. Approximately what percentage of buildings in your portfolio have commercial space? _____ %</p>
<p>14. What is your best estimate of average operating and maintenance costs per unit per month in the rent stabilized buildings financed by your institution?</p>	<p>\$ _____ per unit per month</p>
<p>(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.)</p>	
<p>15. What is your best estimate of average rent per unit per month in the rent stabilized buildings financed by your institution?</p>	<p>\$ _____ per unit per month</p>
<p>16. Do any of your lending or underwriting standards differ for rent stabilized buildings as opposed to non-stabilized multifamily properties? (Please check all that apply)</p>	<p>New Financing Rates: <input type="checkbox"/> Higher <input type="checkbox"/> Lower <input type="checkbox"/> Same</p> <p>Refinancing Rates: <input type="checkbox"/> Higher <input type="checkbox"/> Lower <input type="checkbox"/> Same</p> <p>Loan-to-Value Ratio: <input type="checkbox"/> Higher <input type="checkbox"/> Lower <input type="checkbox"/> Same</p> <p>Debt Service Coverage: <input type="checkbox"/> Higher <input type="checkbox"/> Lower <input type="checkbox"/> Same</p>
<p>17. On average, how does your portfolio of rent stabilized buildings perform as compared with expectations at the time of the initial loan originations? (Please check all that apply)</p>	<p>Net Operating Income: <input type="checkbox"/> Better <input type="checkbox"/> Worse <input type="checkbox"/> Same</p> <p>Debt Service Coverage: <input type="checkbox"/> Better <input type="checkbox"/> Worse <input type="checkbox"/> Same</p> <p>O&M Expenses: <input type="checkbox"/> Better <input type="checkbox"/> Worse <input type="checkbox"/> Same</p>
<p>CONFIDENTIAL 3</p>	

<p>18. Please estimate, on average, what percentage of Net Operating Income (NOI) goes towards payment of debt service: _____ %</p>	
<p>19. Please estimate the average mortgage loan payment per unit per month for a typical building in your portfolio: \$ _____.</p>	
<p>20. 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?</p> <p>_____</p> <p>_____</p> <p>_____</p>	
<p>Thank you for taking the time to complete the survey. Findings will be published in the 2012 Mortgage Survey Report, which will be released in late March.</p> <p>CONFIDENTIAL 4</p>	

Appendix E: Mortgage Survey Report

E.8 Rent Stabilized Building Sales Volume, Citywide and by Borough, and Percent Change, 2003-2011

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Citywide	1,481	1,728	1,816	1,433	1,474	1,021	521	541	709
% Change from Prior Yr	-	16.7%	5.1%	-21.1%	2.9%	-30.7%	-49.0%	3.8%	31.1%
Bronx	203	269	264	224	319	171	100	131	130
% Change from Prior Yr	-	32.5%	-1.9%	-15.2%	42.4%	-46.4%	-41.5%	31.0%	-0.8%
Brooklyn	678	730	750	593	520	426	199	185	258
% Change from Prior Yr	-	7.7%	2.7%	-20.9%	-12.3%	-18.1%	-53.3%	-7.0%	39.5%
Manhattan	418	480	598	403	470	243	146	144	225
% Change from Prior Yr	-	14.8%	24.6%	-32.6%	16.6%	-48.3%	-39.9%	-1.4%	56.3%
Queens	182	249	204	213	165	181	76	81	96
% Change from Prior Yr	-	36.8%	-18.1%	4.4%	-22.5%	9.7%	-58.0%	6.6%	18.5%

Note: Staten Island buildings are excluded due to the small number of buildings sold.

Source: NYC Department of Finance

E.9 Rent Stabilized Building Median Sales Price and Sales Volume, by Borough and Building Size, and Percent Change, 2010-2011

	2010 Median Sale Price	2011 Median Sale Price	Percent Change from 2010-11	2010 # of Sales	2011 # of Sales	Percent Change from 2010-11
Citywide						
All buildings*	\$1,579,000	\$1,800,000	-	541	709	31.1%
6-10 units	\$740,000	\$825,000	11.5%	234	290	23.9%
11-19 units	\$1,500,000	\$1,622,000	8.1%	79	115	45.6%
20-99 units	\$3,560,000	\$3,687,500	3.6%	206	286	38.8%
Bronx						
All buildings*	\$2,740,000	\$2,170,000	-	131	130	-0.8%
6-10 units	\$670,791	\$591,250	-11.9%	19	19	0.0%
11-19 units	\$1,110,000	\$1,149,604	3.6%	17	17	0.0%
20-99 units	\$3,340,441	\$3,400,000	1.8%	87	91	4.6%
Brooklyn						
All buildings*	\$830,000	\$967,500	-	185	258	39.5%
6-10 units	\$650,000	\$720,000	10.8%	123	155	26.0%
11-19 units	\$1,150,000	\$1,325,000	15.2%	23	30	30.4%
20-99 units	\$2,875,000	\$3,215,240	11.8%	37	70	89.2%
Manhattan						
All buildings*	\$3,175,000	\$3,500,000	-	144	225	56.3%
6-10 units	\$2,500,000	\$2,900,000	16.0%	39	52	33.3%
11-19 units	\$2,550,000	\$2,458,732	-3.6%	31	53	71.0%
20-99 units	\$4,000,000	\$4,500,000	12.5%	63	111	76.2%
Queens						
All buildings*	\$850,000	\$995,250	-	81	96	18.5%
6-10 units	\$700,000	\$803,000	14.7%	53	64	20.8%
11-19 units	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-

Notes: The percent change in median sales price citywide and by borough were not calculated due to the variation in the median building size from year to year. Staten Island buildings; Queens 11-19 unit and 20-99 unit buildings; as well as all 100+ unit buildings, are excluded due to the small number of buildings sold.

* "All buildings" totals include buildings with 100 or more units. Therefore, these figures may not equal the sum of their subsets. In addition, citywide figures do not contain Staten Island building sales.

Source: NYC Department of Finance

F.1 Average Annual Employment Statistics by Area, 2000-2011

Unemployment Rate	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Bronx	7.2%	7.4%	9.8%	10.0%	9.2%	7.5%	6.7%	6.6%	7.3%	11.9%	12.7%	12.3%
Brooklyn	6.4%	6.6%	8.7%	9.0%	7.6%	6.2%	5.4%	5.3%	5.8%	9.9%	10.3%	9.7%
Manhattan	5.1%	5.7%	7.7%	7.5%	6.2%	5.0%	4.3%	4.2%	4.7%	8.4%	8.1%	7.4%
Queens	5.3%	5.4%	7.2%	7.4%	6.3%	5.2%	4.5%	4.4%	4.8%	8.3%	8.7%	8.1%
Staten Island	5.1%	5.2%	7.0%	7.4%	6.4%	5.2%	4.5%	4.5%	4.9%	8.1%	8.8%	8.2%
NYC	5.8%	6.1%	8.0%	8.3%	7.1%	5.8%	5.0%	4.9%	5.5%	9.2%	9.5%	9.0%
U.S.	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%
Labor Force Participation Rate												
NYC Δ	59.1%	58.8%	59.4%	58.9%	58.6%	58.5%	59.0%	59.20%	59.6%	60.1%	60.3%	59.9%
U.S.	67.1%	66.8%	66.6%	66.2%	66.0%	66.0%	66.2%	66.0%	66.0%	65.4%	64.7%	64.1%
Employment-Population Ratio												
NYC Δ	55.6%	55.2%	54.6%	54.0%	54.5%	55.2%	56.1%	56.3%	56.3%	54.6%	54.5%	54.5%
U.S.	64.4%	63.7%	62.7%	62.3%	62.3%	62.7%	63.1%	63.0%	62.2%	59.3%	58.5%	58.4%
Gross City Product (NYC)												
(billions, in 2005 \$)	456.0	475.1	469.0	462.6	472.2	496.2	524.9	546.2	552.4	531.7	544.0	561.3
% Change	4.12%	4.18%	-1.28%	-1.36%	2.07%	5.09%	5.77%	4.06%	1.14%	-3.75%	2.32%	3.18%
Gross Domestic Product (U.S.)												
(billions, in 2005 \$)	11,216.4	11,337.5	11,543.1	11,836.4	12,246.9	12,623.0	12,958.5	13,206.4	13,161.9	12,703.1	13,088.0	13,315.1
% Change	4.14%	1.08%	1.81%	2.54%	3.47%	3.1%	2.7%	1.9%	-0.3%	-3.5%	3.0%	1.7%

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. The NYS Dept. of Labor also periodically revises unemployment rates, and rates reflected here might not match those figures reported in prior years.

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

Δ Unpublished data from the Bureau of Labor Statistics. These figures are revised periodically.

F.2 Average Payroll Employment by Industry for NYC, 2002-2011 (in thousands)

Industry Employment	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2010-2011 Change
Manufacturing	139.4	126.6	120.8	113.9	106.1	101.0	95.6	81.6	76.3	74.8	-2.0%
Construction, Natural Resources & Mining Δ	115.8	112.7	111.8	113.3	118.5	127.3	132.7	120.8	112.5	111.6	-0.8%
Trade, Transport & Utilities	537.2	534.1	539.9	548.2	559.0	570.5	574.5	552.4	559.1	573.7	2.6%
Leisure & Hospitality	255.3	260.3	270.1	276.7	284.9	297.8	310.2	308.5	322.2	341.8	6.1%
Financial Activities	445.1	433.6	435.5	445.1	458.3	467.6	465.0	434.2	428.6	440.6	2.8%
Information	176.9	163.9	160.2	162.8	164.9	166.9	169.5	165.3	166.0	170.6	2.8%
Professional & Business Svcs.	550.4	536.6	541.6	555.6	571.4	591.8	602.9	568.9	575.3	597.2	3.8%
Educational & Health Svcs.	6646.0	658.2	665.3	678.8	694.7	705.1	719.0	734.6	752.8	764.5	1.6%
Other Services	149.7	149.1	150.5	153.2	154.3	157.7	160.8	160.3	160.6	163.8	2.0%
Total Private Sector	3,015.7	2,975.1	2,995.6	3,047.6	3,112.1	3,185.6	3,230.2	3,126.5	3,153.3	3,238.6	2.7%
Government ‡	566.2	556.6	554.4	555.6	555.2	559.0	564.1	567.0	558.0	547.4	-1.9%
City of New York	456.2	448.3	447.9	449.8	450.4	453.9	458.5	462.1	451.4	447.9	-0.8%
Total	3,581.9	3,531.7	3,550.0	3,603.3	3,667.3	3,744.6	3,794.3	3,693.4	3,711.3	3,786.0	2.0%

Notes: Totals may not add up due to rounding. Figures may have been revised from prior years by the NYS Department of Labor. Total excludes farm employment but includes unclassified jobs.

Δ Beginning in 2005, Construction and Natural Resources & Mining are no longer two separate employment sectors. Prior year figures reflect that change.

‡ Government includes federal, state, and local (City of New York) jobs located in New York City. 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

Appendix F: Income & Affordability Study

F.3 Average Real Wage Rates by Industry for NYC, 2003-2011 (2011 dollars)

Industry	2003	2004	2005	2006	2007	2008	2009	2010	2011	2010-11 % Change
Construction	\$71,328	\$69,792	\$67,565	\$66,893	\$69,226	\$70,748	\$71,614	\$71,953	\$71,476	-0.7%
Manufacturing	\$52,803	\$53,609	\$56,674	\$53,953	\$56,264	\$55,363	\$54,036	\$53,464	\$54,317	1.6%
Transportation	\$53,124	\$51,516	\$50,221	\$49,194	\$50,832	\$48,491	\$48,719	\$49,218	\$49,223	0.0%
Trade*	\$51,570	\$51,630	\$51,450	\$51,311	\$52,677	\$50,784	\$48,633	\$48,390	\$49,248	1.8%
Finance and Insurance	\$201,237	\$230,181	\$241,510	\$269,707	\$310,086	\$294,768	\$237,513	\$268,456	\$270,880	0.9%
Real Estate	\$58,699	\$60,152	\$60,920	\$61,920	\$66,838	\$64,925	\$61,128	\$61,275	\$62,713	2.3%
Admin/Waste/Edu/Health**	\$47,719	\$48,194	\$48,464	\$48,202	\$48,974	\$48,932	\$49,234	\$49,665	\$49,391	-0.6%
Arts, Entertainment & Rec	\$66,448	\$66,287	\$66,103	\$65,062	\$68,816	\$64,701	\$64,076	\$65,689	\$65,196	-0.8%
Accomm & Food Svcs.	\$29,916	\$30,196	\$30,169	\$30,079	\$30,541	\$30,305	\$29,016	\$29,170	\$29,278	0.4%
Other Svcs.	\$41,697	\$42,216	\$42,310	\$42,646	\$43,643	\$44,362	\$44,157	\$45,468	\$45,008	-1.0%
Professional & Tech Svcs.	\$105,718	\$106,171	\$108,824	\$107,568	\$110,829	\$112,483	\$109,942	\$109,969	\$113,535	3.2%
Management of Companies	\$174,038	\$181,090	\$180,129	\$183,177	\$200,902	\$187,984	\$161,869	\$187,216	\$191,802	2.4%
Information	\$103,185	\$106,947	\$107,034	\$108,639	\$111,514	\$110,614	\$106,025	\$108,698	\$110,720	1.9%
Utilities	\$101,626	\$101,474	\$100,038	\$98,375	\$102,209	\$98,062	\$93,285	\$97,655	\$99,212	1.6%
Unclassified/Agri/Mining***	\$37,312	\$35,056	\$38,132	\$37,584	\$40,503	\$40,350	\$35,380	\$39,703	\$40,056	0.9%
Private Sector	\$76,838	\$80,190	\$81,871	\$85,139	\$91,603	\$89,124	\$80,339	\$83,341	\$84,244	1.1%
Government	\$61,659	\$60,936	\$59,878	\$58,743	\$58,232	\$57,009	\$57,820	\$58,203	\$58,622	0.7%
Total Industries	\$74,412	\$77,135	\$78,433	\$81,085	\$86,569	\$84,325	\$76,898	\$79,479	\$80,483	1.3%

Note: Each year refers to the first three quarters of that year, and the fourth quarter of the prior year. The New York State Department of Labor revises the statistics annually. Real wages reflect 2011 dollars and differ from those found in this table in prior years.

*The Wholesale Trade and Retail Trade sectors have been combined into one category. **The Administrative and Waste Service, Educational Services, and Health Care and Social Assistance Service have been combined into one category. ***The Unclassified; Agriculture, Forestry, Fishing Hunting; and Mining sectors have been combined into one category.

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

F.4 Average Nominal Wage Rates by Industry for NYC, 2003-2011

Industry	2003	2004	2005	2006	2007	2008	2009	2010	2011	2010-11 % Change
Construction	\$56,927	\$57,584	\$57,878	\$59,646	\$63,337	\$67,396	\$68,738	\$70,232	\$71,476	1.8%
Manufacturing	\$42,142	\$44,231	\$48,549	\$48,108	\$51,478	\$52,739	\$51,866	\$52,184	\$54,317	4.1%
Transportation	\$42,398	\$42,504	\$43,021	\$43,865	\$46,508	\$46,193	\$46,762	\$48,040	\$49,223	2.5%
Trade*	\$41,158	\$42,599	\$44,073	\$45,753	\$48,196	\$48,378	\$46,680	\$47,232	\$49,248	4.3%
Finance and Insurance	\$160,608	\$189,917	\$206,885	\$240,490	\$283,707	\$280,801	\$227,972	\$262,032	\$270,880	3.4%
Real Estate	\$46,848	\$49,630	\$52,186	\$55,212	\$61,152	\$61,848	\$58,673	\$59,809	\$62,713	4.9%
Admin/Waste/Edu/Health**	\$38,085	\$39,763	\$41,516	\$42,980	\$44,807	\$46,614	\$47,256	\$48,476	\$49,391	1.9%
Arts, Entertainment & Rec	\$53,033	\$54,692	\$56,626	\$58,014	\$62,961	\$61,635	\$61,502	\$64,117	\$65,196	1.7%
Accomm & Food Svcs.	\$23,876	\$24,914	\$25,844	\$26,821	\$27,942	\$28,869	\$27,850	\$28,472	\$29,278	2.8%
Other Svcs.	\$33,278	\$34,831	\$36,244	\$38,026	\$39,930	\$42,260	\$42,383	\$44,380	\$45,008	1.4%
Professional & Tech Svcs.	\$84,374	\$87,599	\$93,222	\$95,915	\$101,401	\$107,153	\$105,526	\$107,338	\$113,535	5.8%
Management of Companies	\$138,900	\$149,414	\$154,304	\$163,334	\$183,811	\$179,076	\$155,367	\$182,736	\$191,802	5.0%
Information	\$82,352	\$88,240	\$91,689	\$96,870	\$102,027	\$105,373	\$101,766	\$106,097	\$110,720	4.4%
Utilities	\$81,108	\$83,724	\$85,695	\$87,718	\$93,514	\$93,415	\$89,538	\$95,318	\$99,212	4.1%
Unclassified/Agri/Mining***	\$29,779	\$28,924	\$32,665	\$33,513	\$37,058	\$38,438	\$33,959	\$38,753	\$40,056	3.4%
Private Sector	\$61,325	\$66,163	\$70,133	\$75,916	\$83,810	\$84,900	\$77,112	\$81,347	\$84,244	3.6%
Government	\$49,210	\$50,277	\$51,294	\$52,380	\$53,278	\$54,308	\$55,497	\$56,811	\$58,622	3.2%
Total Industries	\$59,388	\$63,642	\$67,188	\$72,302	\$79,205	\$80,329	\$73,809	\$77,577	\$80,483	3.7%

Note: Each year refers to the first three quarters of that year, and the fourth quarter of the prior year. The New York State Department of Labor revises the statistics annually.

*The Wholesale Trade and Retail Trade sectors have been combined into one category. **The Administrative and Waste Service, Educational Services, and Health Care and Social Assistance Service have been combined into one category. ***The Unclassified; Agriculture, Forestry, Fishing Hunting; and Mining sectors have been combined into one category.

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

F.5 Consumer Price Index for All Urban Consumers, NY-Northeastern NJ, 2001-2011

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
March	186.4	191.1	197.1	203.4	212.4	218.2	224.6	233.1	235.1	240.1	245.6
June	188.3	191.5	196.9	206.0	210.7	222.6	228.3	238.6	237.2	240.8	248.5
September	188.0	193.3	199.6	205.9	215.8	222.9	228.3	240.1	238.6	241.5	250.6
December	187.3	193.1	199.3	206.8	214.2	221.3	229.4	233.0	238.4	241.9	248.3
Quarterly Average	187.5	192.3	198.2	205.5	213.3	221.3	227.6	236.2	237.3	241.1	248.2
Yearly Average	187.1	191.9	197.8	204.8	212.7	220.7	226.9	235.8	236.8	240.9	247.7

12-month percentage change in the CPI

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
March	2.70%	2.52%	3.14%	3.20%	4.42%	2.73%	2.91%	3.82%	0.83%	2.14%	2.30%
June	3.46%	1.70%	2.82%	4.62%	2.28%	5.65%	2.54%	4.52%	-0.59%	1.54%	3.19%
September	1.95%	2.82%	3.26%	3.16%	4.81%	3.29%	2.43%	5.16%	-0.63%	1.22%	3.76%
December	1.68%	3.10%	3.21%	3.76%	3.58%	3.31%	3.66%	1.58%	2.32%	1.45%	2.66%
Quarterly Average	2.45%	2.53%	3.11%	3.68%	3.77%	3.74%	2.88%	3.77%	0.47%	1.58%	2.98%
Yearly Average	2.52%	2.57%	3.07%	3.54%	3.86%	3.76%	2.83%	3.90%	0.44%	1.71%	2.85%

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

F.6 Housing Court Actions, 1983-2011

Year	Filings	Calendared	Evictions & Possessions	Year	Filings	Calendared	Evictions & Possessions
1983	373,000	93,000	26,665	1998	278,156	127,851	23,454
1984	343,000	85,000	23,058	1999	276,142	123,399	22,676
1985	335,000	82,000	20,283	2000	276,159	125,787	23,830
1986	312,000	81,000	23,318	2001	277,440	130,897	21,369*
1987	301,000	77,000	25,761	2002	331,309	132,148	23,697
1988	299,000	92,000	24,230	2003	318,077	133,074	23,236
1989	299,000	99,000	25,188	2004	261,085	121,999	22,010
1990	297,000	101,000	23,578	2005	261,457	119,265	21,945
1991	302,000	114,000	20,432	2006	256,747	122,379	23,491
1992	289,000	122,000	22,098	2007	251,390	121,793	24,171
1993	295,000	124,000	21,937	2008	246,147	120,420	24,600
1994	294,000	123,000	23,970	2009	251,871	123,149	26,449
1995	266,000	112,000	22,806	2010	213,066**	127,396	25,655
1996	278,000	113,000	24,370	2011	221,182	126,315	27,636
1997	274,000	111,000	24,995				

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.

**Due to an administrative change at NYCHA relating to their handling of late rent payments, the number of non-payment filings decreased dramatically. If not for this change, the drop in non-payment filings between 2009 and 2010 would have been significantly less, or nonexistent.

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

Appendix F: Income & Affordability Study

F.7 Homeless Statistics, 1982-2011

Year	Single Adults	Children	Families (inc. children)	Total Individuals
1982	3,786	2,507	1,005	7,584
1983	5,061	4,887	1,960	12,468
1984	6,228	7,432	2,981	17,491
1985	7,217	9,196	3,688	21,154
1986	8,890	10,493	4,286	24,896
1987	9,628	11,163	4,986	27,225
1988	9,675	11,401	5,091	27,646
1989	9,342	8,614	4,105	23,254
1990	8,535	6,966	3,591	20,131
1991	7,689	8,867	4,581	22,498
1992	6,922	9,607	5,270	23,494
1993	6,413	9,760	5,626	23,748
1994	6,235	9,610	5,629	23,431
1995	6,532	9,927	5,627	23,950
1996	7,020	9,945	5,692	24,554
1997	7,090	8,437	4,793	22,145
1998	6,875	8,054	4,558	21,277
1999	6,778	8,826	4,965	22,575
2000	6,934	9,290	5,192	23,712
2001	7,479	11,427	6,154	27,799
2002	7,750	14,952	8,071	34,576
2003	8,199	16,705	9,203	38,310
2004	8,612	15,705	8,922	37,319
2005	8,174	13,534	8,194	33,687
2006	7,662	12,597	8,339	32,430
2007	6,942	14,060	9,075	34,109
2008	6,530	14,327	8,856	33,554
2009	6,764	15,326	9,719	35,915
2010	7,825	14,788	9,635	36,175
2011	8,543	15,501	9,573	37,765

Note: Data presented are the annual averages of the homeless shelter population.
Street homelessness is not quantified in this data.

Source: New York City Department of Homeless Services

F.8 Housing and Vacancy Survey Data, Rent Stabilized Apartments, 2008 and 2011

	2008 ¹		2011 ²	
	Number	Percent	Number	Percent
<u>Household Income</u>				
<\$5,000/Loss/No Income	80,378	8.2%	50,567	5.3%
\$5,000 to \$9,999	74,861	7.6%	78,016	8.1%
\$10,000 to \$14,999	71,577	7.3%	75,667	7.9%
\$15,000 to \$19,999	64,086	6.5%	70,637	7.4%
\$20,000 to \$24,999	69,201	7.0%	64,639	6.7%
\$25,000 to \$29,999	55,008	5.6%	55,784	5.8%
\$30,000 to \$34,999	54,932	5.6%	57,365	6.0%
\$35,000 to \$39,999	48,861	5.0%	49,981	5.2%
\$40,000 to \$49,999	94,169	9.6%	90,797	9.4%
\$50,000 to \$59,999	73,163	7.5%	72,509	7.5%
\$60,000 to \$69,999	64,349	6.6%	56,806	5.9%
\$70,000 to \$79,999	50,779	5.2%	53,914	5.6%
\$80,000 to \$89,999	37,878	3.9%	37,375	3.9%
\$90,000 to \$99,999	23,740	2.4%	28,821	3.0%
\$100,000 to \$124,999	52,656	5.4%	49,282	5.1%
\$125,000 to \$149,999	24,762	2.5%	25,899	2.7%
\$150,000 or More	41,337	4.2%	42,812	4.5%
Median	\$36,000	-	\$37,000	-
Mean	\$52,023	-	\$51,367	-
<u>Contract Rent</u>				
<\$100	172	0.0%	402	0.0%
\$100 to \$199	5,595	0.6%	2,358	0.2%
\$200 to \$299	12,527	1.3%	6,187	0.7%
\$300 to \$399	21,484	2.2%	6,766	0.7%
\$400 to \$499	30,536	3.2%	11,879	1.3%
\$500 to \$599	48,272	5.0%	23,937	2.5%
\$600 to \$699	93,768	9.7%	42,934	4.5%
\$700 to \$799	99,695	10.3%	72,226	7.6%
\$800 to \$899	117,820	12.2%	101,486	10.7%
\$900 to \$999	137,014	14.1%	122,179	12.9%
\$1,000 to \$1,249	202,349	20.9%	263,560	27.8%
\$1,250 to \$1,499	88,085	9.1%	133,306	14.1%
\$1,500 to \$1,749	54,523	5.6%	89,454	9.4%
\$1,750 or More	56,869	5.9%	70,126	7.4%
No Cash Rent	13,027	-	14,069	-
Median	\$923	-	\$1,050	-
Mean	\$1,005	-	\$1,137	-
<u>Contract-Rent-to-Income Ratio</u>				
<10%	71,092	7.8%	47,858	5.2%
10% to 14%	104,348	11.4%	80,265	8.8%
15% to 19%	115,416	12.6%	106,840	11.7%
20% to 24%	109,164	11.9%	103,692	11.4%
25% to 29%	79,292	8.7%	85,595	9.4%
30% to 34%	63,341	6.9%	74,226	8.1%
35% to 39%	45,419	5.0%	48,025	5.3%
40% to 49%	78,306	8.5%	78,151	8.6%
50% to 59%	54,372	5.9%	50,588	5.5%
60% to 69%	37,621	4.1%	39,963	4.4%
70% to 79%	26,994	2.9%	36,792	4.0%
80% or More	130,723	14.3%	160,732	17.6%
Not Computed	65,648	-	48,142	-
Median	28.4%	-	31.9%	-
Mean	39.0%	-	43.1%	-

1. 2008 HVS reflects 2007 incomes.
2. 2011 HVS reflects 2010 incomes.

Note: 2008 and 2011 data values are imputed.

Source: 2008 and 2011 New York City Housing and Vacancy Survey Tables, U.S. Bureau of the Census.

Appendix G: Housing Supply Report

G.1 Permits Issued For Housing Units in New York City, 1960-2012

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	4,924	6,825	4,555	6,853	2,051	25,208
2005	4,937	9,028	8,493	7,269	1,872	31,599
2006	4,658	9,191	8,790	7,252	1,036	30,927
2007	3,088	10,930	9,520	7,625	739	31,902
2008	2,482	12,744	9,700	7,730	1,255	33,911
2009	1,647	1,003	1,363	1,474	570	6,057
2010	1,064	2,093	704	2,358	508	6,727
2011	1,116	1,522	2,535	3,182	581	8,936
2012 (1st Qtr) ^Ω	564 (205)	600 (291)	556 (146)	197 (411)	193 (88)	2,110 (1,141)

Ω First three months of 2011. The number of permits issued in the first three months of 2011 is in parenthesis.

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

G.2 Permits Issued by Building Size & Borough (In Percentages), 2003-2011

Year/Borough	1-Family	2-Family	3/4 Family	5 or More-Family	Total Buildings
2003					
Bronx	9.2%	50.3%	30.5%	9.9%	596
Brooklyn	8.2%	46.1%	31.5%	14.2%	1,446
Manhattan	1.3%	8.8%	2.5%	87.5%	80
Queens	12.1%	54.2%	28.6%	5.2%	1,335
Staten Island	64.8%	34.6%	0.5%	0.1%	1,887
<i>Citywide</i>	<i>29.1%</i>	<i>44.0%</i>	<i>19.3%</i>	<i>7.6%</i>	<i>5,344</i>
2004					
Bronx	4.1%	40.2%	46.9%	8.9%	813
Brooklyn	8.0%	31.3%	43.6%	17.1%	1,407
Manhattan	1.1%	3.3%	16.7%	78.9%	90
Queens	13.3%	55.5%	25.9%	5.2%	1,986
Staten Island	46.2%	53.3%	0.2%	0.3%	1,308
<i>Citywide</i>	<i>18.1%</i>	<i>45.9%</i>	<i>27.3%</i>	<i>8.7%</i>	<i>5,604</i>
2005					
Bronx	3.5%	29.9%	54.9%	11.6%	825
Brooklyn	6.4%	28.3%	45.3%	20.0%	1,638
Manhattan	2.6%	0.9%	6.1%	90.4%	115
Queens	17.5%	47.5%	27.1%	7.8%	1,912
Staten Island	63.9%	34.6%	1.0%	0.5%	1,297
<i>Citywide</i>	<i>22.5%</i>	<i>35.8%</i>	<i>30.0%</i>	<i>11.8%</i>	<i>5,787</i>
2006					
Bronx	7.7%	33.6%	51.4%	7.3%	959
Brooklyn	8.1%	23.2%	45.7%	23.0%	1,389
Manhattan	1.8%	3.5%	5.3%	89.4%	113
Queens	14.3%	49.7%	29.0%	7.1%	2,014
Staten Island	62.7%	36.2%	0.0%	1.1%	697
<i>Citywide</i>	<i>17.7%</i>	<i>36.7%</i>	<i>33.2%</i>	<i>12.4%</i>	<i>5,172</i>
2007					
Bronx	6.8%	43.7%	41.7%	7.8%	643
Brooklyn	0.0%	18.3%	51.7%	30.0%	1,079
Manhattan	5.0%	1.7%	5.8%	87.6%	121
Queens	17.1%	53.1%	21.3%	8.6%	1,562
Staten Island	60.7%	38.6%	0.2%	0.6%	511
<i>Citywide</i>	<i>16.0%</i>	<i>38.5%</i>	<i>29.8%</i>	<i>15.8%</i>	<i>3,916</i>
2008					
Bronx	43.4%	17.7%	23.1%	15.8%	373
Brooklyn	0.0%	25.0%	18.7%	56.3%	787
Manhattan	2.0%	0.0%	0.0%	98.0%	152
Queens	18.5%	42.3%	14.8%	24.4%	755
Staten Island	50.4%	40.1%	0.5%	9.0%	367
<i>Citywide</i>	<i>20.1%</i>	<i>30.0%</i>	<i>14.3%</i>	<i>35.7%</i>	<i>2,434</i>
2009					
Bronx	38.1%	14.4%	20.6%	26.9%	160
Brooklyn	0.8%	28.2%	38.9%	32.1%	131
Manhattan	0.0%	0.0%	11.8%	88.2%	34
Queens	29.7%	43.3%	16.0%	11.0%	418
Staten Island	48.0%	49.8%	0.0%	2.2%	271
<i>Citywide</i>	<i>31.2%</i>	<i>37.1%</i>	<i>15.3%</i>	<i>16.5%</i>	<i>1,014</i>
2010					
Bronx	9.2%	38.5%	23.1%	29.2%	65
Brooklyn	3.6%	31.4%	27.9%	37.1%	140
Manhattan	0.0%	18.2%	9.1%	72.7%	11
Queens	12.4%	67.2%	11.2%	9.2%	509
Staten Island	71.9%	27.2%	0.6%	0.3%	349
<i>Citywide</i>	<i>30.3%</i>	<i>47.3%</i>	<i>10.6%</i>	<i>11.8%</i>	<i>1,074</i>
2011					
Bronx	1.5%	35.3%	19.1%	44.1%	68
Brooklyn	0.0%	44.3%	30.5%	25.3%	174
Manhattan	3.6%	0.0%	3.6%	92.9%	28
Queens	21.5%	57.0%	11.9%	9.6%	386
Staten Island	52.5%	47.2%	0.0%	0.3%	341
Citywide	26.5%	48.3%	11.3%	13.8%	997

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

Appendix G: Housing Supply Report

G.3 New Dwelling Units Completed in New York City, 1960-2011

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	1,353	6,064	2,096	1,896	12,794
2001	1,617	2,404	6,036	1,225	2,198	13,480
2002	1,220	2,248	8,326	1,981	2,453	16,228
2003	1,473	2,575	3,798	2,344	2,589	12,779
2004 π	3,326	4,512	6,150	3,087	2,291	19,366
2005 π	3,012	5,007	5,006	4,526	1,942	19,493
2006 π	4,311	6,418	5,199	5,940	1,900	23,768
2007 π	4,422	7,109	7,498	5,907	1,446	26,382
2008 π	4,217	7,254	6,118	5,437	1,019	24,045
2009 π	2,964	7,522	8,110	4,969	887	24,452
2010 π	3,948	7,181	7,801	4,401	714	24,045
2011 π	3,417	4,728	2,375	2,852	612	13,984

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

π Data from 2004-2011 now includes Final Certificates of Occupancy (as with all other years) as well as Temporary Certificates of Occupancy data for the first time. Data will be updated every year to reflect the most current estimates.

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

G.4 Number of Residential Co-op and Condo Plans Accepted for Filing By the NYS Attorney General's Office, 2006-2011

	2006	2007	2008	2009	2010	2011
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
Private Plans						
New Construction	644 (19,780)	573 (19,511)	454 (13,998)	335 (7,270)	236 (4,916)	210 (4,625)
Rehabilitation	0	8 (71)	4 (130)	1 (73)	0	2 (14)
Conversion (Non-Eviction)	53 (6,331)	66 (5,441)	50 (2,582)	29 (725)	20 (812)	22 (505)
Conversion (Eviction)	0	0	0	0	0	0
Private Total	697 (26,201)	647 (25,023)	508 (16,710)	364 (8,068)	256 (5,728)	234 (5,144)
	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)	Plans (Units)
HPD Sponsored Plans						
New Construction	0	0	0	0	0	0
Rehabilitation	0	0	0	0	0	0
Conversion (Non-Eviction)	0	0	0	0	0	0
Conversion (Eviction)	13 (273)	16 (248)	18 (241)	13 (274)	4 (59)	9 (209)
HPD Total	13 (273)	16 (248)	18 (241)	13 (274)	4 (59)	9 (209)
Grand Total	710 (26,474)	663 (25,271)	526 (16,951)	378 (8,342)	260 (5,787)	243 (5,353)

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

G.5 Number of Units in Co-op and Condo Plans Accepted for Filing By the NYS Attorney General's Office, 1984-2011

Year	New Construction	Conversion Eviction	Conversion Non-Eviction	Rehabilitation	Total New Construction Conversion & Rehab	Units in HPD Sponsored Plans
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
2004	6,018	274	1,550	334	8,176	274
2005	12,210	269	2,356	223	15,058	269
2006	19,870	273	6,331	0	26,474	273
2007	19,511	248	5,441	71	25,271	248
2008	13,998	241	2,582	130	16,951	241
2009	7,270	274	725	73	8,342	274
2010	4,916	59	812	0	5,787	59
2011	4,625	209	505	14	5,353	209

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

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

Appendix G: Housing Supply Report

G.6 Tax Incentive Programs, 2009-2011

Buildings Receiving Certificates for 421-a Exemptions, 2009-2011

	2009		2010		2011	
	Certificates	Units	Certificates	Units	Certificates	Units
Bronx	27	793	32	1,134	54	1,047
Brooklyn	59	820	84	1,133	197	3,946
Manhattan	27	2090	22	2,020	65	3,311
Queens	54	813	93	1,580	174	2,663
Staten Island	3	97	3	28	7	40
TOTAL	170	4613	234	5,895	497	11,007

Buildings Receiving J-51 Tax Abatements and Exemptions, 2009-2011

	2009			2010			2011		
	Buildings	Units	Certified Cost (\$1,000s)	Buildings	Units	Certified Cost (\$1,000s)	Buildings	Units	Certified Cost (\$1,000s)
Bronx	134	5,973	14,615	198	16,661	20,545	202	12,001	18,391
Brooklyn	269	12,209	26,742	320	9,333	27,945	346	17,713	36,993
Manhattan	125	7,443	14,613	173	6,806	28,739	172	5,622	20,560
Queens	607	11,621	10,261	640	17,354	15,113	833	19,387	14,588
Staten Island	3	621	122	1	109	215	2	52	232
TOTAL	1,138	37,867	66,353	1,332	50,263	92,557	1,555	54,775	90,764

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

G.7 Tax Incentive Programs – Units Receiving Initial Benefits, 1981-2011

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

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

G.8 Building Demolitions in New York City, 1985-2011

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

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 through 1995 are solely residential buildings.

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

Appendix H: Changes to the Rent Stabilized Housing Stock

H.1 Additions to the Stabilized Housing Stock, 1994-2011

Year	421-a	J-51	Mitchell-Lama Buyouts		Lofts	421-g	420-c	Formerly Controlled	Total
			State	City					
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
<i>1994-2002</i>	<i>20,240</i>	<i>1,394</i>	<i>1,489</i>	<i>1,495</i>	<i>303</i>	<i>865</i>	<i>5,500</i>	<i>31,159</i>	<i>62,445</i>
2003	1,929	171	0	279	20	41	1,781	916	5,137
2004	4,941	142	0	229	129	188	1,973	706	8,308
2005	3,380	25	251	481	66	79	1,664	721	6,667
2006	2,264	130	285	2,755	81	5	1,798	634	7,952
2007	2,838	135	2,227	290	35	441	2,558	592	9,116
2008	1,856	55	0	101	35	865	4,767	887	8,566
2009	2,438	18	112	0	36	0	5,413	519	8,536
2010	7,596	80	0	0	9	0	4,211	451	12,347
2011	3,155	498	0	0	6	0	3,982	438	8,079
Total	50,637	2,648	4,364	5,630	720	2,484	33,647	37,023	137,153

421-a Notes: Between 1994-2002, a count of 26,987 421-a units includes co-op and condo units that were created under the 421-a program. Analysis of the 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. Since 2003, 421-a data is obtained from DHCR, which provides 12 months worth of data from April 1 to March 31 of the following year, as shown above.

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

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

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

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

Appendix H: Changes to the Rent Stabilized Housing Stock

H.2 Additions to the Stabilized Housing Stock by Borough, 2011

	Bronx	Brooklyn	Manhattan	Queens	S.I.	Total
421-a	759	812	1,345	234	5	3,155
421-g	0	0	0	0	0	0
420-c	1,751	995	806	0	430	3,982
J-51	452	46	0	0	0	498
Mitchell-Lama Buyouts (City & State)	0	0	0	0	0	0
Lofts	0	4	2	0	0	6
Formerly Controlled*	-	-	-	-	-	438
Total Additions	2,962	1,857	2,153	234	435	8,079

*Note: The totals for each borough do not include formerly rent controlled units since borough level data was not provided to the Rent Guidelines Board.

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

H.3 Subtractions from the Stabilized Housing Stock Due to High Rent/High Income Deregulation by Borough, 1994-2011

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
2003	2	13	177	6	0	198
2004	0	13	173	8	0	194
2005	4	30	220	11	0	265
2006	8	28	244	21	0	301
2007	9	45	241	14	0	309
2008	10	50	198	20	0	278
2009	16	57	364	20	0	457
2010	9	44	256	27	0	336
2011	6	38	149	19	0	212
Total	77	321	4,948	160	0	5,506

Source: NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data.

Appendix H: Changes to the Rent Stabilized Housing Stock

H.4 Subtractions from the Stabilized Housing Stock Due to High Rent/Vacancy Deregulation by Borough, 1994-2011

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
2003	83	640	7,048	416	17	8,204
2004	101	758	7,271	697	29	8,856
2005	184	852	7,303	904	29	9,272
2006	217	1,408	7,187	1,106	65	9,983
2007	375	1,409	7,114	1,380	64	10,342
2008	447	1,884	8,600	1,787	82	12,800
2009	537	2,013	8,718	2,195	94	13,557
2010	581	2,154	7,807	2,290	79	12,911
2011	654	2,256	6,378	2,032	44	11,364
Total	3,341	14,908	89,561	13,339	510	121,659

Note: Registration of deregulated units with DHCR is voluntary and not required. These totals represent a 'floor' or minimum count of the actual number of deregulated units in these years.

Source: NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data.

H.5 Subtractions from the Stabilized Housing Stock, 1994-2011

Year	High Rent/ High Income Deregulation	High Rent/ Vacancy Deregulation	Co-op/Condo Conversion	421-a Expiration	J-51 Expiration	Substantial Rehab	Commercial/ Professional Conversion	Other	Total
1994	904	565	5,584	2,005	1,345	332	139	1,904	12,778
1995	346	1,047	4,784	990	1,440	334	113	1,670	10,724
1996	185	1,325	4,733	693	1,393	601	117	1,341	10,388
1997	160	1,204	3,723	1,483	1,340	368	109	1,365	9,752
1998	372	2,384	3,940	2,150	1,412	713	78	1,916	12,965
1999	283	3,785	2,822	3,514	1,227	760	110	1,335	13,836
2000	230	2,934	3,147	3,030	884	476	729	1,372	12,802
2001	214	4,982	2,153	770	1,066	399	88	1,083	10,755
2002	262	6,144	1,774	653	1,081	508	45	954	11,421
2003	198	8,204	1,474	651	854	340	59	912	12,692
2004	194	8,856	1,564	493	609	268	79	954	13,017
2005	265	9,272	1,692	451	545	692	111	1,017	14,045
2006	301	9,983	1,567	263	236	350	135	1,139	13,974
2007	309	10,342	1,455	161	270	297	66	1,304	14,204
2008	278	12,800	1,405	376	176	421	56	1,321	16,833
2009	457	13,557	1,153	1,075	286	441	62	1,557	18,588
2010	336	12,911	1,130	657	143	274	32	1,424	16,907
2011	212	11,364	1,098	415	230	174	29	653	14,175
Total	5,506	121,659	45,198	19,830	14,537	7,748	2,157	23,221	239,856

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

High Rent/Vacancy Deregulation Note: See Appendix H.4 note above.

Source: NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data.

**H.6 Subtractions from the Stabilized Housing Stock
by Borough, 2011**

	Bronx	Brooklyn	Manhattan	Queens	S.I.	Total
High Rent/High Income Deregulation	6	38	149	19	0	212
High Rent/Vacancy Deregulation	654	2,256	6,378	2,032	44	11,364
Co-op/Condo Conversion	117	313	282	378	8	1,098
421-a Expirations	2	0	319	92	2	415
J-51 Expirations	6	18	201	5	0	230
Substantial Rehabilitation	6	54	100	14	0	174
Commercial/Professional Conversion	4	9	9	7	0	29
Other	36	143	368	106	0	653
Total Subtractions	831	2,831	7,806	2,653	54	14,175

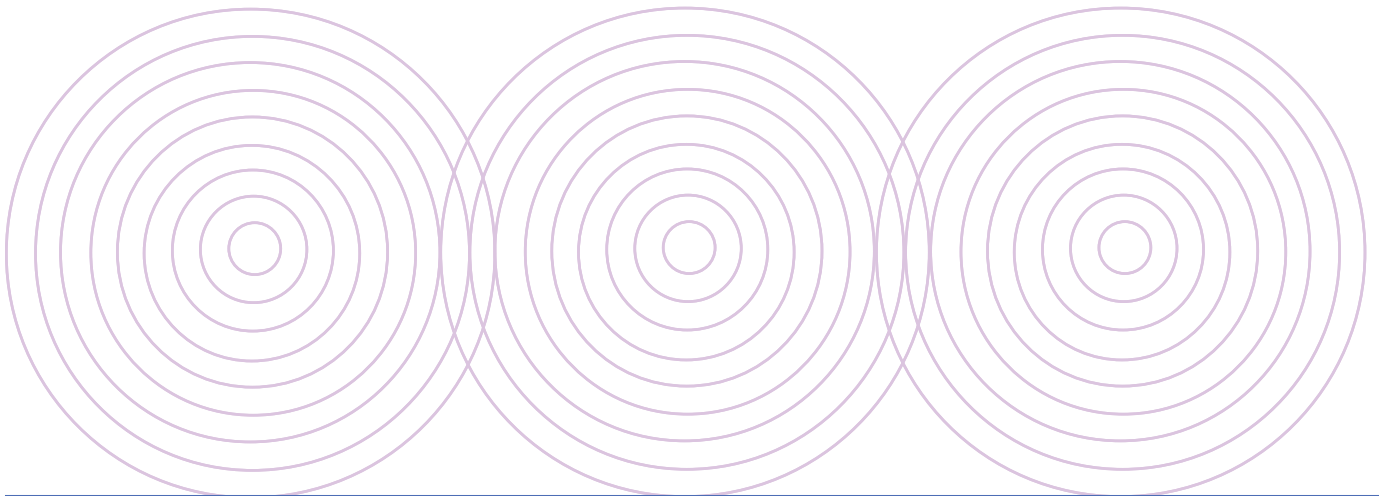
High Rent/Vacancy Deregulation Note: See Appendix H.4 note on previous page.

Source: NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data.

Glossary & Index

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Glossary of Rent Regulation

1/40th Increase: See "Individual Apartment Improvements"

1/60th Increase: See "Individual Apartment Improvements"

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 loan that is partially amortized, meaning 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 (Condo): 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 (Co-op): 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, "High-Rent/High-Income Deregulation" and "High-Rent Vacancy Deregulation." See these individual terms for more details.

Destabilization: See "Deregulation."

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

Disability Rent Increase Exemption (DRIE): A program which freezes the rent of a New York City

tenant or tenant's spouse who is disabled (defined as receiving either Federal Supplemental Security Income, Federal Social Security Disability Insurance, US Department of Veterans Affairs disability pension or compensation, or Disability-related Medicaid) and living in a rent regulated apartment. To currently qualify for this benefit, a single person household must make no more than \$19,860 per year and a two- or more-person household must make a combined household income no more than \$28,668 per year, as well as paying at least 1/3 of their income toward their rent,

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): Part of NYS Homes & Community Renewal (HCR), 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 (FMR): 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): NY 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

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increase allowed is dependent on the term of the lease and whether the lease is a renewal or vacancy lease (see 'Vacancy Allowance'). Although in the past 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.

High-Rent/High-Income Deregulation ("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 \$200,000 in two or more consecutive years, and (2) the apartment's monthly rent is \$2,500 or greater.

High-Rent/Vacancy Deregulation ("Vacancy Decontrol"): A process by which a rent regulated unit becomes deregulated if at the time it next becomes vacant, the legal rent is \$2,500 or greater. If the in-place tenant is rent regulated, vacancy deregulation cannot occur even if that in-place tenant's monthly rent eventually exceeds \$2,500. Such deregulation can occur only following the next vacancy unless the unit is subject to "High Rent/High-Income Deregulation. Further, the \$2,500 level may be reached in a variety of ways, including (1) by already being at or over \$2,500 when the next vacancy occurs, (2) reaching the \$2,500 level as a result of the next "vacancy allowance," or (3) reaching the \$2,500 level as a result of the next "vacancy allowance" coupled with any "individual apartment improvement" increase, MCIs or a vacancy bonus.

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, 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 18,000 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" or "1/60th"): 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 (if there are 35 units or less in the building) or 1/60th or 1.67% of the cost of qualifying improvements to the legal rent of those units excluding finance charges (if there are more than 35 units in the building). E.g. (in a building with 35 units or less), (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 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 increase. Prior to September 24, 2011, all IAs were "1/40th" increases, regardless of the size of the building.

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 Tax Incentive Program: A New York City program 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 agree to place under rent stabilization those apartments which would not otherwise be subject to rent stabilization. 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 a rent stabilized unit must annually register that legal rent with DHCR.

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 2012 to the same data in 2011.

Low Rent Supplement: See "Supplemental Adjustment."

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 is called the Maximum Collectible Rent (MCR). The MCR generally is less than the MBR. By law, the MCR cannot be increased by more than 7.5% per year for each year of the two year MBR cycle unless there are Major Capital Improvements or individual apartment rent increases. For example, if a tenant's rent (MCR) on 12/31/01 was \$600, and the MBR was \$700, then on 1/1/02 (effective date of MBR) the

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rent (MCR) would rise 7.5% to \$645 and the MBR ceiling would rise by 10.5% (the 2002-03 MBR factor) to \$773.50. On 1/1/03, the MBR would remain the same (since MBRs cover a two-year period), but the MCR would rise by another 7.5% to \$693.38.

Mean and Medians: 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 (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."

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 Guidelines 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 generally stabilized.

Preferential Rent: A rent charged by an owner to a tenant that is less than the established legal regulated rent. Owners are not necessarily required to base renewal lease increases on the preferential 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. Buildings with six or more units constructed before February 1, 1947 are generally 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 and tenancy information as of April 1st of each year.

Renewal Lease: The lease of a tenant in occupancy renewing the terms of a prior 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 as well as 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 Act of 2011: The law passed by the New York State Legislature in June, 2011 which revised several regulations of rent stabilized units. Most notably, it provides for a maximum of one vacancy increase a year, modified the way individual apartment improvements are calculated, and raised the thresholds for both high-rent/vacancy deregulation and high-rent/high-income deregulation. See "Individual Apartment Improvements," "High-Rent/Vacancy Deregulation" and "High-Rent/High-Income Deregulation" for more information.

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. In 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 Guidelines Orders: Rent guideline orders are issued by the rent guidelines boards annually, usually before 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 \$40,000 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

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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, with subsequent revision in 2000.

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 regulation, 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 Citizen 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 currently \$29,000 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 of Finance (DOF) 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 the Department of Finance.

Shelter Allowance: A rental grant provided to households receiving public assistance under the Family Assistance Program (FAP).

Single-Room Occupancy Housing (SRO): Residential properties in which some or all dwelling units do not contain bathroom or kitchen facilities. Under rent regulation, 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.

Tax Commission Income and Expense Form (TCIE): An application by building owners to appeal their tax assessments.

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 tenant who opts for a one-year lease, the vacancy allowance is 20% minus the percentage difference between the RGB's 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.") For the 2012-2013 guideline period, the one-year vacancy guideline is 18.0% and the two-year guideline is 20%. With the passage of the Rent Act of 2011, as of June 24, 2011, landlords are permitted only one vacancy allowance per calendar year, regardless of the number of vacancies.

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)

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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 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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