

2022

Mortgage Survey Report

April 14, 2022

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2022 Mortgage Survey Report

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What's New

- ☑ Average interest rates for new multifamily mortgages increased 15 basis points, to 3.91% this year, the first increase in four years.
- ☑ Average points for new loans rose fell from 0.38 points last year to 0.32 points this year.
- ☑ Average maximum loan-to-value ratios decreased from 74.1% last year to 73.8% this year.
- ☑ Vacancy and collection losses increased from 2.83% last year to 4.05% this year, the highest level since 2013.
- ☑ A total of 777 buildings containing rent stabilized units were sold Citywide in 2021, a 65% increase from the prior year.

Introduction

Section 26-510 (b)(iii) of the Rent Stabilization Law requires the NYC Rent Guidelines Board (RGB) 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 properties containing rent stabilized units in New York City. The survey provides details about New York City’s multifamily lending market during the 2021 calendar year as well as the first few months of 2022.

The survey is organized into three sections: financing availability and terms for buildings containing rent stabilized units; 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, sales data of buildings containing rent stabilized units, obtained from the NYC Department of Finance, are also examined.

Overview

The Mortgage Survey this year found that interest rates rose after last year’s record low, but points decreased. In addition, vacancy and collection losses increased; and maximum loan-to-value ratios fell. Furthermore, our analysis of sales of buildings containing rent stabilized units found that sales volume increased Citywide between 2020 and 2021.

This report will more fully detail this data, beginning with a discussion of the characteristics of all this year’s survey respondents, followed by a longitudinal analysis of those responding both last and this year. Further, it will examine sales of buildings containing rent stabilized units by volume and price.

Survey Respondents

Ten financial institutions responded to this year’s survey, two more than last year. This year’s respondents include a variety of traditional lending institutions, such as savings and commercial banks, as well as non-traditional lenders.

Institutions holding deposits insured by the Federal Deposit Insurance Corporation (FDIC) supply details about their holdings on a quarterly basis to the FDIC, including their multifamily real estate loan portfolios, which vary considerably among the respondents. Seven surveyed lenders report their multifamily real estate loan portfolios to the FDIC, with values ranging between \$300 million and \$34.6 billion.¹ Two of this year’s respondents reported multifamily holdings of over \$10 billion, while three institutions held less than \$865 million. The

Terms and Definitions

Basis Points - one basis point is equal to 1/100th of 1%, or 0.01 percentage point; they are commonly used to express differences in mortgage interest rates and fees

Debt Service - the cash required to make periodic repayments of loan principal and interest

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

Loan-to-Value Ratio (LTV) - the amount institutions are willing to lend as a proportion of a building’s value; the lower the LTV, the lower the risk to the lender

Maximum LTV - the maximum LTV ratio that a lender will consider when making a loan

Points - up-front service fees charged by lenders as a direct cost to the borrowers; one point equals one percent of the principal amount of the loan charged as the service fee

Term - the amount of time the borrower has to repay the loan

multifamily real estate loan portfolio of our survey respondents averaged \$7.7 billion in 2021, down 23% from the prior year.

Mortgage Survey Analysis

Financing Availability and Terms

As of March 2022, the average interest rate for new multifamily mortgages was 3.91%, a 15 basis points (or 4%) increase from a year earlier, the first increase in four years (see graph on this page and Appendices 1 and 5). This year's increase was preceded by last year's record low interest rate. The moving five-year average interest rate was 4.23%. In addition, the average interest rate reported by lenders for the full 2021 calendar year was 3.75%, a 16 basis points (or 4%) decrease from 2020.

Average interest rates as of March 2022 increased from a year earlier among the institutions surveyed, corresponding with the Federal Reserve (The Fed) raising interest rates in March 2022. The Discount Rate — the interest rate at which

depository institutions borrow from a Federal Reserve Bank — rose 25 basis points in March 2022, the first increase in more than 3 ½ years.

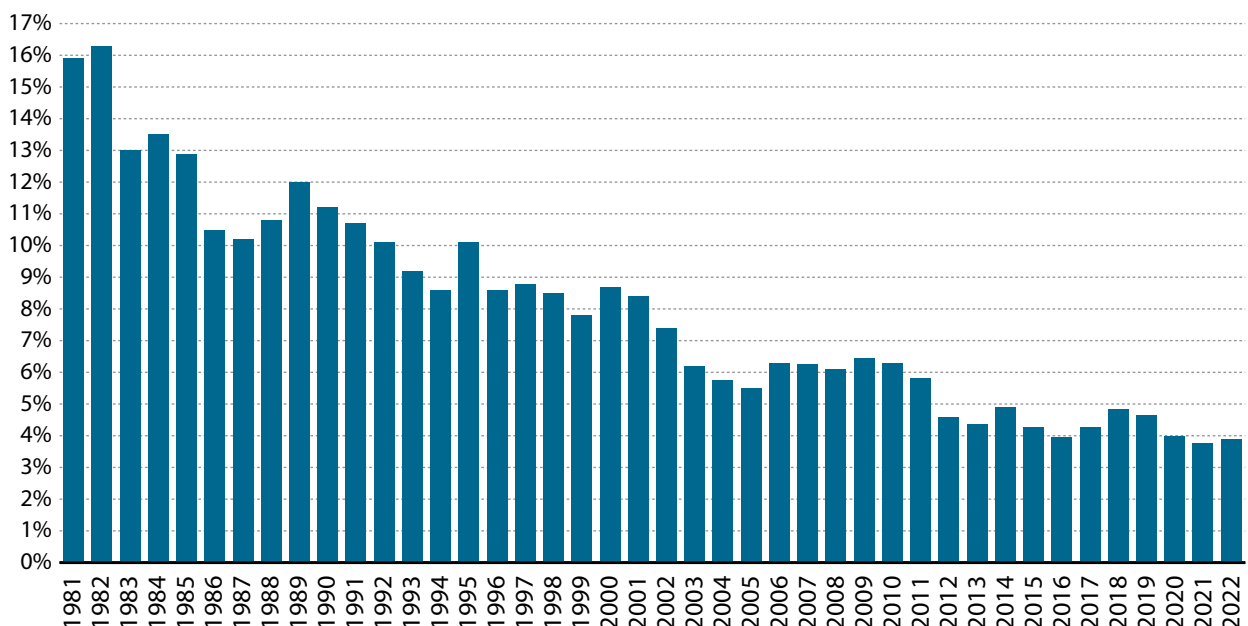
Similarly, the Federal Funds Rate — the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions — also rose 25 basis points in March 2022.² After two years of holding borrowing costs near zero to protect the economy during the COVID-19 pandemic, the Federal Reserve is expected to raise rates several times this year to tackle the highest level of inflation in decades.³

Some lenders charge a separate up-front fee, called points, as a direct cost to borrowers. The average service fee charged on new loans by lenders fell to 0.32 points, down from last year's 0.38 points. Among survey respondents, points ranged between zero and 0.92, with five surveyed lenders charging no points on new loans. Average points reported in the survey have remained around or below one point for twenty-five years. (See graph on the next page).

Surveyed lenders, for the most part, remained flexible in the loan maturity terms they offered their

Average Interest Rates for New Loans, 1981-2022

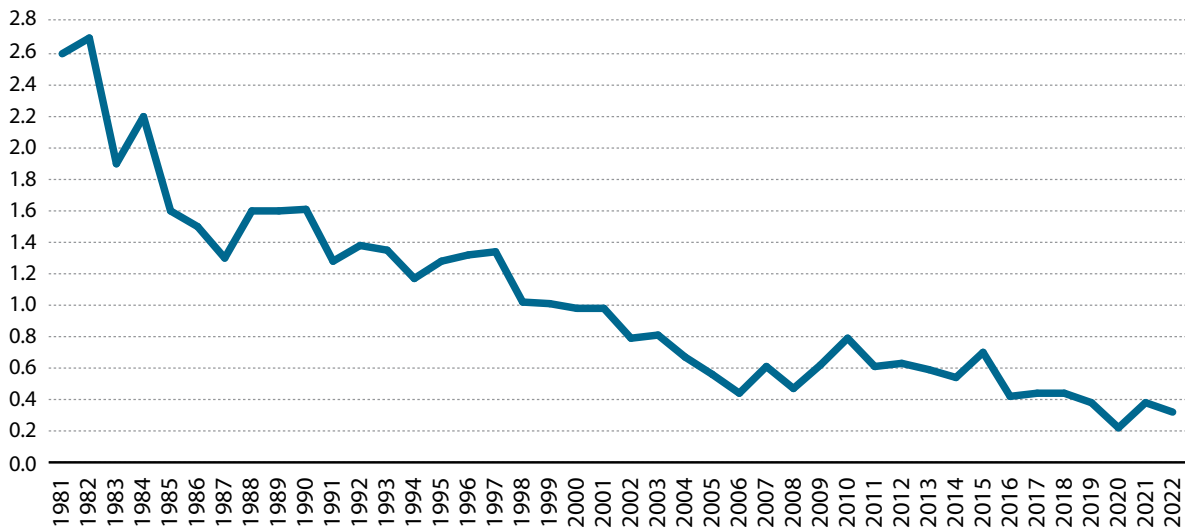
Multifamily Mortgage Interest Rates Increase This Year



Source: NYC Rent Guidelines Board, annual Mortgage Surveys

Points for New Loans, 1981-2022

Average Points Charged by Lenders Decreased This Year



Source: NYC Rent Guidelines Board, annual Mortgage Surveys

borrowers. Since survey respondents typically offer a wide range of terms, it is not possible to provide an average for the range of terms offered by institutions. Nonetheless, they remained like those offered in recent years. Mortgage terms reported by most respondents fell within a 5- to 15-year range.

The average volume of new mortgage originations in our survey fell from 98 last year to 75 this year, a 23% decline. However, the median number of new loans rose from 15 last year to 25 this year. The average number of refinanced loans rose to 55 this year, more than doubling from last year's 25 loans. Likewise, the median number of refinanced loans doubled from last year, to 20 this year.

Underwriting Criteria

The survey asked lenders for their typical underwriting standards when approving new and refinanced mortgages to owners of buildings containing rent stabilized units. Most lenders this year reported that lending standards minimally changed from the prior year, when the pandemic began.

Among surveyed institutions, the typical maximum Loan-to-Value (LTV) ratio — the

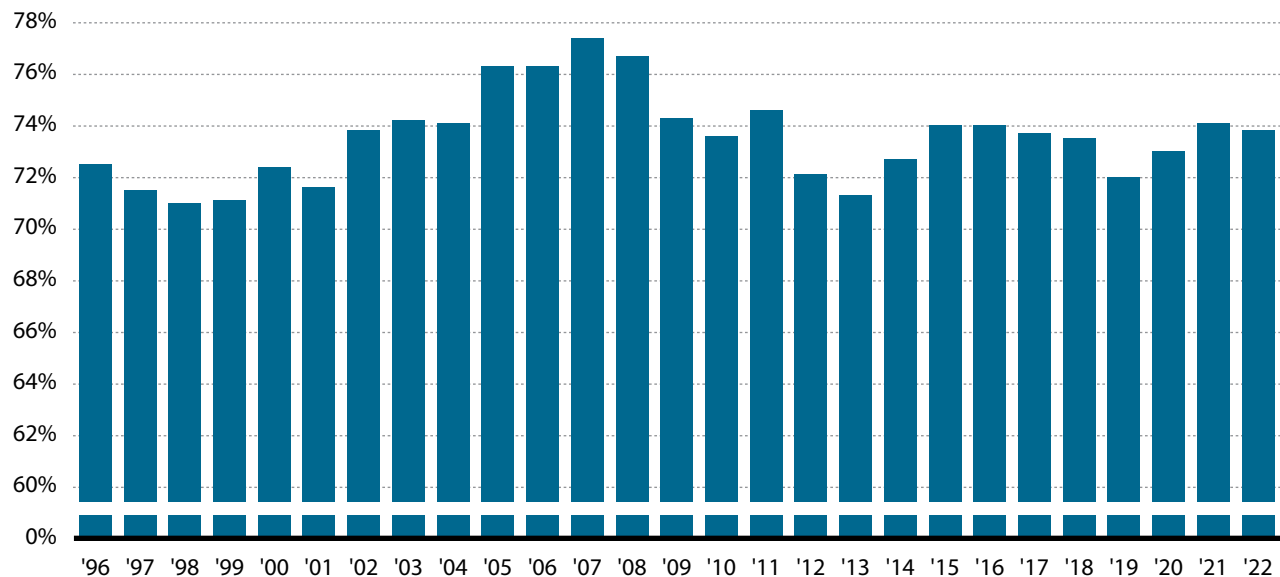
maximum amount respondents were willing to lend based on a building's value — ranged from 60% to 83%. This year's average, 73.8%, decreased 0.3 percentage points from last year's 74.1% (see graph on the next page).

Another important lending criterion is the debt service coverage ratio (DSCR) — an owner's ability to cover mortgage payments using its net operating income (NOI). The higher the DSCR, the less money a lender is willing to loan given constant net income. The debt service coverage ratio (or NOI divided by the debt service) remained the same as last year, at 1.24. (See Appendix 2). Overall, debt service coverage ratios at all institutions ranged between 1.15 and 1.30. Three of the ten surveyed lenders reported that they adjusted their underwriting standards over the past year, most commonly by implementing more stringent approvals and increasing monitoring requirements.

Lenders also noted additional standards they use when evaluating loan applications. The most cited standard is good building maintenance, with half of the lenders indicating that it is an important consideration when reviewing a loan application. Four in ten lenders also required a specific minimum number of units in a building.

1996-2022 Average Loan-to-Value Standards

Maximum Loan-to-Value Ratios Decrease Slightly This Year



Source: NYC Rent Guidelines Board, annual Mortgage Surveys

The survey asked lenders whether their lending standards differ for buildings containing rent stabilized units versus non-stabilized multifamily properties. Respondents were asked whether their new financing rates; refinancing rates; LTV ratios; and DSCR for properties containing rent stabilized units were higher, lower, or the same as for other properties. This year, 70% of lenders reported that their standards for stabilized lending were no different than their other residential properties.

Non-Performing Loans & Foreclosures

The number of lenders reporting that they had non-performing loans changed minimally from last year. Two lenders reported that less than 1% of their portfolios were non-performing, compared to one lender last year. In addition, one lender reported a few foreclosures this year, compared to none last year. A majority of lenders continued to offer varying terms for payment deferrals and forbearance due to the ongoing pandemic. However, most lenders this year reported improved rental income and fewer

COVID-related loan modifications than the prior year. Among lenders offering loan modifications, they were typically in the range of 3- to 6-month payment deferrals.

Building Characteristics

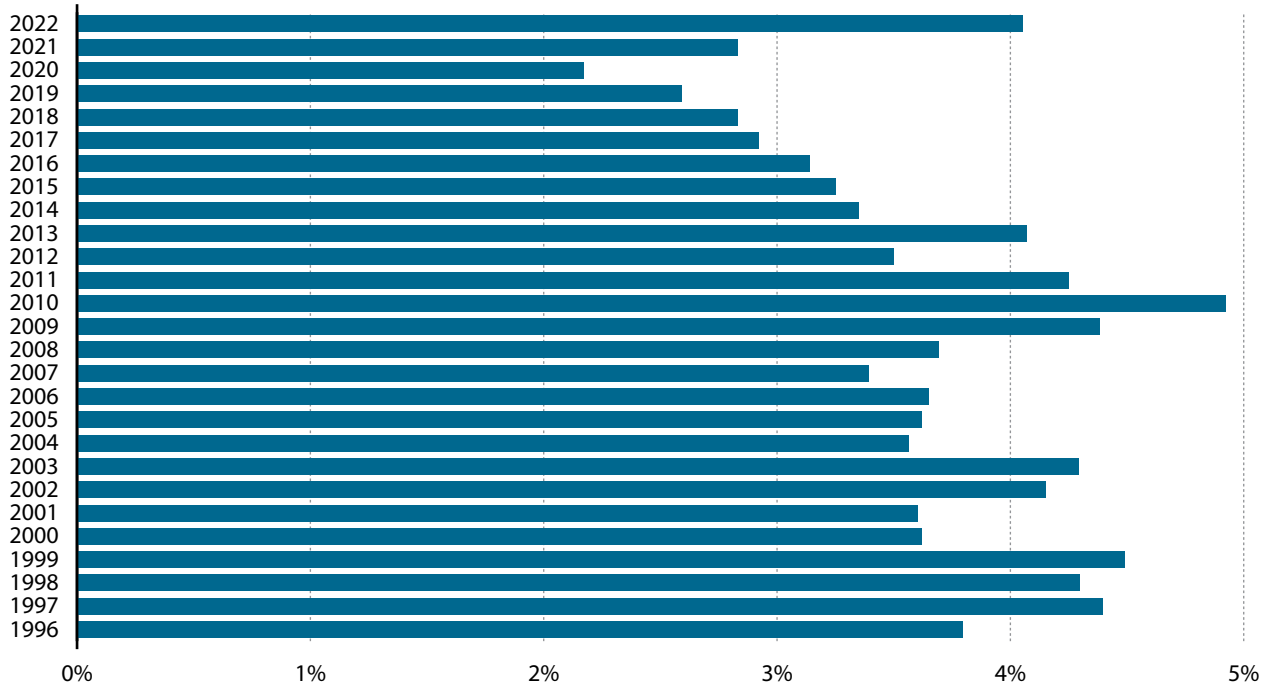
The size of buildings in surveyed lenders' portfolios varies. The average size of buildings varied widely among lenders. Three lenders reporting a typical building of 11-19 units; another three 20-49 units and another three reporting a typical building size of 50-99 units. One lender typically lent to 100+ unit buildings.

Average vacancy and collection (V&C) losses increased this year, rising from 2.83% last year to 4.05% this year, the highest level since 2013. (See graph on the next page.) Some lenders reported differing proportions of rent collection issues among their borrowers because of the pandemic, ranging from 0% and 30% of a majority of lenders' portfolios facing lower rent collections in 2021.

Average operating and maintenance (O&M) expenses and average rents among buildings in

Average Vacancy and Collection Losses, 1996-2022

Vacancy and Collection Losses Increase This Year



Source: NYC Rent Guidelines Board, annual Mortgage Surveys

lenders' portfolios both rose this year. Estimated rent per unit per month increased 16%, to \$1,737 this year, while estimated expenses rose 28%, to \$813. (See Appendix 2). Because average expenses increased more than average rent, the average reported O&M cost-to-rent ratio rose from 42.5% last year to 46.8% this year.

The NYC Rent Guidelines Board's annual *Income and Expense (I&E) Study* examines the average O&M cost-to-rent ratio as well.⁴ However, its findings should not be compared to the cost-to-rent ratio reported in the *Mortgage Survey Report* because the sources are very different, and the data studied in each report are from different time periods. In the *2022 I&E Study*, which reported on data from calendar year 2020, the average O&M cost-to-rent ratio was 72.8%.⁵

The survey asks lenders whether they retain their mortgages or sell them in the secondary

market. 60% of lenders reported retaining all their mortgages, down from last year's 67%.

Lenders are also asked whether buildings containing rent stabilized units that are offered mortgage financing contain commercial space. This information is useful to help understand the extent to which owners earn income from sources other than residential tenants. Every lender but one reported this year that buildings in their portfolio contain commercial space, though the proportion varies depending on the lender. On average, lenders report that 28% of their portfolios have commercial space, virtually unchanged from 29% last year.

Loan Expectations

The survey asks lenders how their portfolios of buildings containing stabilized apartments perform

Selected 2022 Mortgage Survey Data Compared to 2021 Mortgage Survey Data

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

(Averages)	NF Interest Rate	NF Loan Volume Avg	NF Points	RF Loan Volume Avg	Max LTV Ratio	DSC Ratio	V&C Losses
2022 Mortgage Survey Data	3.91%	75	0.32	55	73.8%	1.24	4.05%
2021 Mortgage Survey Data	3.76%	98	0.38	25	74.1%	1.24	2.83%

NF= New Financing RF= Refinancing LTV=Loan-to-Value DSC=Debt Service Coverage V&C=Vacancy and Collection

Source: NYC Rent Guidelines Board, Annual Mortgage Surveys

as compared with what was expected at the time of the initial loan originations in three areas: net operating income (NOI); debt service coverage ratio; and O&M expenses. Most lenders reported that their expectations had been met or exceeded in all areas among their stabilized portfolio. Specifically, 75% of lenders who responded to this question said this year that their expectations were equaled or exceeded among all three categories, up from 63% last year.

Longitudinal Analysis

Information regarding buildings containing rent stabilized units can also be examined longitudinally to assess changes more accurately 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 primary mortgage survey analysis reflect actual variations in the lending market or simply the presence of a different group of lenders from year-to-year. Among the ten respondents that completed the survey this year, eight also responded last year. The eight lenders that make up the longitudinal group, and their responses from both this year and last year, are compared in this section to illustrate changes between the two years.

Financing Availability and Terms

Similar to the main survey analysis, the longitudinal group saw interest rates rise. As of March 2022, interest rates were reported as 3.93%, up from 3.76% a year earlier (see Appendix 3).

Among the longitudinal group, average points offered by lenders fell slightly, from 0.38 last year to 0.36 this year.

Underwriting Criteria and Loan Performance

The average maximum loan-to-value (LTV) ratio increased among the longitudinal group this year, rising from 74.1% last year to 75.3% this year. The average debt service ratio rose remained unchanged, at 1.24. And like the main mortgage survey analysis, vacancy and collection (V&C) losses among the longitudinal group increased, from 2.83% last year to 4.19% this year (see Appendix 4).

Examining delinquencies among the longitudinal group, two lenders reported non-performing loans, up from one last year. And one lender reported a few foreclosures this year, as opposed to none the prior year.

Sales Data Analysis

The NYC Department of Finance collects and provides public property sales information. Utilizing this data, this report examines sales of buildings containing rent stabilized units from 2021 and compares them with the prior year. These properties are identified by matching buildings that are registered with NYS Homes and Community Renewal (HCR); have not converted to co-op/condo; and have sold for at least \$1,000.

Building Sales Volume

In 2021, 777 buildings containing rent stabilized units were sold in New York City, a 65% increase from the prior year. Sales more than doubled in the Bronx, rising 101%; followed by 78% in Queens; 58% in Brooklyn; and 52% in Manhattan. (As in prior years, Staten Island was not included in this analysis because there were too few sales of buildings containing rent stabilized units to meaningfully measure change from year-to-year.)⁶ See the table on this page for a numerical breakdown in the change in the number of buildings sold in each borough and Citywide.

Among buildings containing 6-10 residential units, sales volume in 2021 almost doubled from the prior year, rising 96%. Sales rose the most in

Queens, up 108%; followed by Brooklyn, up 102%; Manhattan, up 85%; and the Bronx, up 72%.

Sales volume among 11-19 unit buildings rose 26% Citywide in 2021. Sales increased the most in the Bronx, rising from five buildings sales in 2020 to 20 buildings in 2021. In Queens, sales rose 45%; in Brooklyn, 15%; and in Manhattan, 2%.

Among 20-99 unit buildings, sales volume Citywide increased 59% in 2021. Sales rose the most in Manhattan, up 89%; followed by the Bronx, up 85%; Queens, up 33%; and Brooklyn, up 4%.

Among the largest buildings, which contain 100 or more units, sales volume Citywide fell from 16 buildings in 2020 to 11 buildings in 2021. We do not analyze year-to-year changes in sales by borough among the largest building category because of the comparatively small number of buildings sold. However, these buildings sales are included in the totals by borough and Citywide.⁷

Over the 19-year period for which we have data, Citywide sales were at their peak in 2005, with 1,816 buildings sold. Sales reached their lowest point in 2020, with 470 buildings sold. See the graph at the top of the next page and Appendix 6 for annual sales volume Citywide. See Appendix 7 for a list since 2003 of the total number of buildings sold; the total number of residential units located in buildings containing stabilized units sold each year; and the average number of residential units per building containing stabilized units sold each year.

Comparison of Building Sales in 2020 vs. 2021

Sales Volume Rose Citywide			
	2020	2021	Change
Bronx	70	141	101%
Brooklyn	161	255	58%
Manhattan	172	262	52%
Queens	67	119	78%
Citywide	470	777	65%

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

Building Sales Prices

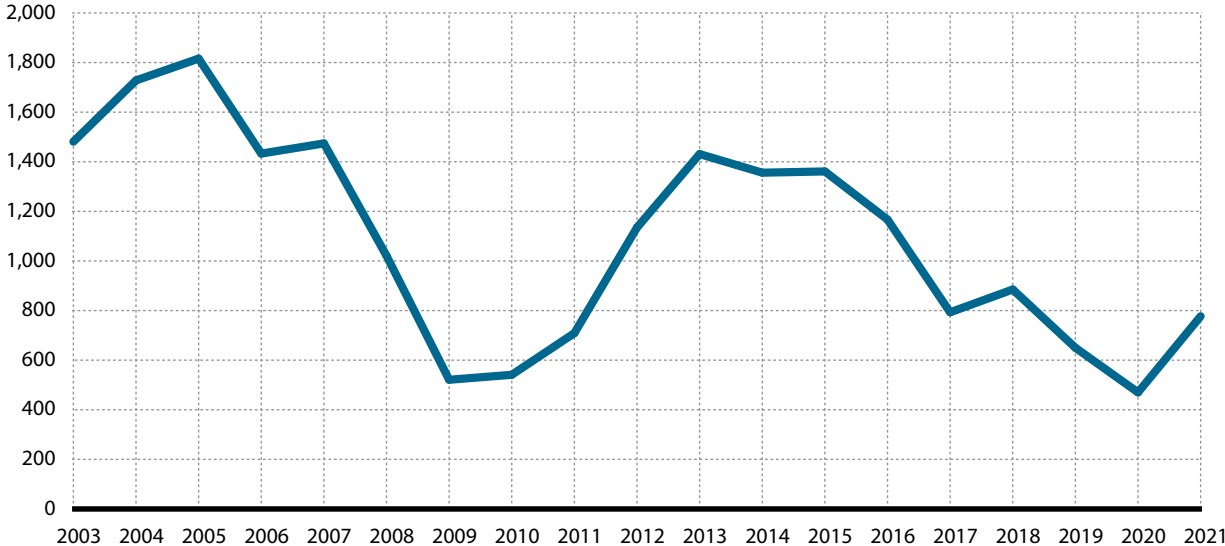
We also examine sales prices of buildings containing rent stabilized units Citywide and by borough. However, in reporting sales prices, we are not able to take into consideration the condition of the building or the neighborhood where each building is sold, factors important in determining the sales price.

Examining sales for all sizes of buildings, the median Citywide sales price in 2021 was \$4.3 million. The highest median sales price was in Manhattan (\$7.8 million); followed by the Bronx (\$5.2 million); Brooklyn (\$2.8 million); and Queens (\$1.7 million).

Looking at the smallest buildings (containing 6-10 residential units), the median sales price

Sales of Buildings Containing Rent Stabilized Units, 2003-2021

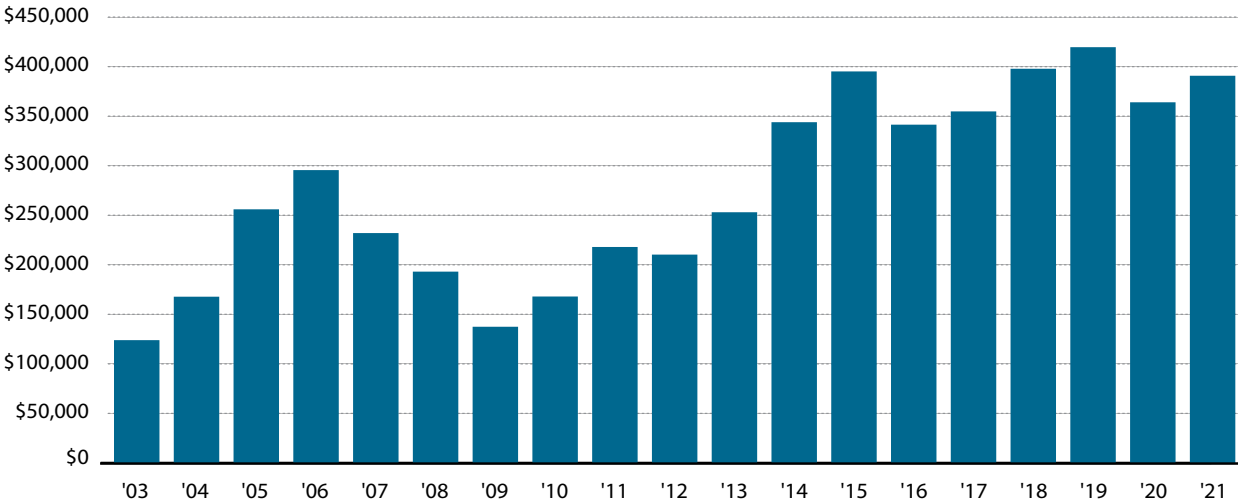
Citywide Building Sales Increase This Year



Note: Figures exclude Staten Island.
Source: NYC Department of Finance

Average Sales Price per Residential Unit in Buildings Containing Rent Stabilized Units, Adjusted for Inflation, 2003-2021 (In 2021 dollars)

Average Sales Price per Residential Unit Increases This Year



Note: Figures exclude Staten Island.
Source: NYC Department of Finance

Citywide was \$2.0 million. By borough, prices were highest in Manhattan, at \$6.0 million; followed by Brooklyn, at \$1.8 million; Queens, at \$1.4 million; and the Bronx, at \$1.3 million.

Among 11-19 unit buildings, the median Citywide price was \$4.8 million. By borough, prices were highest in Manhattan, at \$6.7 million; followed by Brooklyn, at \$4.1 million. (There were too few 11-19 unit building sales in Queens and the Bronx in the prior year to analyze.)

Buildings with 20-99 units sold Citywide at a median price of \$8.0 million. By borough, these buildings sold for the most in Manhattan, at a median price of \$8.9 million; followed by Queens, at \$8.5 million; Brooklyn, at \$7.8 million; and the Bronx, at \$7.5 million.

Among the largest buildings, which contain 100 or more units, too few buildings were sold Citywide to accurately report building prices. See Appendix 8 for a breakdown of median sales prices in each borough among different sized buildings.

Newly added to this report is an analysis of average sales prices per residential unit in buildings containing stabilized units. In 2021, the average sales price per unit Citywide was \$389,581, an inflation-adjusted increase of 7.4% over the prior year. Around the City, average sales price per unit was highest in Manhattan, at \$526,570; followed by Brooklyn, at \$447,515; Queens, at \$272,660; and the Bronx, at \$216,955. See the graph on the bottom of page 11 for the average sales price per residential unit in NYC since 2003, adjusted for inflation. See Appendices 9 and 10 for average sales price per unit Citywide and by borough since 2003, in both nominal and real dollars.

Summary

Following a record low last year, average interest rates increased this year, but points declined. Vacancy and collection losses increased, and maximum loan-to-value ratios fell, though LTV rose among the longitudinal group. The number of buildings containing rent stabilized units sold increased. □

Endnotes

1. Federal Deposit Insurance Corporation (FDIC) website: <https://fdic.gov>.
2. Federal Reserve Board website: <https://federalreserve.gov/monetarypolicy/openmarket.htm> and <https://frbdiscountwindow.org>.
3. "Fed Lifts Rates a Quarter Point and Signals More Hikes to Come," by Rich Miller, Bloomberg News. March 16, 2022.
4. 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. The rent and expense figures in the NYC Rent Guidelines Board's *Income and Expense Study* are derived from a substantially larger number of buildings containing rent stabilized units and can be viewed as more representative.
5. The O&M cost-to-rent ratio from the *2022 Mortgage Survey* reflects estimates by lenders of expenses and rents for buildings containing rent stabilized units as of approximately March 2022. The average ratio is calculated from just six respondents. By comparison, the latest available O&M cost-to-rent ratio from the *Income and Expense (I&E) Study*, in which average rent was \$1,422 and average unaudited cost was \$1,035, reflects rents and expenses reported by owners for calendar year 2020. Average monthly costs per unit in the Mortgage Survey this year are lower than those reported in the *I&E Study*. This is due to differences in the two data sources: lenders' estimated average of buildings in their portfolio vs. a weighted average of a large number 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 generally have an assessed value greater than \$40,000 and eleven or more units, while the Mortgage Survey does not exclude these buildings).
6. The data reflect sales of buildings that had been registered with the New York State Homes and Community Renewal (HCR) as containing at least one rent stabilized unit in 2020, the most recent year for which comprehensive registration records were available. It excludes those buildings where the sales price was listed as less than \$1,000. It also excludes those buildings listed as co-ops/condos. Furthermore, all of Staten Island is excluded from all analyses due to the small number of eligible buildings sold.
7. All 100+ unit building borough categories are excluded due to the small number of buildings sold. However, while these categories are not discussed, these buildings are included in the overall statistics and analyses.

Appendices

1. Mortgage Interest Rates and Terms, 2022

Lending Institution	Interest Rates	New Points	Refin Term	Type	New Volume	Refin Volume
5	4.00%	0.75	Ω	Both	5	5
7	3.90%	0.00	1.4% spread	Fixed	NR	NR
28	4.50%	NR	5, 7, 10, 15 yrs	Both	49	42
30	NR	0.92	5 - 30 years	Both	14	6
35	3.87%	0.00	Ω	Both	25	14
37	3.75%	NR	250 BPS fee	Adj	45	45
107	3.88%	0.00	Ω	Both	494	251
117	3.25%	0.00	Ω	Both	0	20
297	3.50%	0.00	Ω	Fixed	30	100
401	4.50%	0.87	30 - 40 yr term	Fixed	14	15
AVERAGE	3.91%	0.32	†	†	75	55

† No average compute NR no response BPS Basis Points
 Fixed Interest rate remains unchanged Adj Adjustable interest rate Both Fixed and adjustable rates offered

Ω #5 = 1.50-2.00% spread, 50-100 BPS fee.
 #35 = 5/5/5yr adj balloon based on 25 year payout or 10 yr fixed balloon based on 25 year payout
 #107 = 5 or 7 year fixed with 5 Years Option #117 = 5-10 year typically par
 #297 = 5, 7 or 10 year rate period - all loans have 10 year maturity - 25 or 30 yr amortization

Notes: Averages for interest rates and points are calculated by using the midpoint when a range of values is given by the lending institution. Lending institution numbers reflect anonymized lenders.

Source: 2022 NYC Rent Guidelines Board Mortgage Survey

2. Typical Lending Portfolio Characteristics of Buildings Containing Rent Stabilized Units, 2022

Lending Institution	Maximum Loan-to-Value Standard	Debt Service Coverage	Vacancy & Collection Losses	Typical Building Size Range	Average Monthly O&M Cost/Unit	Average Monthly Rent/Unit
5	70%	NR	8.0%	50-99	\$800	\$1,600
7	60%	NR	3.0%	20-49	\$1,500	\$2,600
28	80%	1.25	1.0%	11-19	\$586	\$1,625
30	80%	1.20	8.0%	20-49	\$669	NR
35	65%	1.30	3.0%	11-19	\$635	\$1,750
37	75%	1.30	4.0%	11-19	NR	NR
107	75%	1.20	0.5%	50-99	NR	\$1,500
117	75%	1.30	8.0%	50-99	\$1,000	\$1,800
297	75%	1.25	2.0%	50-99	\$500	\$1,500
401	83%	1.15	3.0%	100+	NR	\$1,518
AVERAGE	73.8%	1.24	4.05%	†	\$813	\$1,737

NR no response † No average computed

Notes: Average loan-to-value (LTV) and debt service coverage ratios are calculated using the midpoint when a range was given by the lending institution. Debt Service Coverage refers to Net Operating Income (NOI) divided by the first mortgage debt (loan) amount, times 100. Lending institution numbers reflect anonymized lenders.

Source: 2022 NYC Rent Guidelines Board Mortgage Survey

3. Interest Rates and Terms for New Financing, Longitudinal Study, 2021-2022

Lending Inst.	Interest Rates		Points		Term		Type	
	2022	2021	2022	2021	2022	2021	2022	2021
5	4.00%	3.50%	0.75	0.75	Ω	◆	Both	Both
28	4.50%	NR	NR	NR	5, 7, 10, 15 yrs	5, 7, 10 yrs	Both	Fixed
30	NR	NR	0.92	1.00	5 - 30 years	NR	Both	Both
35	3.87%	4.00%	0.00	0.00	Ω	◆	Both	Fixed
107	3.88%	3.63%	0.00	0.00	Ω	◆	Both	Both
117	3.25%	3.25%	0.00	0.00	Ω	◆	Both	Both
297	3.50%	3.75%	0.00	0.00	Ω	◆	Fixed	Fixed
401	4.50%	4.40%	0.87	0.88	30 - 40 yr term	◆	Fixed	Fixed
AVERAGE	3.93%	3.76%	0.36	0.38	†	†	†	†

NR no response † No average computed BPS Basis Points

- Ω #5 = 1.50-2.00% spread, 50-100 BPS fee
 #35 = 5/5/5yr adj balloon based on 25 year payout or 10 yr fixed balloon based on 25 year payout
 #107 = 5 or 7 year fixed with 5 year Option
 #117 = 5-10 year typically par
 #297 = 5, 7 or 10 year rate period - all loans have 10 year maturity - 25 or 30 yr amortization
- ◆ #5 = 5 yr. Swaps plus 3.00%; 50-100 BPS fee #35 = 10 year balloon based on 25 year amortization
 #107 = 5 and 7 year fixed with 5 years option #117 = 200-240bps par
 #297 = 5, 7 or 10 year rates - 10 year term - 30 year amortization - \$2500 Fee
 #401 = 30-40 Year Term, Commitment Fee 75-100 BPS

Note: Averages for interest rates and points are calculated by using the midpoint when a range of values is given by the lending institution. Lending institution numbers reflect anonymized lenders.

Source: 2021 and 2022 NYC Rent Guidelines Board Mortgage Surveys

4. Lending Standards and Vacancy & Collection Losses, Longitudinal Study, 2021-2022

Lending Inst.	Max Loan-to-Value		Debt Service Coverage		Vacancy & Collection Losses	
	2022	2021	2022	2021	2022	2021
5	70%	65%	NR	NR	8.0%	8.0%
28	80%	75%	1.25	1.30	1.0%	0.5%
30	80%	80%	1.20	1.20	8.0%	NR
35	65%	65%	1.30	1.35	3.0%	3.0%
107	75%	75%	1.20	1.20	0.5%	0.5%
117	75%	75%	1.30	1.25	8.0%	NR
297	75%	75%	1.25	1.25	2.0%	2.0%
401	83%	83%	1.15	1.15	3.0%	3.0%
AVERAGE	75.3%	74.1%	1.24	1.24	4.19%	2.83%

NR no response

Notes: Average loan-to-value (LTV) and debt service coverage ratios (DSCR) are calculated using the midpoint when a range is given by the lending institution. Debt Service Coverage refers to Net Operating Income (NOI) divided by the first mortgage debt (loan) amount, times 100. Lending institution numbers reflect anonymized lenders.

Source: 2021 and 2022 NYC Rent Guidelines Board Mortgage Surveys

5. Interest Rates for New Mortgages, 1981-2022

<u>Year</u>	<u>Interest Rates for New Mortgages</u>
1981	15.9%
1982	16.3%
1983	13.0%
1984	13.5%
1985	12.9%
1986	10.5%
1987	10.2%
1988	10.8%
1989	12.0%
1990	11.2%
1991	10.7%
1992	10.1%
1993	9.2%
1994	8.6%
1995	10.1%
1996	8.6%
1997	8.8%
1998	8.5%
1999	7.8%
2000	8.7%
2001	8.4%
2002	7.4%
2003	6.2%
2004	5.8%
2005	5.5%
2006	6.3%
2007	6.3%
2008	6.1%
2009	6.5%
2010	6.3%
2011	5.8%
2012	4.6%
2013	4.4%
2014	4.9%
2015	4.3%
2016	4.0%
2017	4.3%
2018	4.8%
2019	4.7%
2020	4.0%
2021	3.8%
2022	3.9%

Note: Interest rate data is collected January-March and represents a 12-month average of the preceding year.

Sources: NYC Rent Guidelines Board Mortgage Surveys

6. Sales Volume of Buildings Containing Rent Stabilized Units, Citywide and by Borough, and Percent Change, 2008-2021

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Citywide	1,021	521	541	709	1,135	1,431	1,356	1,361	1,167	793	885	650	470	777
<i>% Change from Prior Yr</i>	-	-49.0%	3.8%	31.1%	60.1%	26.1%	-5.2%	0.4%	-14.3%	-32.0%	11.6%	-26.6%	-27.7%	65.3%
Bronx	171	100	131	130	204	245	302	262	234	156	195	102	70	141
<i>% Change from Prior Yr</i>	-	-41.5%	31.0%	-0.8%	56.9%	20.1%	23.3%	-13.2%	-10.7%	-33.3%	25.0%	-47.7%	-31.4%	101.4%
Brooklyn	426	199	185	258	396	472	494	499	378	292	281	220	161	255
<i>% Change from Prior Yr</i>	-	-53.3%	-7.0%	39.5%	53.5%	19.2%	4.7%	1.0%	-24.2%	-22.8%	-3.8%	-21.7%	-26.8%	58.4%
Manhattan	243	146	144	225	419	466	393	438	407	233	289	228	172	262
<i>% Change from Prior Yr</i>	-	-39.9%	-1.4%	56.3%	86.2%	11.2%	-15.7%	11.5%	-7.1%	-42.8%	24.0%	-21.1%	-24.6%	52.3%
Queens	181	76	81	96	116	248	167	162	148	112	120	100	67	119
<i>% Change from Prior Yr</i>	-	-58.0%	6.6%	18.5%	20.8%	113.8%	-32.7%	-3.0%	-8.6%	-24.3%	7.1%	-16.7%	-33.0%	77.6%

Note: Staten Island is excluded due to the small number of buildings sold that contain rent stabilized units.

Source: NYC Department of Finance

7. Sales of Buildings Containing Rent Stabilized Units, by Building and Residential Unit Counts, 2003-2021

Year	Number of Residential Units Sold Citywide	Number of Residential Buildings Sold Citywide	Average Number of Residential Units per Building Sold				
			Citywide	Manhattan	Brooklyn	Bronx	Queens
2003	30,980	1,481	20.9	29.9	12.7	31.2	19.6
2004	45,025	1,728	26.1	29.1	20.3	34.1	28.4
2005	50,168	1,816	27.6	37.2	19.3	38.1	16.5
2006	52,557	1,433	36.7	60.9	22.2	36.6	31.2
2007	42,567	1,474	28.9	30.5	19.5	41.4	29.3
2008	29,232	1,021	28.6	36.8	20.8	35.9	29.2
2009	12,827	521	24.6	28.2	18.9	37.9	15.1
2010	16,565	541	30.6	41.6	15.8	46.9	18.6
2011	18,628	709	26.3	33.8	17.3	37.9	16.9
2012	28,912	1,135	25.5	29.0	16.8	37.8	21.0
2013	37,855	1,431	26.5	31.7	15.4	38.5	25.8
2014	45,534	1,356	33.6	57.4	16.5	37.2	21.4
2015	44,847	1,361	33.0	51.0	20.0	35.0	20.0
2016	36,150	1,167	31.0	43.4	16.6	33.9	29.0
2017	18,370	793	23.2	27.6	14.5	28.6	28.9
2018	23,932	885	27.0	29.0	20.2	28.9	35.3
2019	15,278	650	23.5	26.4	15.9	31.6	25.3
2020	11,950	470	25.4	26.7	23.3	34.9	17.6
2021	16,657	777	21.4	21.2	17.9	33.5	15.2

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

Source: NYC Department of Finance

8. Median Sales Price and Sales Volume of Buildings Containing Rent Stabilized Units, by Borough and Building Size, and Percent Change in Sales, 2020-2021

Year	2020 Median Sale Price	2021 Median Sale Price	2020 # of Sales	2021 # of Sales	Change in Sales from 2020-2021
Citywide					
All buildings	\$4,000,000	\$4,250,000	470	777	65.3%
6-10 units	\$2,065,338	\$1,989,995	201	394	96.0%
11-19 units	\$4,200,000	\$4,750,000	91	115	26.4%
20-99 units	\$7,488,000	\$7,950,000	162	257	58.6%
100+ units	\$34,197,165	-	16	11	-31.3%
Bronx					
All buildings	\$5,100,000	\$5,150,000	70	141	101.4%
6-10 units	\$1,166,250	\$1,325,000	18	31	72.2%
11-19 units	-	\$3,000,000	5	20	300.0%
20-99 units	\$7,000,000	\$7,450,000	47	87	85.1%
Brooklyn					
All buildings	\$2,909,745	\$2,800,000	161	255	58.4%
6-10 units	\$2,025,000	\$1,775,000	89	180	102.2%
11-19 units	\$3,500,000	\$4,190,000	20	23	15.0%
20-99 units	\$7,185,567	\$7,764,340	46	48	4.3%
Manhattan					
All buildings	\$5,772,878	\$7,800,000	172	262	52.3%
6-10 units	\$3,050,000	\$5,964,463	55	102	85.5%
11-19 units	\$5,787,052	\$6,725,000	55	56	1.8%
20-99 units	\$9,520,307	\$8,879,250	54	102	88.9%
Queens					
All buildings	\$2,275,000	\$1,695,000	67	119	77.6%
6-10 units	\$1,380,000	\$1,400,000	39	81	107.7%
11-19 units	-	\$3,162,500	11	16	45.5%
20-99 units	\$5,462,175	\$8,475,000	15	20	33.3%

Notes: All Staten Island buildings; Bronx 11-19 unit buildings (2020 sales price only); Queens 11-19 unit buildings (2020 sales price only); Citywide 100+ unit buildings (2021 sales price only); and all 100+ unit buildings in individual boroughs, 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.

Citywide figures do not contain Staten Island building sales.

Source: NYC Department of Finance

9. Average Nominal Sales Price per Residential Unit in Buildings Containing Stabilized Units, 2003-2021

Year	Citywide	Citywide % Change from Prior Year	Manhattan	Brooklyn	Bronx	Queens
2003	\$83,045	-	\$110,206	\$67,867	\$56,009	\$72,276
2004	\$116,708	40.5%	\$212,436	\$63,422	\$76,597	\$90,834
2005	\$185,391	58.9%	\$307,938	\$86,814	\$85,810	\$97,610
2006	\$222,249	19.9%	\$363,644	\$108,714	\$78,737	\$101,671
2007	\$179,185	-19.4%	\$336,394	\$110,843	\$89,463	\$101,250
2008	\$154,775	-13.6%	\$235,822	\$109,138	\$99,792	\$157,871
2009	\$110,381	-28.7%	\$186,374	\$81,488	\$60,747	\$96,433
2010	\$137,423	24.5%	\$219,117	\$114,123	\$72,807	\$120,857
2011	\$183,699	33.7%	\$303,934	\$108,757	\$85,519	\$123,973
2012	\$180,659	-1.7%	\$284,297	\$124,352	\$83,535	\$123,457
2013	\$221,258	22.5%	\$354,949	\$159,569	\$100,353	\$160,829
2014	\$305,100	37.9%	\$442,488	\$217,822	\$118,186	\$226,207
2015	\$351,161	15.1%	\$484,793	\$274,766	\$150,075	\$247,184
2016	\$306,529	-12.7%	\$370,252	\$323,031	\$171,887	\$269,124
2017	\$324,820	6.0%	\$482,826	\$289,763	\$198,631	\$231,190
2018	\$371,313	14.3%	\$554,657	\$313,533	\$190,210	\$326,780
2019	\$398,181	7.2%	\$556,067	\$334,907	\$224,653	\$330,784
2020	\$351,149	-11.8%	\$520,700	\$291,321	\$183,406	\$229,240
2021	\$389,581	10.9%	\$526,570	\$447,515	\$216,955	\$272,660

Note: All Staten Island buildings excluded due to the small number of buildings sold.
Source: NYC Department of Finance

10. Average Real Sales Price per Residential Unit in Buildings Containing Stabilized Units, 2003-2021 (2021 dollars)

Year	Citywide	Citywide % Change from Prior Year	Manhattan	Brooklyn	Bronx	Queens
2003	\$122,721	-	\$162,859	\$100,292	\$82,768	\$106,807
2004	\$166,572	35.7%	\$303,201	\$90,520	\$109,324	\$129,643
2005	\$254,774	53.0%	\$423,184	\$119,304	\$117,925	\$134,140
2006	\$294,355	15.5%	\$481,624	\$143,985	\$104,282	\$134,656
2007	\$230,794	-21.6%	\$433,281	\$142,768	\$115,231	\$130,413
2008	\$191,878	-16.9%	\$292,353	\$135,300	\$123,714	\$195,716
2009	\$136,239	-29.0%	\$230,033	\$100,578	\$74,978	\$119,024
2010	\$166,771	22.4%	\$265,911	\$138,495	\$88,356	\$146,667
2011	\$216,762	30.0%	\$358,637	\$128,331	\$100,911	\$146,286
2012	\$209,065	-3.6%	\$328,997	\$143,904	\$96,670	\$142,869
2013	\$251,815	20.4%	\$403,969	\$181,606	\$114,212	\$183,040
2014	\$342,703	36.1%	\$497,024	\$244,669	\$132,752	\$254,086
2015	\$393,945	15.0%	\$543,858	\$308,242	\$168,359	\$277,299
2016	\$340,209	-13.6%	\$410,934	\$358,524	\$190,774	\$298,695
2017	\$353,590	3.9%	\$525,590	\$315,428	\$216,224	\$251,667
2018	\$396,636	12.2%	\$592,484	\$334,916	\$203,183	\$349,066
2019	\$418,420	5.5%	\$584,332	\$351,930	\$236,072	\$347,597
2020	\$362,794	-13.3%	\$537,969	\$300,983	\$189,489	\$236,843
2021	\$389,581	7.4%	\$526,570	\$447,515	\$216,955	\$272,660

Note: All Staten Island buildings excluded due to the small number of buildings sold.
Source: NYC Department of Finance