

FACT BRIEF | JUNE 2014

Profile of Rent-Stabilized Units and Tenants in New York City

Rent Stabilization is a New York State law that restricts how much rents in certain residential housing units can increase annually.¹ The law generally applies to buildings constructed prior to 1974 that have six or more units, or to buildings that opt into the program in exchange for certain public subsidies. Rent Stabilization protects tenants from sharp increases in rents and protects their right to renew their leases.

In 2011, rent stabilized units comprised nearly one million units of housing in New York City—roughly 45 percent the city’s rental housing stock. Stabilized units house many low-income residents across New York City; roughly 66 percent of tenants living in rent-stabilized units were considered low-income in 2011.²

This Fact Brief is an update to the NYU Furman Center’s April 2012 publication, *Rent Stabilization in New York City*. The data in this brief remain the most recent available from the New York City Housing and Vacancy Survey. Data from the 2014 Housing and Vacancy Survey are expected to be released next year.

¹ For more information, see An Introduction to the NYC Rent Guidelines Board and the Rent Stabilization System (January 2014), <http://www.nycrgb.org/html/about/intro/toc.html>

² We define low-income households as those earning no more than 80 percent of the Area Median Income according to the U.S. Department of Housing and Urban Development’s guidelines for the Section 8 and HOME programs. In 2011, the low-income limit for a three-person household was \$58,950.



Table A: Housing Stock in New York City, 2011*

	NYC	Share of Rental Units	Share of Total Units
Total Housing Units	3,187,574	—	—
Owner Occupied Units	1,014,940	—	31.8%
Rental Units	2,172,634	—	68.2%
<i>Rent Stabilized</i>	986,840	45.4%	31.0%
<i>Rent Controlled</i>	38,374	1.8%	1.2%
<i>Market Rate</i>	849,800	39.1%	26.7%
<i>Other Rental Units**</i>	297,620	13.7%	9.3%

*Results presented in this table differ somewhat from those shown in the State of New York City's Housing and Neighborhoods 2012 and 2013 editions which rely on different data sources. For more information, see page 3 sidebar, Data Sources in this Fact Brief.

**Other Rental Units includes Public Housing, Mitchell-Lama, In Rem, HUD-Regulated, Article 4, Municipal Loan, and Loft Board Regulated Units.
Sources: New York City Housing and Vacancy Survey, NYU Furman Center

Table B: Rent-Stabilized/Controlled Units, 2011

	Rent-Stabilized/ Controlled Units	Stabilized/ Controlled Share of Total Rental Units	% Voluntary (of Stabilized/ Controlled Units)
New York City	1,025,214	47.2%	8.0%
Bronx	231,754	59.7%	13.3%
Brooklyn	306,374	44.3%	4.6%
Manhattan	284,089	48.4%	6.9%
Queens	194,536	43.3%	8.7%
Staten Island	8,461	14.8%	8.4%
Core Manhattan*	166,961	41.7%	16.2%
Outside Core Manhattan	858,254	48.4%	6.4%
Neighborhoods With the Most Rent Stabilized/Controlled Units			
Washington Heights/Inwood	56,173	86.7%	0.3%
Kingsbridge Heights/Moshulu	40,174	91.5%	1.4%
Highbridge/South Concourse	37,385	83.0%	6.0%
Upper East Side	35,651	44.4%	4.2%
Astoria	34,018	53.0%	8.3%
Flatbush	33,077	75.3%	0.7%
University Heights/Fordham	31,578	75.7%	3.8%
South Crown Heights	30,942	80.8%	0.9%
Upper West Side	30,420	42.9%	15.7%
Lower East Side/Chinatown	30,351	48.3%	5.6%

*Core Manhattan consists of community districts MN 01 – MN 08

Sources: New York City Housing and Vacancy Survey, NYU Furman Center



Table A shows that in 2011, New York City was home to 986,840 rent-stabilized units, representing roughly 45 percent of the city’s total rental housing stock, according to the 2011 New York City Housing and Vacancy Survey. In addition, the stock of rent-regulated units included a relatively small number of rent-controlled units—approximately 38,000 in 2011. Both units subject to rent control and units subject to rent stabilization fall under strict rules governing rent increases, obligations to provide services, and the circumstances under which tenants can be evicted.

Rent control applies only to buildings built before February 1947 and to units occupied by a tenant (and in some cases, her family member, spouse, or lifetime partner) who has lived in the unit continuously since before July 1, 1971. Rent stabilization generally applies to buildings of six or more units built between February 1, 1947 and December 31, 1973, and to those units that have exited from the rent-control program.

Data Sources in This Fact Brief

Data sources on the rental housing stock and characteristics of tenants and units in this brief differ from those used in our *State of New York City’s Housing and Neighborhoods* report, and so we caution against comparing data between them. Rent regulation and subsidy statuses in this brief follow the New York City Housing and Vacancy Survey’s reporting standards. In the *State of New York City’s Housing and Neighborhoods*, we combine several data sources to adjust counts of market-rate, rent-stabilized, rent-controlled, and subsidized units and so they are not comparable to counts in this brief. For more information, see the *State of New York City’s Housing and Neighborhoods in 2013* report’s Methods chapter (page 171, available at <http://furmancenter.org/research/sonychan>). Data on rents and incomes in this brief come from the Housing and Vacancy Survey, while the *State of New York City’s Housing and Neighborhoods* uses the American Community Survey for these data. All dollar amounts presented are nominal and not adjusted for inflation. All references to rent amounts are gross rents: amounts agreed to or specified on a lease plus any additional utility costs.

Table C: Housing Stock in New York City, 2011*

	1981	1991	2002	2011
Total Housing Units	2,730,789	2,789,804	3,081,772	3,187,574
Owner Units	754,745	858,108	997,003	1,014,940
Rental Units	1,976,044	1,931,696	2,084,769	2,172,634
Rent Stabilized/Controlled	1,238,387	1,134,995	1,101,720	1,025,214
<i>Rent Stabilized</i>	952,832	1,010,584	1,042,397	986,840
<i>Rent Controlled</i>	285,555	124,411	59,324	38,374
Public Housing	166,061	174,253	178,075	185,534
Market-Rate and Other Rental Units**	571,596	622,448	804,973	961,886
Share Stabilized/Controlled	62.7%	58.8%	52.8%	47.2%

*Includes both occupied and vacant available Units.

**Includes market-rate, Mitchell-Lama, In Rem, and other subsidized housing units.

Sources: New York City Housing and Vacancy Survey, NYU Furman Center

Table D: Income and Rent of Tenants in Market-Rate and Rent-Stabilized/Controlled Units, 2011*

	Household Median Income		% Low Income (<80% AMI)		Median Rent		% Rent Burdened (rent >30% of income)		% Severely Rent Burdened (rent >50% of income)	
	Market Rate	Rent Stabilized/Controlled	Market Rate	Rent Stabilized/Controlled	Market Rate	Rent Stabilized/Controlled	Market Rate	Rent Stabilized/Controlled	Market Rate	Rent Stabilized/Controlled
		Rate		Controlled		Rate		Controlled		Rate
New York City	\$52,260	\$36,600	53.1%	65.8%	\$1,510	\$1,155	55.7%	58.0%	30.8%	34.8%
Bronx	\$35,800	\$26,400	75.9%	82.2%	\$1,320	\$1,060	65.9%	66.8%	43.8%	43.9%
Brooklyn	\$43,200	\$35,000	61.6%	68.2%	\$1,330	\$1,118	58.4%	58.9%	31.8%	35.1%
Manhattan	\$100,000	\$49,200	23.7%	51.9%	\$2,600	\$1,283	46.7%	51.5%	23.8%	28.9%
Queens	\$50,000	\$40,000	59.5%	63.6%	\$1,400	\$1,223	55.7%	56.3%	31.0%	32.5%
Staten Island	\$39,680	\$45,000	65.3%	58.1%	\$1,262	\$1,105	58.4%	46.0%	31.8%	26.6%
Core Manhattan**	\$110,000	\$57,780	20.1%	43.8%	\$2,700	\$1,465	45.7%	49.8%	22.5%	26.6%
Outside Core Manhattan	\$44,320	\$34,112	62.3%	70.2%	\$1,355	\$1,127	58.2%	59.6%	33.0%	36.4%

*Results presented in this table differ somewhat from those shown in the State of New York City's Housing and Neighborhoods 2012 and 2013 editions which rely on different data sources. For more information, see page 3 sidebar, Data Sources in this Fact Brief.

**Core Manhattan consists of community districts MN 01 – MN 08.

Units also enter rent stabilization under more varied circumstances. For example, as **Table B** shows, approximately eight percent of the city's stabilized units (and nearly all stabilized units in buildings constructed after 1974) were voluntarily subjected to rent stabilization by their owners in exchange for tax incentives from the city. Units that are rent controlled face more significant limits on the ways that they may exit the program than do units that are rent stabilized.

Involuntarily stabilized units, which represent 92 percent of the stabilized stock, are regulated based on a "housing emergency" declared by the city in 1974 and renewed every three years since. Under New York State's Rent Stabilization Law (RSL), the city may declare a housing emergency whenever the city's rental vacancy rate drops below five percent.

Understanding the effects of rent regulation on tenants in New York City requires attention to differences across neighborhoods and over time. We have compiled the data below to better inform discussions about rent stabilization.

Table C shows that in 1981, roughly 63 percent of rental units were subject to rent stabilization or rent control. Over the past 30 years, there has been a net loss of about 231,000 stabilized units as more units exited the program than entered through tax incentive programs.

Although there is no income test for tenants seeking to rent a stabilized apartment, this housing stock serves many low-income renters. Indeed, **Table D** shows that 65.8 percent of tenants living in stabilized units had low incomes, compared to 53.8 percent of tenants of market-rate units. The typical household living in a rent-stabilized unit earned \$15,660 less than the typical household living in a market-rate unit in 2011.³ Part of the income difference likely stems from the fact that rent-stabilized units have more householders over 65 years old than market-rate units. **Table H** shows that over 23 percent of rent-stabilized households were led by a senior in 2011, compared to seven percent of market-rate households.

³ References to rent-stabilized units for Tables D through H include both rent-controlled and rent-stabilized units.

Table E: Changes in Rents of Market-Rate and Rent-Stabilized/Controlled Units, 2011

	Median Rent (2002)		Median Rent (2011)		% Increase in Rent (2002–2011)	
	Market Rate	Rent Stabilized/ Controlled	Market Rate	Rent Stabilized/ Controlled	Market Rate	Rent Stabilized/ Controlled
New York City	\$ 950	\$773	\$1,510	\$1,155	58.9%	49.4%
Bronx	\$875	\$700	\$1,320	\$1,060	50.9%	51.4%
Brooklyn	\$885	\$737	\$1,330	\$1,118	50.3%	51.7%
Manhattan	\$2,285	\$878	\$2,600	\$1,283	13.8%	46.1%
Queens	\$945	\$818	\$1,400	\$1,223	48.1%	49.5%
Staten Island	\$860	\$835	\$1,262	\$1,105	46.7%	32.3%
Core Manhattan*	\$2,450	\$1,082	\$2,700	\$1,465	10.2%	35.4%
Outside Core Manhattan	\$900	\$745	\$1,355	\$1,127	50.6%	51.3%

*Core Manhattan consists of community districts MN 01 – MN 08

Sources: New York City Housing and Vacancy Survey, NYU Furman Center

In Manhattan, the typical household living in a market-rate unit had an income more than double that of the typical household living in a stabilized unit in 2011. **Table D** also shows that the median income of stabilized rental households in core Manhattan was higher than the median income of market-rate tenants outside of core Manhattan.⁴

Differences in gross rents are also much more pronounced in Manhattan than in the four other boroughs. **Table E** shows that stabilized units rented in 2011 for about \$1,235 per month lower than market-rate units in core Manhattan, but only \$228 lower than market-rate units in Upper Manhattan and the outer boroughs.

Some of this gap between rents for stabilized and market-rate units is likely due to the fact that stabilized units tend to be older and smaller than market-rate units, as **Table F** shows. Some of the gap also may be related to the fact that, in general, rents have been lower for tenants who have been in a unit for many years than for recent movers, and rent-stabilized tenants, on average, have been

living in their units for 12 years compared to six years for market-rate tenants.

Many tenants of rent-stabilized units have had very long tenancies, as shown in Table H. About 23 percent of households in stabilized units have lived in their unit for 20 years or more in 2011, compared with only seven percent of households living in market-rate units. This difference is especially pronounced in core Manhattan, where 35.2 percent of stabilized households have lived in the same unit for over 20 years, compared with just 2.7 percent of market-rate households.

Citywide, there was little difference in the share of households in market-rate and stabilized housing that pay over 30 percent of their income on rent in 2011, as seen in **Table D**. In fact, households living in stabilized units were slightly more likely to be rent burdened or severely rent burdened than those living in market-rate units. Given that households living in stabilized apartments generally have lower incomes, however, the fact that the share of rent-burdened households in rent-stabilized housing is close to the share of market-rate tenants who are rent-burdened

⁴ Core Manhattan consists of community districts MN 01 – MN 08.



suggests that rent stabilization may be easing rent burdens for these lower income households.

Each year, the Rent Guidelines Board votes on the maximum allowable rent increase for lease renewals of rent-stabilized units, taking into account yearly changes in maintenance and operating expenses, as well as overall vacancy rates and the projected cost of living.⁵ **Table G** shows that since 2002 these increases have ranged from two percent to 4.5 percent. If a landlord raised the rent by the full, allowable amount every year from 2002 to 2011 with no additional increases, the rent charged would be 36 percent higher in 2011 than it had been in 2002. There are other mechanisms by which rent can increase, including when an apartment is vacated and a new tenant signs a lease, or when a landlord performs a Major Capital Improvement (MCI) or Individual Apartment Improvement (IAI).⁶ A landlord may also choose to charge a lower rent (“preferential rent”) than is legally allowed because of a relationship with the tenant or because the market will not bear a larger increase.

Table E shows that the average rent charged for rent stabilized units increased far faster than what would be permitted based on the allowable lease-renewal increases alone. The average rent charged for stabilized units increased by nearly 50 percent in nominal terms between 2002 and 2011. Although these data will not allow us to disaggregate precisely what is driving this larger increase, it is likely a combination of two things: (1) the rent

⁵ N.Y. Unconsol. Law § 26-510(b).

⁶ For more information on MCIs and IAIs, see New York State Homes & Community Renewal’s Fact Sheet #26: Guide to Rent Increases for Rent Stabilized Apartments in New York City: <http://www.nyshcr.org/Rent/factsheets/orafac26.htm>

Table F: Size and Age of Market-Rate and Rent-Stabilized/Controlled Units, 2011

	Average Number of Bedrooms		Share of Units in Buildings Built Before 1947	
	Market Rate	Rent Stabilized/Controlled	Market Rate	Rent Stabilized/Controlled
New York City	1.8	1.4	62.3%	76.4%
Bronx	2.0	1.5	54.7%	81.6%
Brooklyn	1.9	1.5	79.9%	80.0%
Manhattan	1.3	1.2	53.2%	83.5%
Queens	2.0	1.3	57.2%	55.1%
Staten Island	1.8	1.3	28.4%	39.5%
Core Manhattan*	1.2	1.0	51.0%	76.9%
Outside Core Manhattan	1.9	1.5	65.5%	76.2%

*Core Manhattan consists of community districts MN 01 – MN 08.

Sources: New York City Housing and Vacancy Survey, NYU Furman Center

Table G: New York City Allowable Rent Increases for a 1-Year Lease Renewal, 2002-2013

Year	Allowable Rent Increases
2002	2%
2003	4.50%
2004	3.50%
2005	2.75%
2006	4.25%
2007	3%
2008	4.50%
2009	3%
2010	2.25%
2011	3.75%
2012	2%
2013	4%

Sources: New York City Housing and Vacancy Survey, NYU Furman Center

Table H: Demographic Characteristics of Tenants Living in Market-Rate and Rent-Stabilized/Controlled Units, 2011

	Average Number of People per Household		Share of Householders > 65 Years Old		Share of Households that Moved in More Than 20 Years Ago	
	Market Rate	Rent Stabilized/ Controlled	Market Rate	Rent Stabilized/ Controlled	Market Rate	Rent Stabilized/ Controlled
	New York City	2.6	2.3	7.9%	17.4%	7.1%
Bronx	2.8	2.6	10.9%	13.0%	7.1%	16.8%
Brooklyn	2.8	2.4	8.7%	18.2%	9.6%	21.8%
Manhattan	1.9	1.9	4.9%	19.7%	3.1%	30.4%
Queens	2.9	2.3	8.2%	18.3%	7.7%	22.1%
Staten Island	2.5	1.7	10.5%	***	7.6%	***
Core Manhattan**	1.8	1.6	4.9%	22.4%	2.7%	35.2%
Outside Core Manhattan	2.8	2.4	8.7%	16.4%	8.4%	20.7%

Table I: Racial and Ethnic Characteristics of Tenants Living in Market-Rate and Rent-Stabilized/Controlled Units, 2011

	Market Rate				Rent Stabilized			
	White	Black	Hispanic	Asian	White	Black	Hispanic	Asian
New York City	43.0%	20.2%	22.9%	13.0%	35.3%	22.4%	32.0%	9.3%
Bronx	16.0%	36.6%	43.0%	***	9.6%	28.0%	58.8%	3.1%
Brooklyn	39.1%	29.8%	20.5%	9.7%	42.1%	33.5%	18.0%	5.8%
Manhattan	73.4%	5.9%	8.3%	11.5%	47.6%	14.9%	25.6%	9.6%
Queens	26.7%	17.2%	31.6%	23.5%	36.0%	8.9%	32.7%	21.8%
Staten Island	55.6%	11.8%	29.0%	***	57.4%	26.5%	***	***
Core Manhattan**	77.4%	3.1%	6.6%	11.9%	67.8%	6.3%	10.1%	14.1%
Outside Core Manhattan	33.2%	25.1%	27.5%	13.3%	28.9%	25.6%	36.3%	8.3%

*We define race and ethnicity based on characteristics of the householder. Hispanics may be of any race, and white, black, and Asian householders are non-Hispanic.

**Core Manhattan consists of community districts MN 01 – MN 08.

***Insufficient data

Sources: New York City Housing and Vacancy Survey, NYU Furman Center



increases on existing units when they become vacant or when a landlord completes an MCI or IAI; and (2) additional units have voluntarily entered rent stabilization in exchange for a tax incentive over time, and these units likely rent at higher rates than those that are statutorily bound by rent stabilization.

Minority households occupied a greater share of stabilized units than market-rate units in 2011, though the shares ranged significantly by borough. This contrast was especially large in Manhattan, where 52 percent of rent-stabilized households were non-white in 2011, compared to just 27 percent

of market-rate rental households. **Table I** shows the racial and ethnic distribution of households who lived in rent-stabilized and market-rate rental units in 2011.

This publication, *Profile of Rent-Stabilized Units and Tenants in New York City*, is an update to the NYU Furman Center's April 2012 publication, *Rent Stabilization in New York City*, available at: <http://furmancenter.org/research/publications/rent-stabilization-in-new-york-city>.

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