The State of Rent Stabilization in New York City

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Definitions & Data on Rent Stabilization in New York City
Rent Stabilization in New York

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

Sources: New York City Housing and Vacancy Survey, 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.

Sources: New York State Homes and Community Renewal
Rent Regulation in New York

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 Stabilized Units: 966,442
- Rent Controlled Units: 21,751
- Other Rental Units: 1,194,871

Sources: New York City Housing and Vacancy Survey, 2017
Rent Regulation in New York

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

New York City Rental Housing Stock by Regulation Status

<table>
<thead>
<tr>
<th>Year</th>
<th>Rent Stabilized Units</th>
<th>Rent Controlled Units</th>
<th>Other Rental Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>952,241</td>
<td>1,114,201</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>945,847</td>
<td>1,135,952</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>966,442</td>
<td>1,194,871</td>
<td></td>
</tr>
</tbody>
</table>

Sources: New York City Housing and Vacancy Survey, 2017
Rent Regulation in New York

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

Sources: New York City Housing and Vacancy Survey, 2017
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

Sources: Rent Guidelines Board
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

Sources: New York City Housing and Vacancy Survey
Rent Stabilization in NYC

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

Median Gross Rent by Regulation Status (2017$), New York City

Sources: New York City Housing and Vacancy Survey
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.

Sources: New York City Housing and Vacancy Survey, 2017
Rent Stabilization in NYC

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

Sources: New York City Housing and Vacancy Survey, 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

Sources: NYC Department of City Planning; NYC Department of Buildings; NYC Housing and Vacancy Survey, 2017
Rent Stabilization in NYC

“Gentrifying” neighborhoods have relatively high shares of rent-stabilized units.
The State of Rent Stabilization in New York City

Tweet your questions to #FCbbreakfast
NYU Furman Center Policy Breakfast: The State of Rent Stabilization in New York City
October 3, 2018
Racial/Ethnic Composition

Source: U.S. Census Bureau. See 2017 NYC Housing and Vacancy Survey
Racial/Ethnic Composition

Source: U.S. Census Bureau. See 2017 NYC Housing and Vacancy Survey
Racial/Ethnic Composition over Time

Source: U.S. Census Bureau. See 1991 and 2017 NYC Housing and Vacancy Survey
Educational Attainment

Source: U.S. Census Bureau. See 2017 NYC Housing and Vacancy Survey
Household Composition

Source: U.S. Census Bureau. See 2017 NYC Housing and Vacancy Survey
Household Income

Source: U.S. Census Bureau. See 2017 NYC Housing and Vacancy Survey
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
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.
The State of Rent Stabilization in New York City

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