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# The State of Rent Stabilization in New York City

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# Definitions & Data on Rent Stabilization in New York City

## Buildings Subject to Rent Stabilization

- Involuntary: Buildings with six or more units built before 1974.
  - ~857,000 units in 2017
- Voluntary: Units subject to rent stabilization because of receipt of an affordable housing subsidy.
  - ~89,500 units in 2017

# Rent Stabilization Tenant Protections

- Restricted Rent Increases
  - Lease renewal increases set by Rent Guidelines Board.
  - Rents can also rise:
    - upon **vacancy** (~20%);
    - when a landlord makes a **Major Capital Improvement**; and
    - when a landlord makes an **Individual Apartment Improvement**.
- Right to Renew Leases

# Deregulation of Stabilized Units

- For involuntarily stabilized units:
  - Deregulation Rent Threshold in 2018: **\$2,733.75**
    - High-Rent/Vacancy deregulation
    - High-Rent/High-Income deregulation
  - Conversions
  - Substantial Rehabilitation
- For voluntarily stabilized units:
  - When subsidy program requirement expires

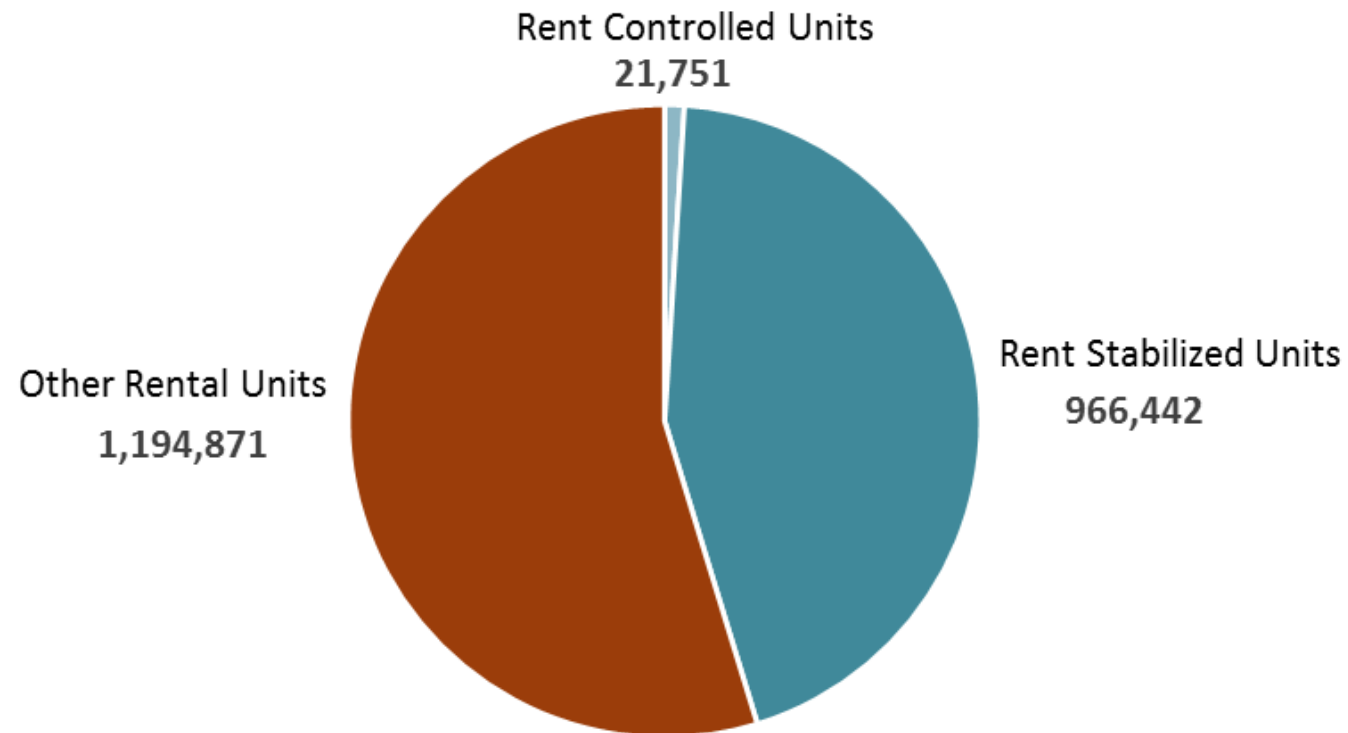
## Legal Rents & Preferential Rents

- **Legal Rent:** the highest rent that a landlord is permitted to charge in a rent-stabilized unit.
- **Preferential Rent:** a rent charged by a landlord that is less than the **Legal Rent**.
  - In 2014, approximately **28%** of units registered as rent stabilized were charging preferential rents.



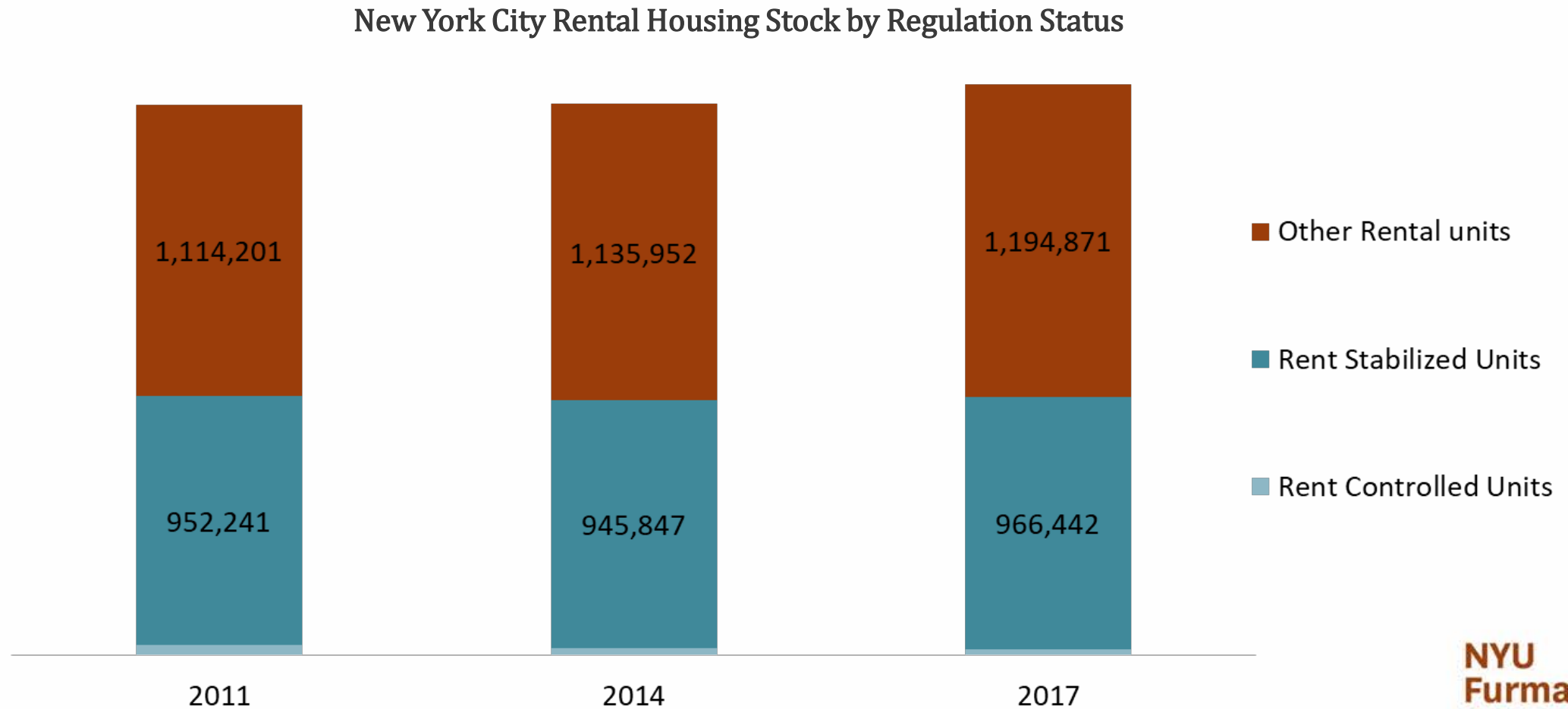
45% of New York City's rental units were stabilized or controlled in 2017.

New York City Rental Housing Stock by Regulation Status, 2017



## Rent Regulation in New York

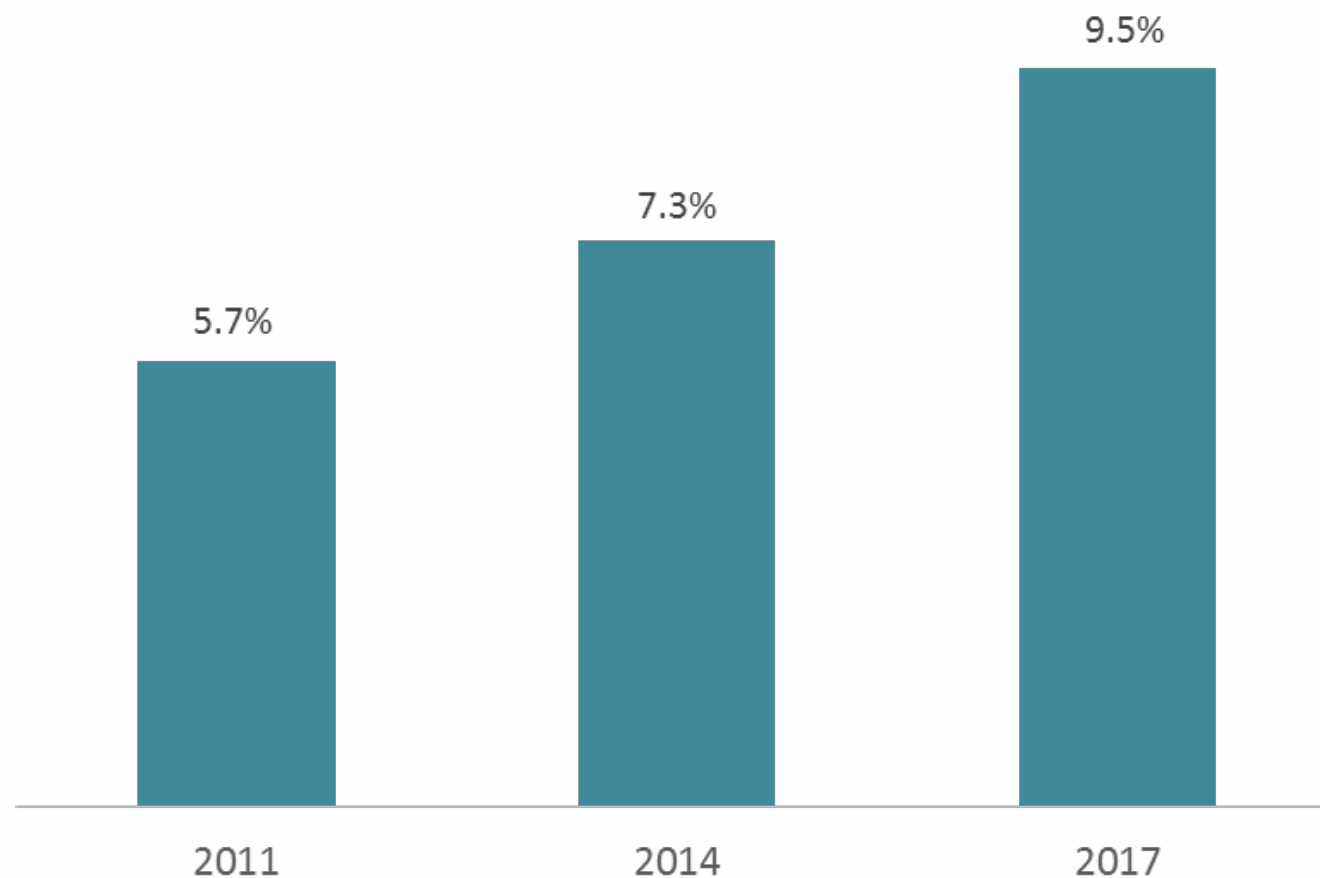
The number of stabilized units has remained relatively stable in recent years, but ...





The share of units that are **voluntarily** stabilized has grown.

Voluntarily Stabilized Share of Rent Stabilized Stock, New York City



## Rent Regulation in New York

Since 1994, there has been a **net loss of 147,512** rent-stabilized units in New York City.

### Losses:

**High-Rent Vacancy Deregulation: 155,664**

Co-op/Condo Conversion: 49,640

421-a/J-51 Expirations: 41,431

High-Rent/High-Income Deregulation: 6,346

Other: 37,967

### Additions:

**421-a: 79,043**

Formerly Rent Controlled: 38,692

Mitchell-Lama Buyouts (City/State): 11,393

Other Subsidy: 13,551

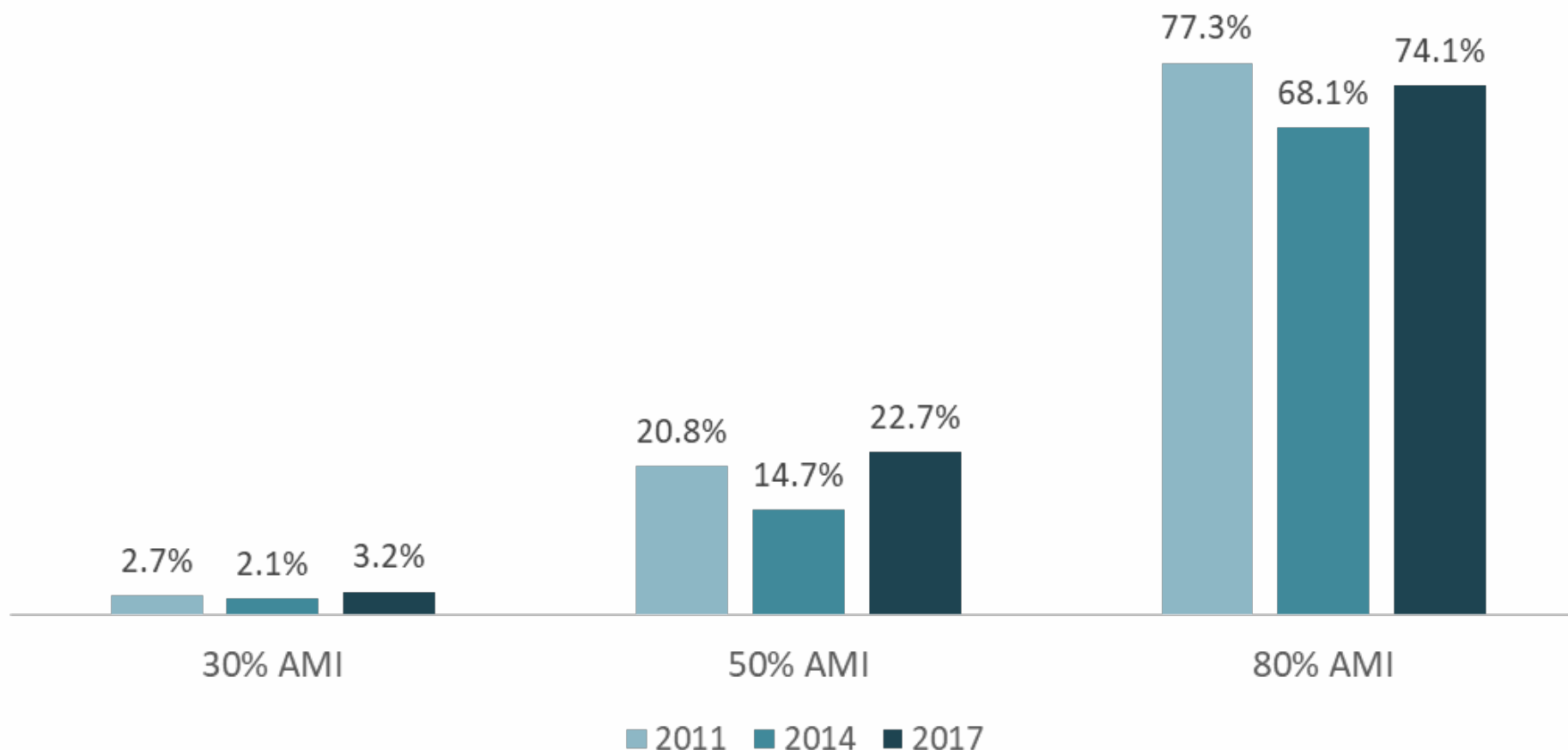
Lofts: 817



## Rent Regulation in New York

The share of stabilized units affordable to low-income households has risen slightly since 2014.

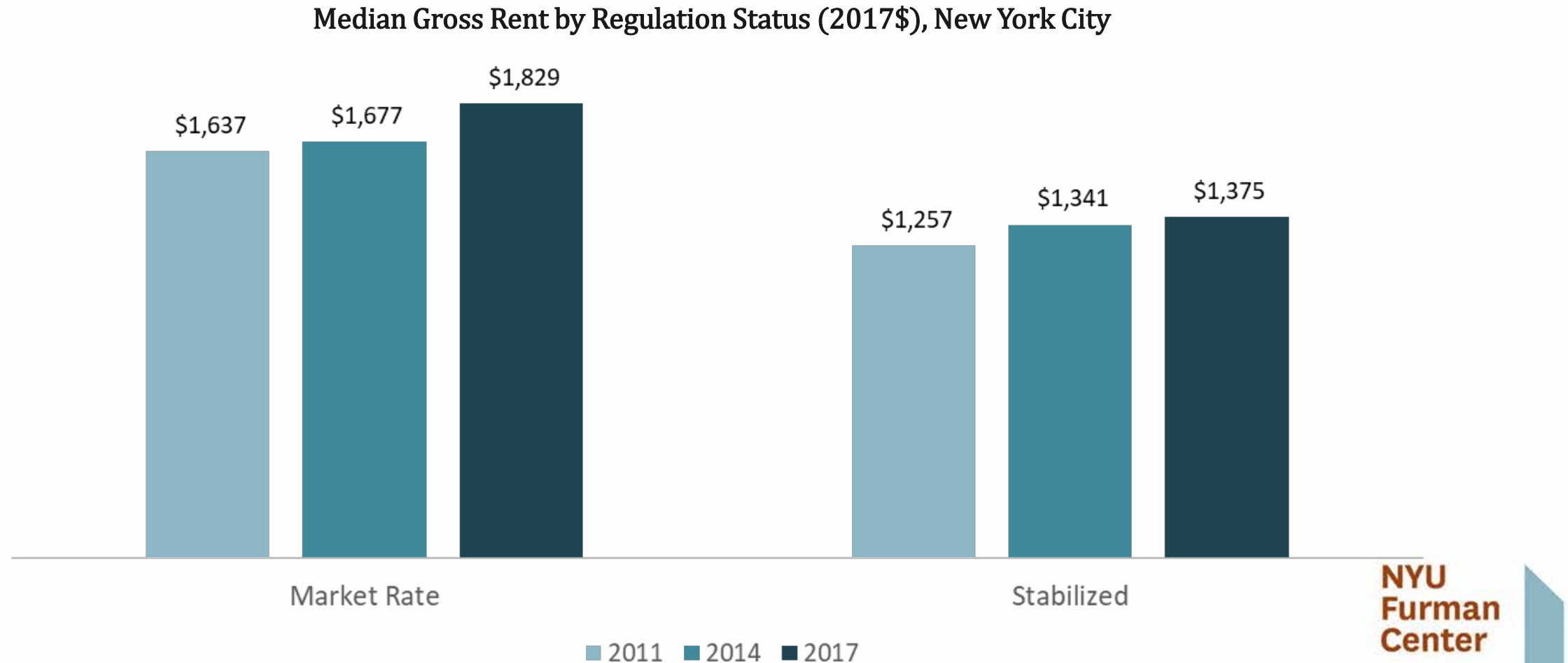
Share of Rent Stabilized Units Affordable to Low-Income Households, New York City



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## Rent Stabilization in NYC

Median rent in stabilized units has risen since 2011, but not as much as rents in market-rate units.

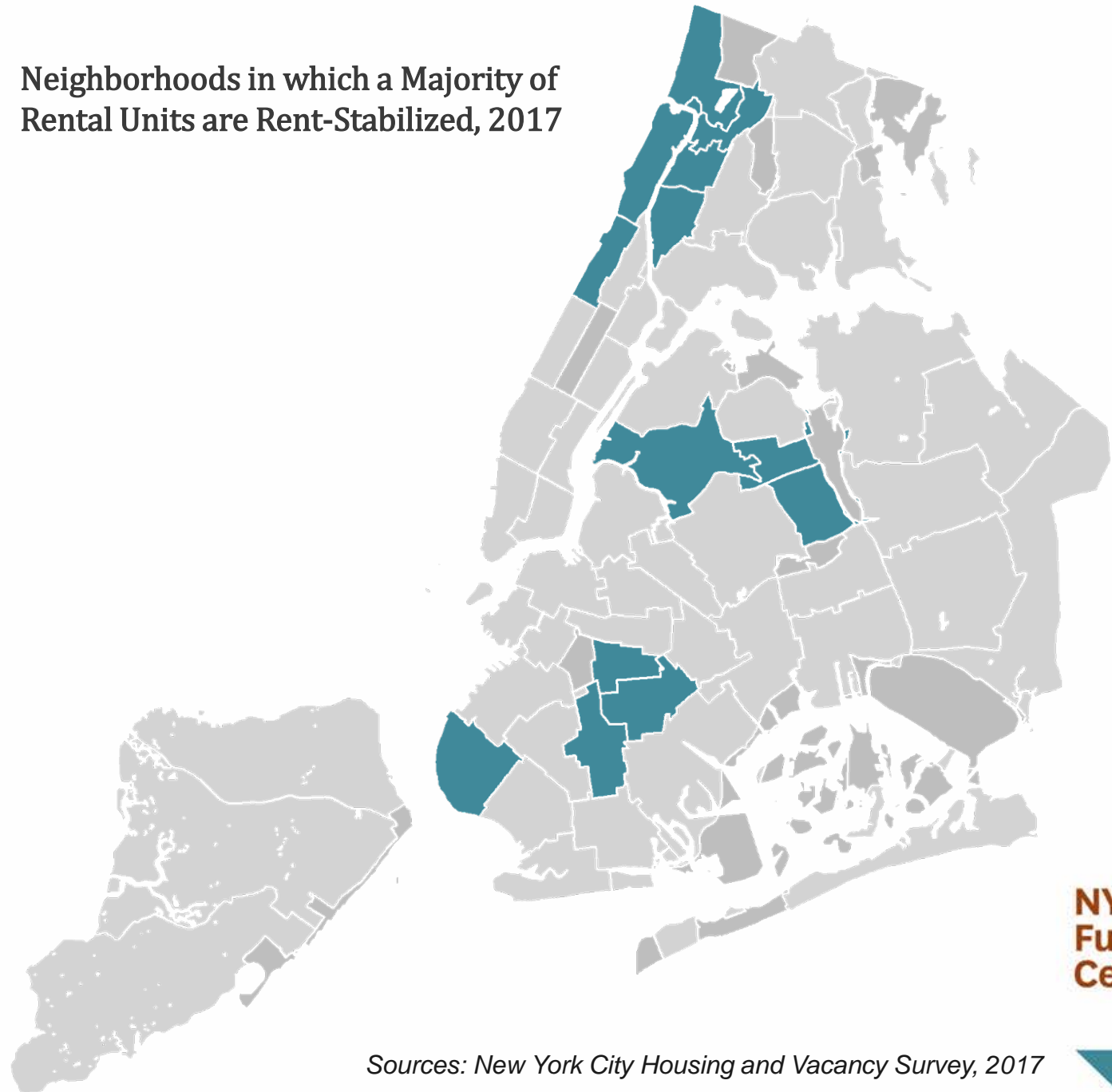


# Location of Rent-Stabilized Units in New York City

## Rent Stabilization in NYC

In 2017, there were 13 neighborhoods in the city where the majority of rental units were stabilized.

Neighborhoods in which a Majority of Rental Units are Rent-Stabilized, 2017

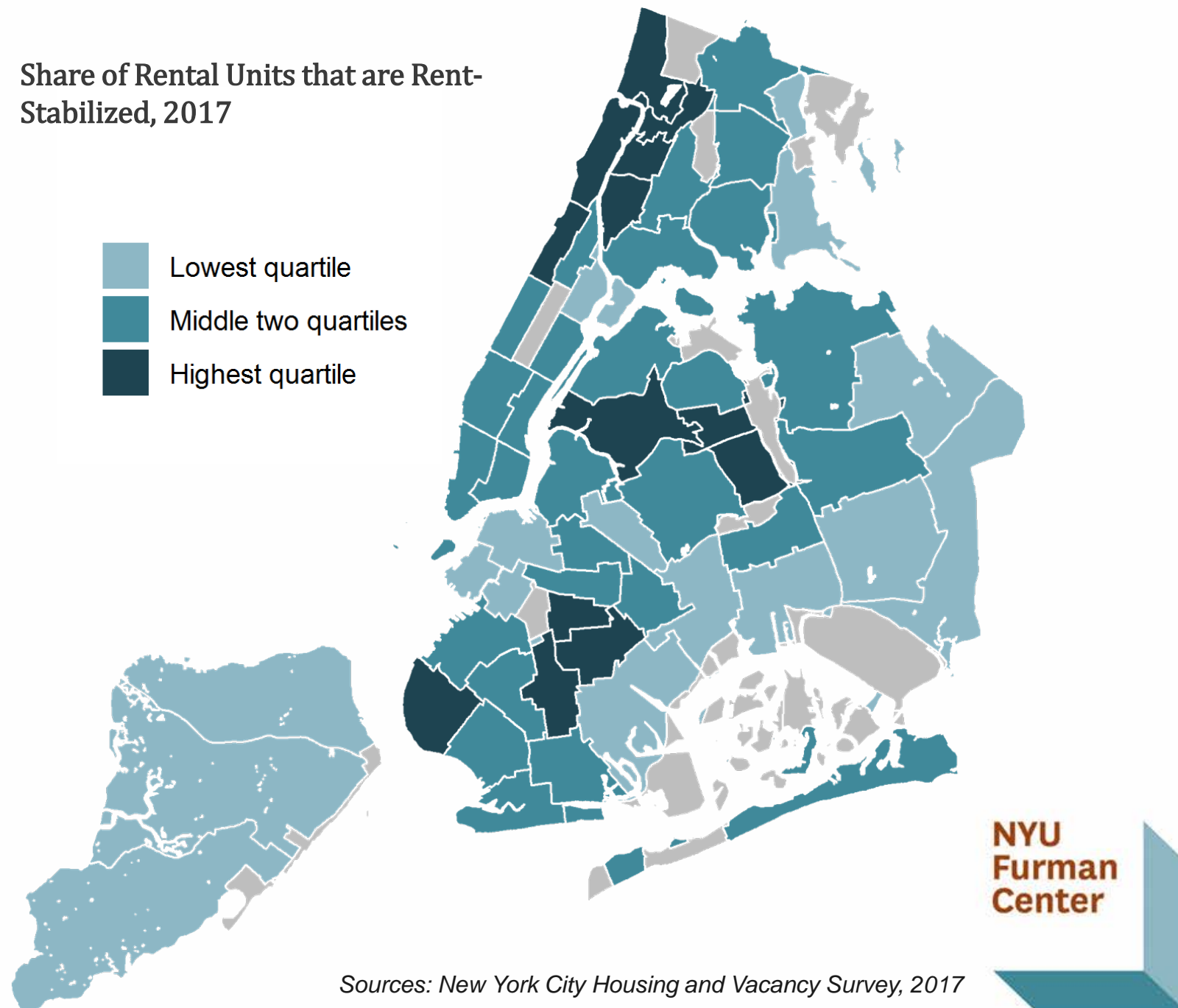


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## Rent Stabilization in NYC

The areas of the city with lowest shares of stabilized units are in Staten Island and Queens.

Share of Rental Units that are Rent-Stabilized, 2017

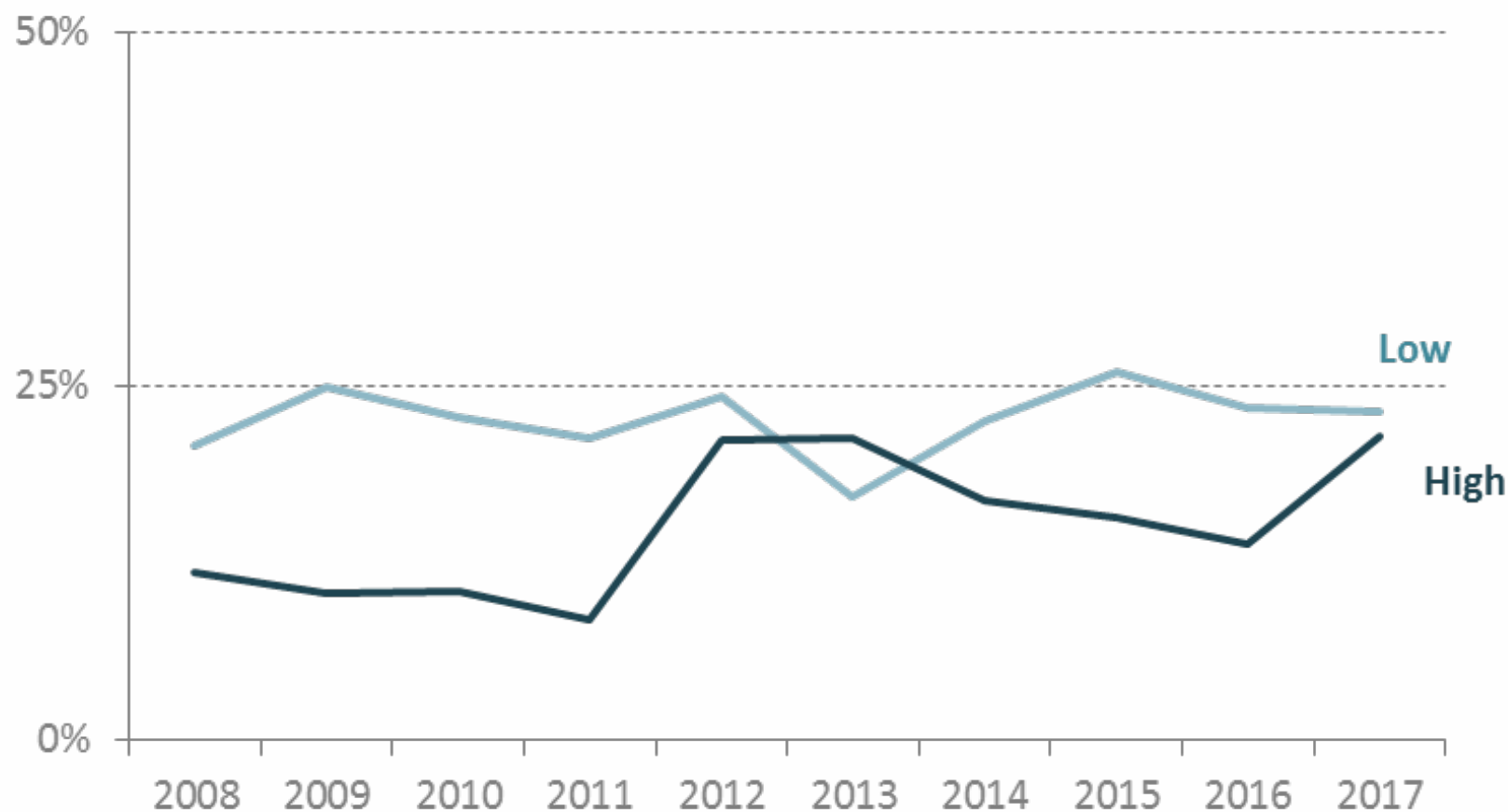




## Rent Stabilization in NYC

In 2017, neighborhoods with high and low shares of rent-stabilized units had similar shares of units issued certificates of occupancy.

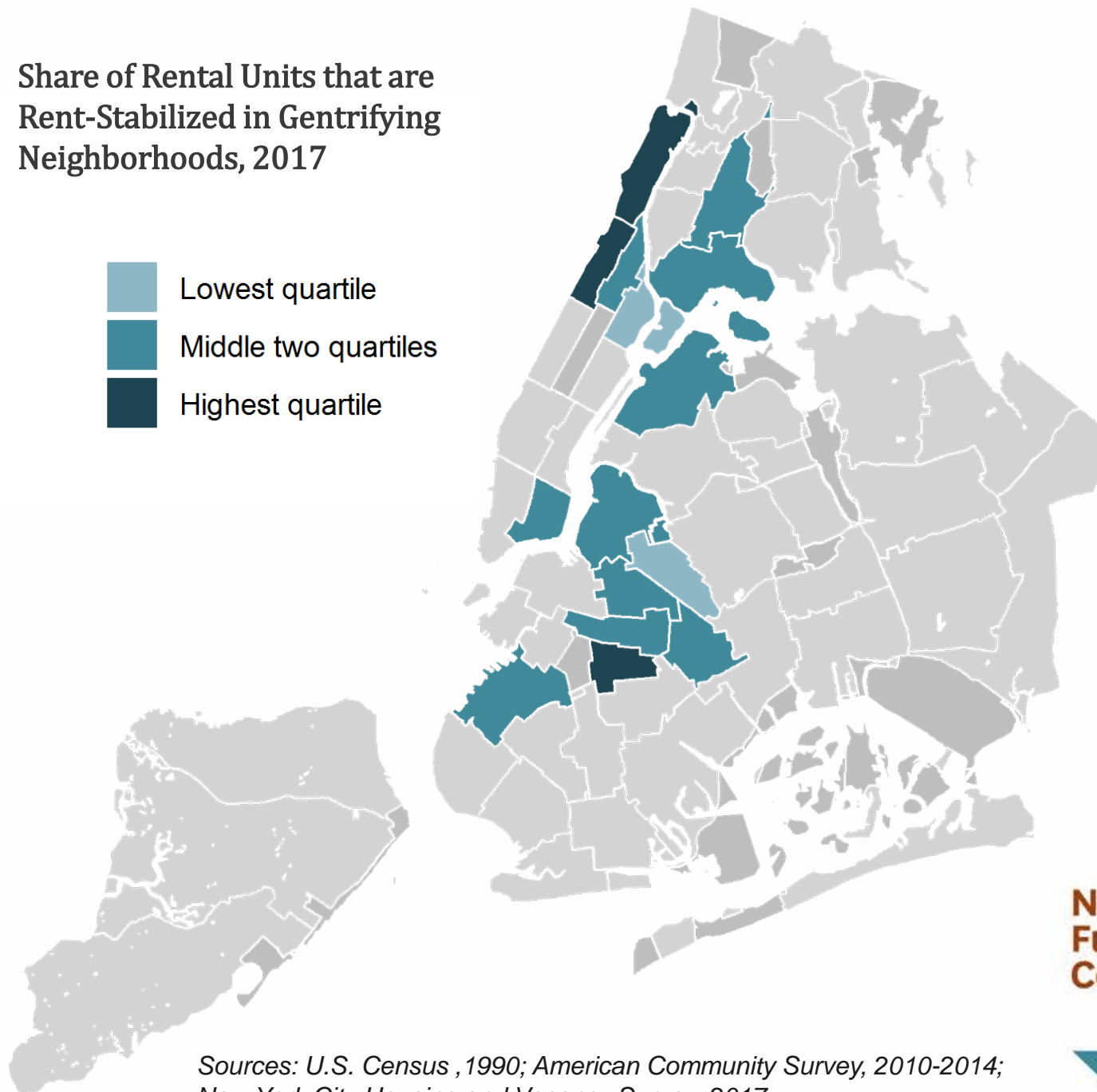
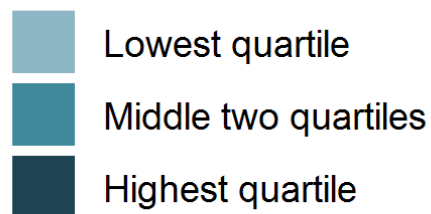
Share of All Units Issued New Certificates of Occupancy by Neighborhood Rent-Stabilization Status, New York City



## Rent Stabilization in NYC

“Gentrifying” neighborhoods have relatively high shares of rent-stabilized units.

Share of Rental Units that are Rent-Stabilized in Gentrifying Neighborhoods, 2017



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The logo for the NYU Furman Center, featuring the text "NYU Furman Center" in a black sans-serif font. To the right of the text is a red graphic element consisting of two L-shaped blocks forming a corner.

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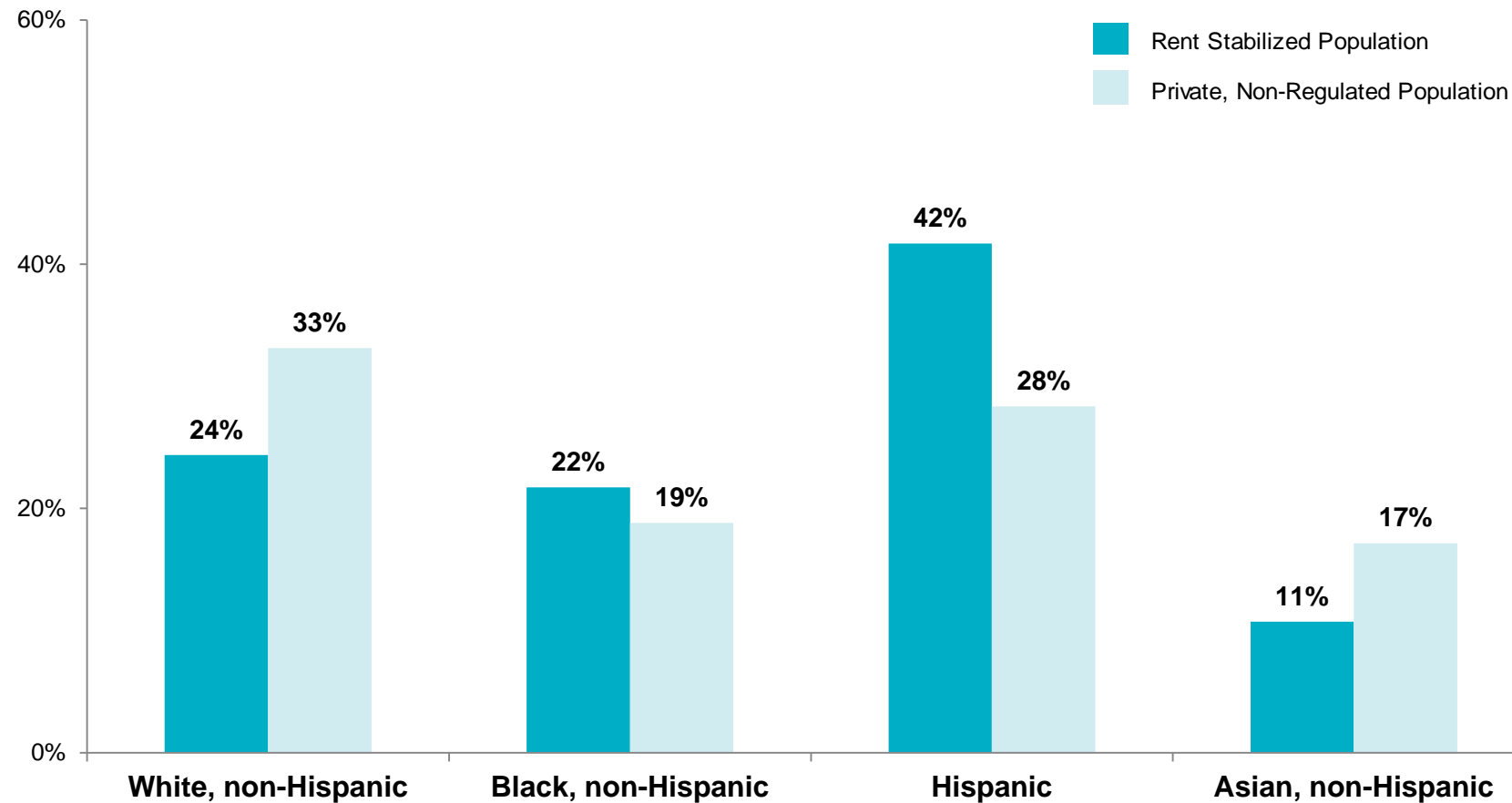
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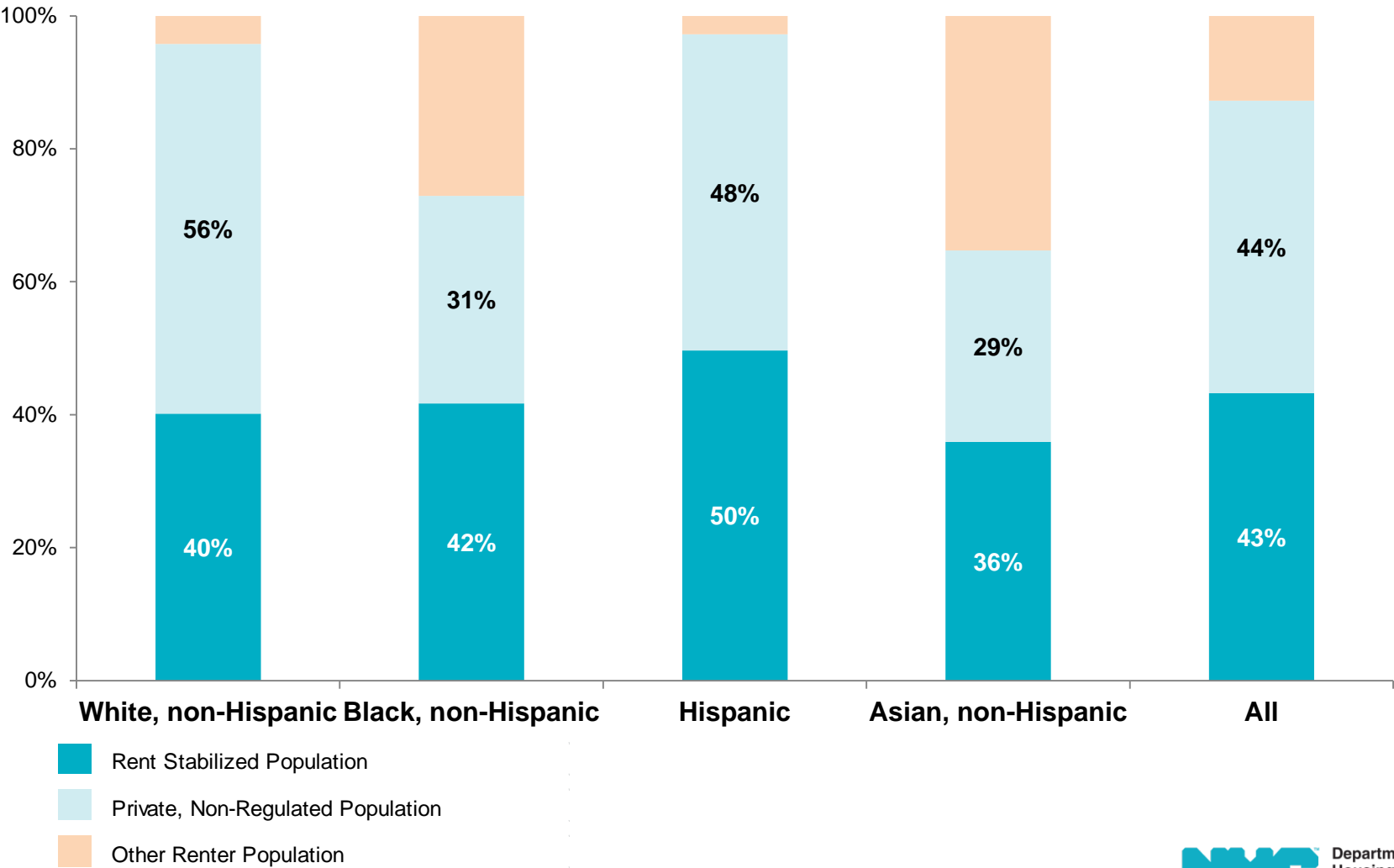


***NYU Furman Center Policy Breakfast:  
The State of Rent Stabilization in New York City  
October 3, 2018***

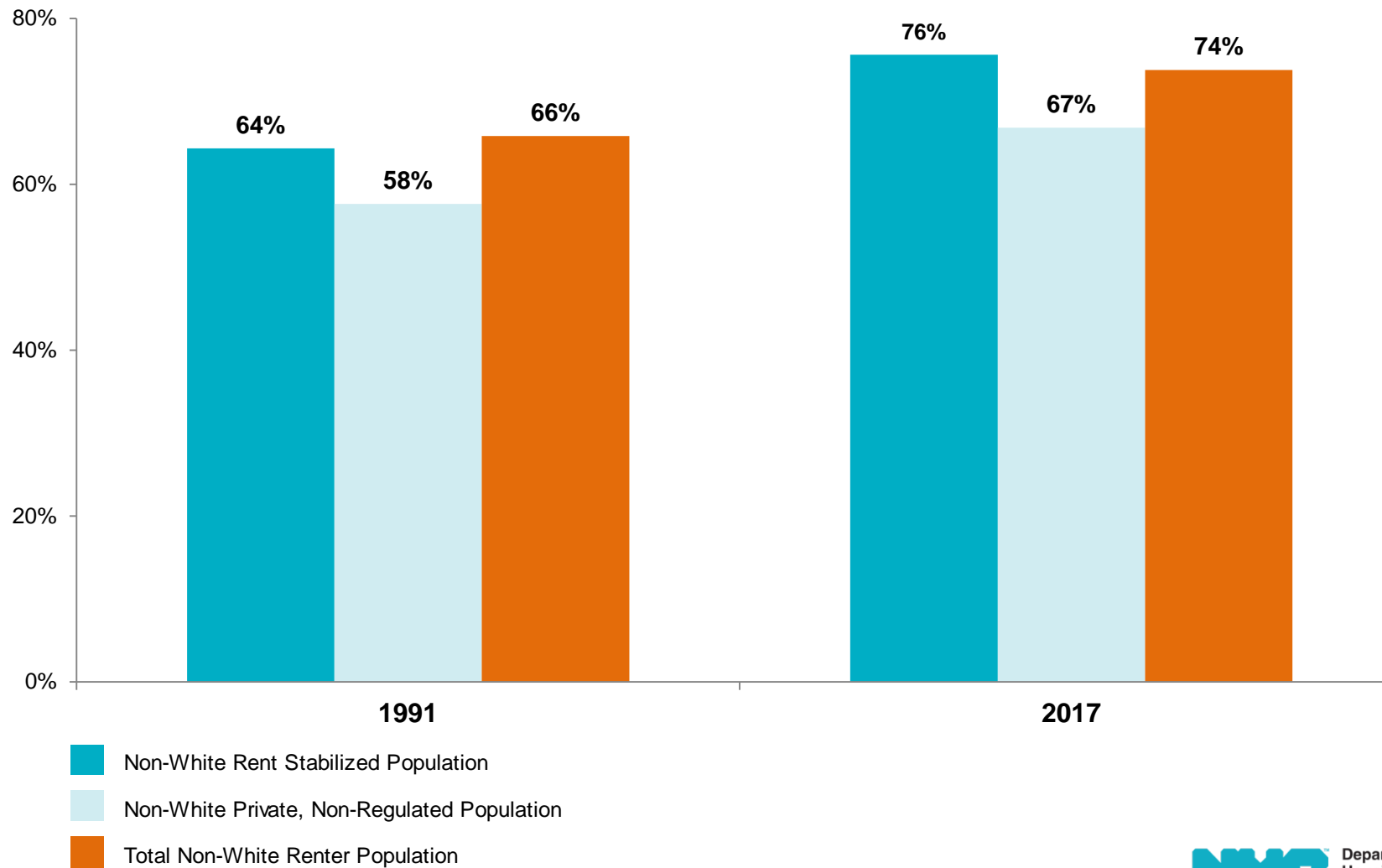
## Racial/Ethnic Composition



# Racial/Ethnic Composition

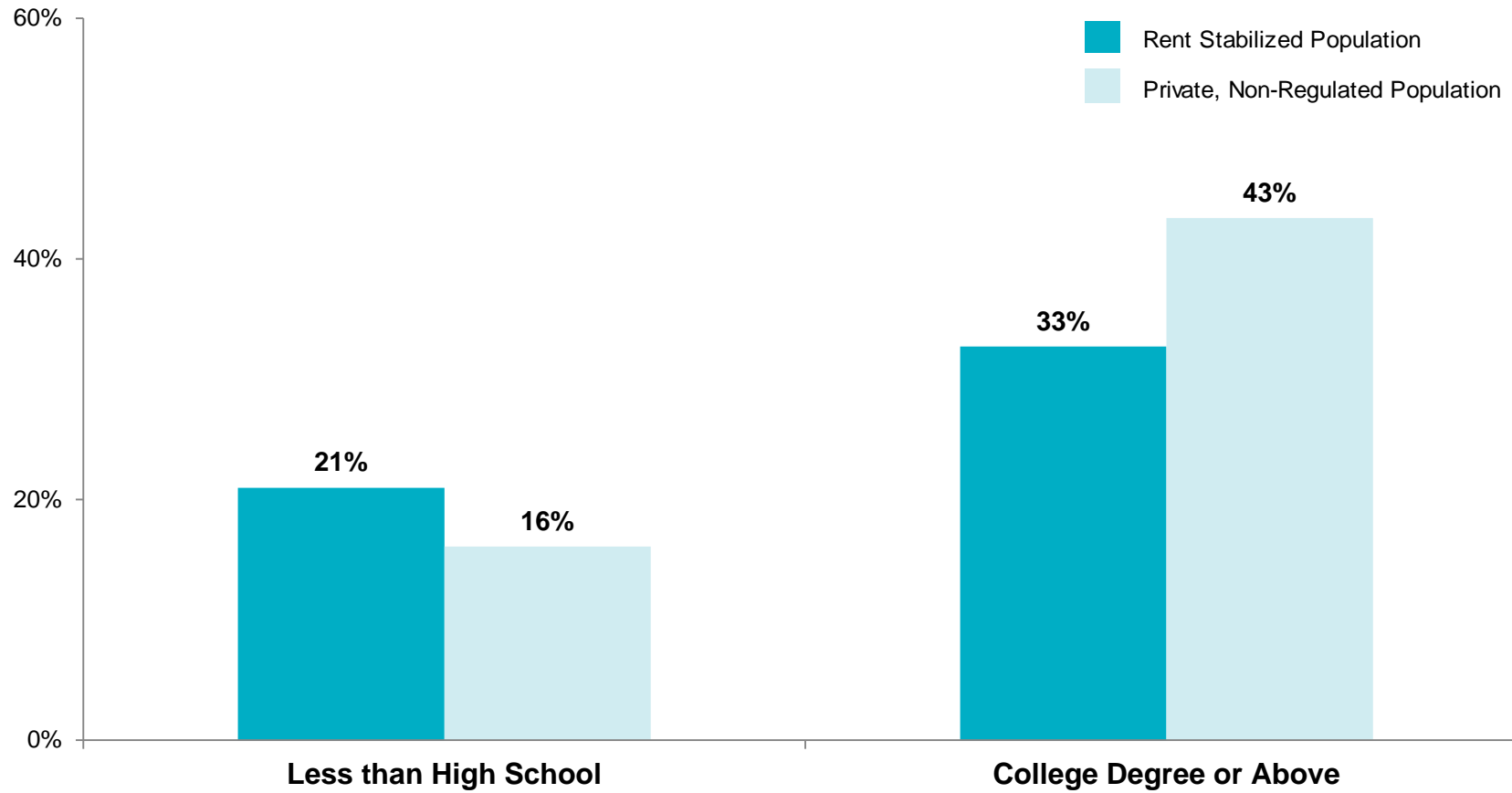


## Racial/Ethnic Composition over Time

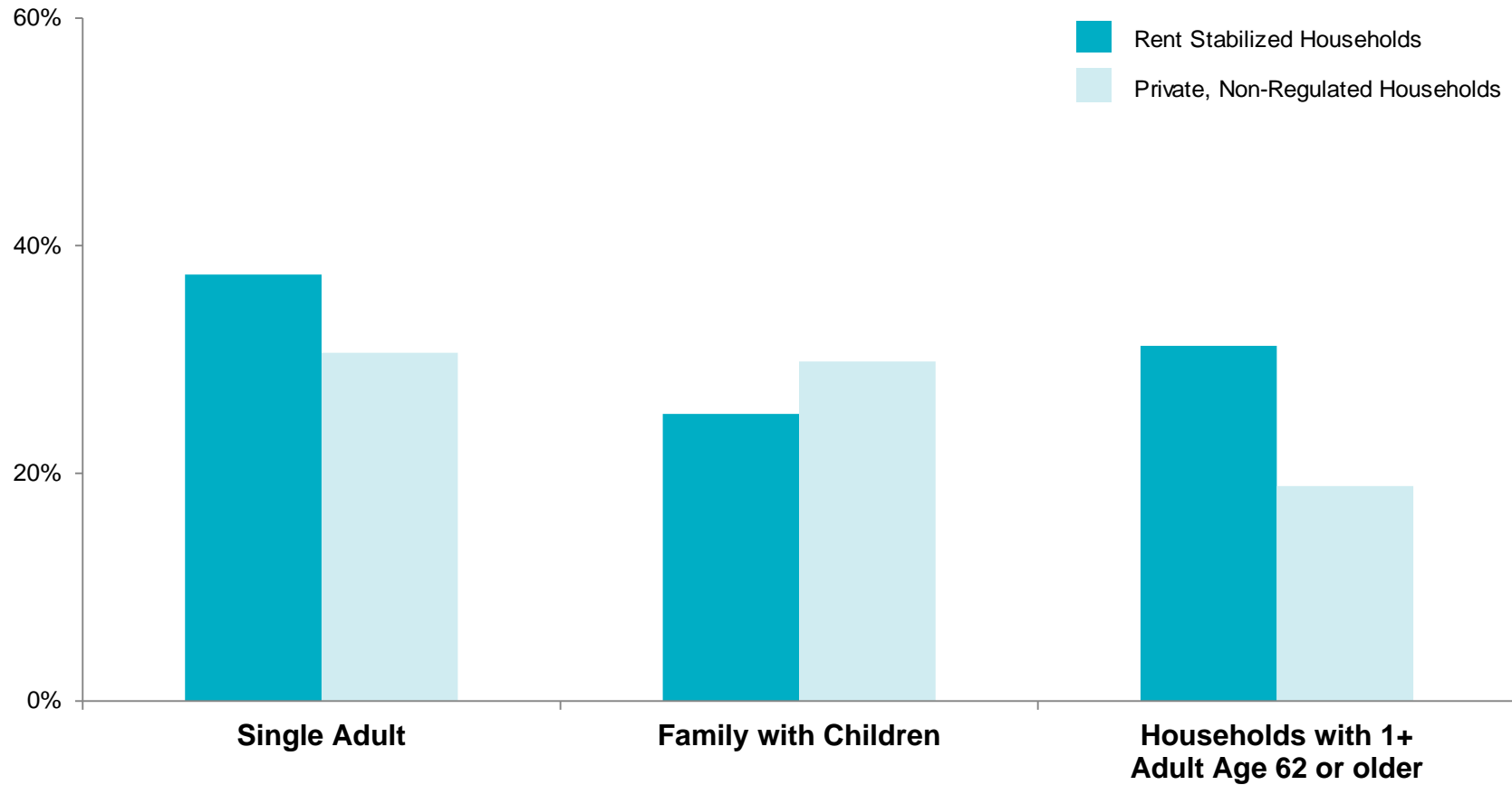




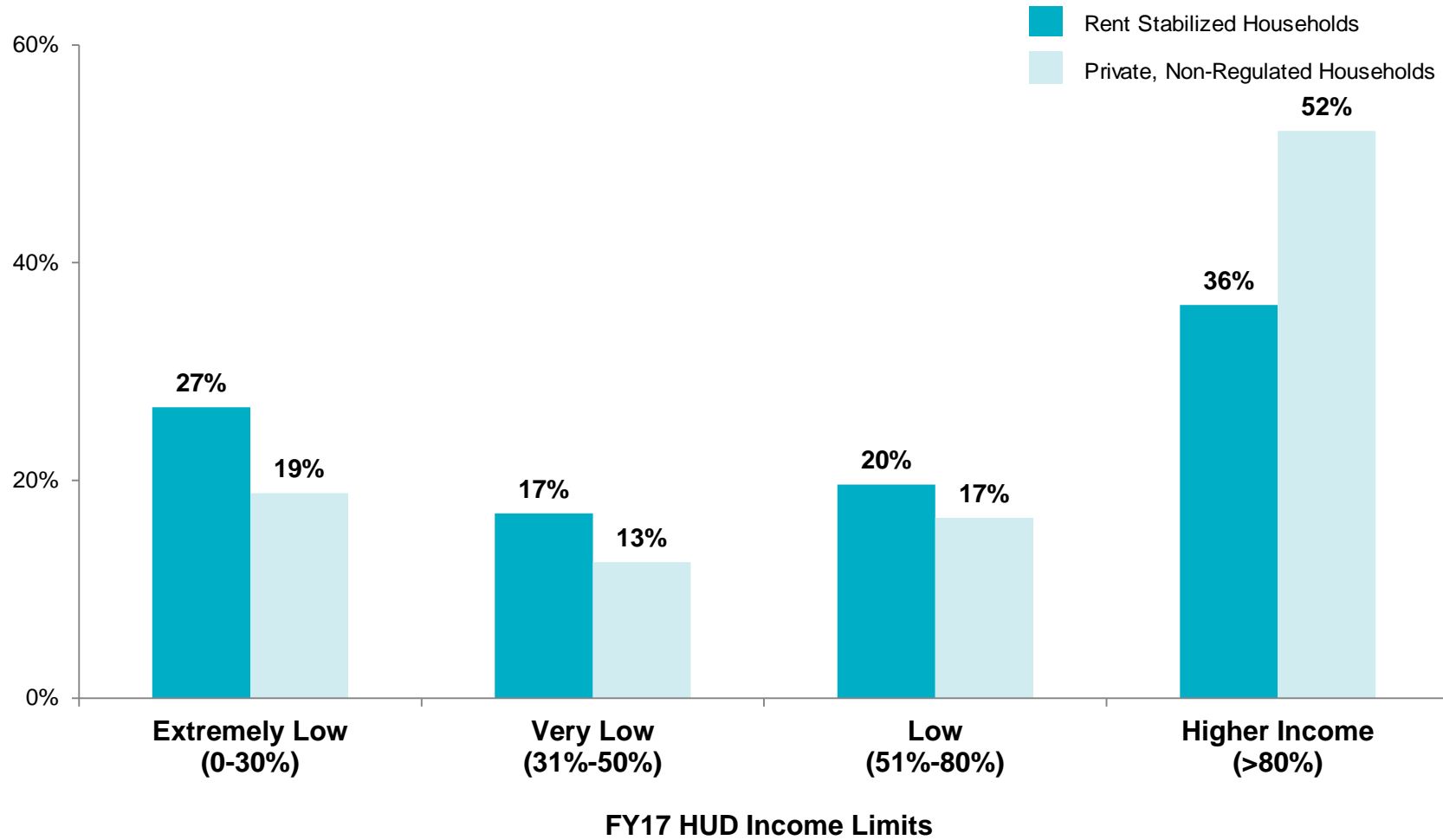
## Educational Attainment



# Household Composition



# Household Income



### **In 2017, Rent Stabilized tenants are:**

- Less likely to be White, non-Hispanic and are more likely to be a member of an racial/ethnic minority group
- Less likely to have attained a four-year college degree
- More likely to live alone
- Less likely to have children under age 18 in the household
- More likely to live with a senior age 62+
- Lower income, with nearly two out of every three households under 80% of HUD Income Limits

## Summary

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Over the last 25 years, rent stabilized tenants have stayed the same in important sociodemographic dimensions or followed citywide trends:

- Similar levels of education and household composition
- A higher share of members of racial or ethnic minority groups, similar to the city as a whole
- RS tenants have gotten older – many age in place

Private, non-regulated tenants have changed in important ways, including higher income and education levels that reflect a change in the stock of these more affluent units



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