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# 2014 Income and Expense Study

April 24, 2014

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# 2014 Income and Expense Study

## What's New

From 2011 to 2012, because income grew at a faster rate than expenses, net operating income (revenue remaining after operating expenses are paid) grew. This is the eighth consecutive year that net operating income has increased.

On average, in stabilized buildings, from 2011-2012:

- ✓ Rental income increased by **5.0%**.
- ✓ Total income rose by **5.3%**.
- ✓ Operating costs increased by **3.2%**.
- ✓ Net operating income (NOI) grew by **9.6%**.

## 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 2012, the year for which the most recent data is available, and also the extent by which these conditions changed from 2011.

## 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 NYC 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 NYC 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 and this year includes 14,867 properties containing 674,171 units.

## Cross-Sectional Study

### Rents and Income<sup>1</sup>

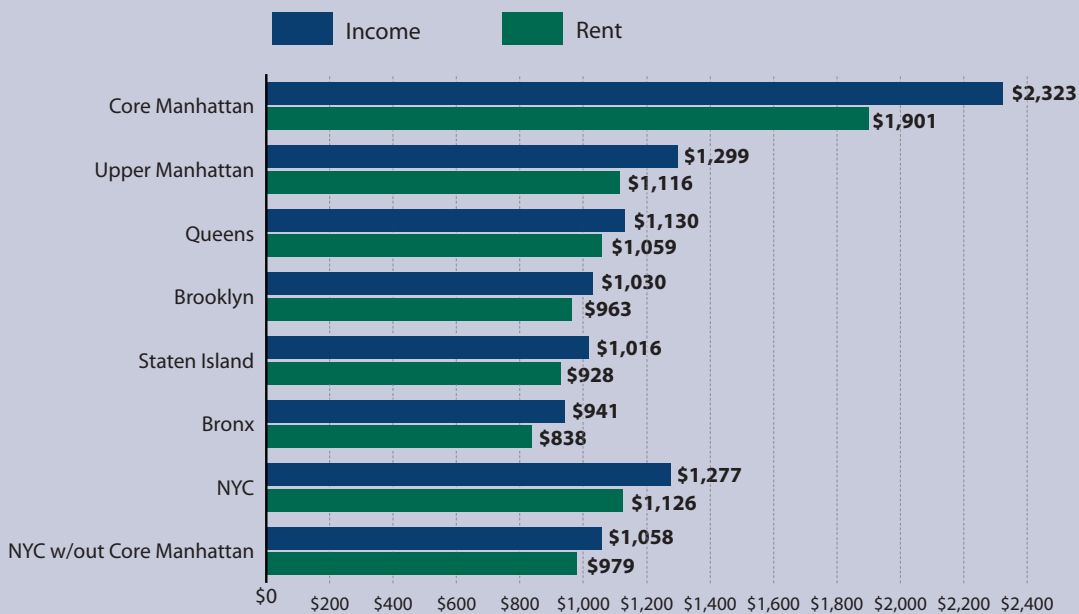
In 2012, rent stabilized property owners collected monthly rent averaging \$1,126 per unit. Similar to prior years, units in pre-war buildings rented for less on average (\$1,064 per month) than those in post-war buildings (\$1,295 per month).<sup>2</sup> At the borough level, the average monthly rents in stabilized buildings were \$1,570 in Manhattan (\$1,901 in Core Manhattan and \$1,116 in Upper Manhattan); \$1,059 in Queens; \$963 in Brooklyn; \$928 in Staten Island; and \$838 in the Bronx. Average monthly rent per unit in the City, excluding Core Manhattan, was \$979. Looking at *median* figures, the median rent Citywide was \$990. At the borough level, median monthly rent was \$1,353 in Manhattan; \$1,049 in Queens; \$917 in Brooklyn; \$881 in Staten Island; and \$818 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 \$1,277 per unit in 2012, with pre-war buildings earning \$1,211 per unit and those in post-war properties earning \$1,460 per unit. Gross income was highest in Core Manhattan, at \$2,323 per unit per month, and lowest in the Bronx, at \$941. Monthly income per unit in the City, excluding Core Manhattan, was \$1,058. 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 11.9% share of the total income earned by building owners in 2012, up from 11.4% the prior year. By borough, income earned from the sale of services was 17.0% in Manhattan (18.2% in Core Manhattan and 14.1% in Upper Manhattan); 10.9% in the Bronx; 8.7% in Staten Island; 6.5% in Brooklyn; and 6.3% in Queens. The graph on this page shows the average rent and income collected in 2012 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 2012



\* 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, 2012 RPIE Data

Median Citywide income for owners in 2012 was \$1,073. At the borough level, Manhattan had the highest median income, at \$1,573; followed by Queens at \$1,083; Brooklyn at \$960; Staten Island at \$932; and the Bronx at \$901. (For rent and income averages and medians by borough and building age and size, see Appendices 3 and 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 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, 2012. In sum, despite the anomalies between the two rent indicators, the difference between RPIE rents and DHCR rents reflects preferential rents as well as vacancy and collection losses incurred by building owners.

In comparing annual RPIE and DHCR average rents from 1991 to 2004, the gap between the two 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, from 2002 until 2011, the gap grew almost every year, until the most recent data year, 2012, when the gap declined to a current difference of 19.5%, as indicated by the average I&E rent of \$1,126

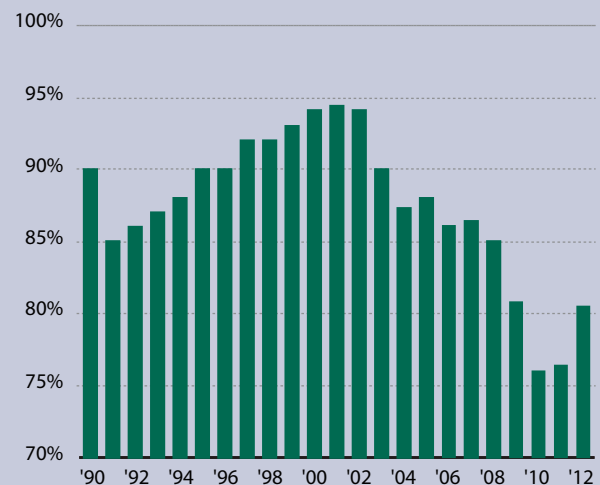
and DHCR's average stabilized rent of \$1,398. The decline in the gap between collected and legal rent indicates that building owners are collecting a higher proportion of their legal rent rolls in 2012 (see graph on this page).

At the borough level, the gap between collected and legal rent varies widely. In 2012, Manhattan property owners collected an average rent (\$1,570) that was 16.1% below DHCR's average legal rent for the borough (\$1,872), while owners in the other boroughs collected average rents that were 18.9% lower than legal rents in Queens, 20.3% lower in Brooklyn and 23.8% lower in the Bronx. 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.<sup>4</sup>

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 next page shows, average RPIE rent growth was higher than the renewal lease increases allowed by the RGB's guidelines for a second consecutive year. RPIE rent growth, up 5.0%, was greater than the increase in the

**Average Monthly Citywide Collected Rents as a Share of Average Monthly DHCR Legal Registered Rents, 1990-2012**

### Percentage of Legal Rent Collected Increased in 2012



Source: DHCR Annual Rent Registrations; NYC Department of Finance, 1990-2012 RPIE Data

RGB rent index, which was up 4.4%, between 2011 and 2012 (adjusted to a calendar year).<sup>5</sup> There are a number of ways in which rents may be raised beyond the RGB's guidelines, including the deregulation of apartment units as well as through individual apartment and building-wide improvements.

A longer view of the three indices shows that overall, RGB rent guidelines have grown faster than both DHCR legal rents and collected rents from 1990 to 2012. During that period, the RGB Rent Index increased 155.0%; DHCR adjusted legal rents increased 153.2%; and RPIE collected rents increased 146.9% (these figures are not adjusted for inflation).<sup>6</sup>

## Rent Comparisons, 1990-2012

### 2011-12 RPIE Collected Rents Grew Faster Than RGB Rent Index and DHCR Legal Rents

	RPIE Rent Growth	DHCR Rent Growth (Adjusted)§	RGB Rent Index (Adjusted)∅
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%
10-11	4.4%	1.2%	3.7% <sup>^</sup>
11-12	5.0%	4.4%	4.4%
1990 to 2012*	146.9%	153.2%	155.0%

\* Not adjusted for inflation

§ See endnote 3 ∅ See endnote 5

‡ See endnote 6 ^ Revised from last year

Sources: NYS DHCR Annual Rent Registrations; NYC Department of Finance, 1990-2012 RPIE Data

## 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. 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 \$841 in 2012. Costs were lower in units in pre-war structures (\$813), and higher among post-war buildings (\$918). Geographically, average costs were lowest in Staten Island (\$672); Brooklyn (\$673); the Bronx (\$689); and Queens (\$744), and highest in Manhattan (\$1,187). Looking more closely at Manhattan buildings, costs for units located in Core Manhattan averaged \$1,395 a month, while the costs in Upper Manhattan were \$902. The average monthly operating costs for stabilized building owners in New York City, excluding Core Manhattan, reduces the City average to \$710. The graph on the next page details average monthly expenses by cost category and building age for 2012. As the graph illustrates, taxes make up the largest share of expenses, averaging 27% of all costs.

Median Citywide expenses in 2012 were \$740. By borough, Manhattan had the highest median costs, at \$989; followed by Queens at \$688; the Bronx at \$671; Brooklyn at \$629; and Staten Island at \$613. (Appendices 1, 2 and 3 break down average costs by borough and building age; Appendix 4 details median costs; and Appendix 6 details distribution of costs.)

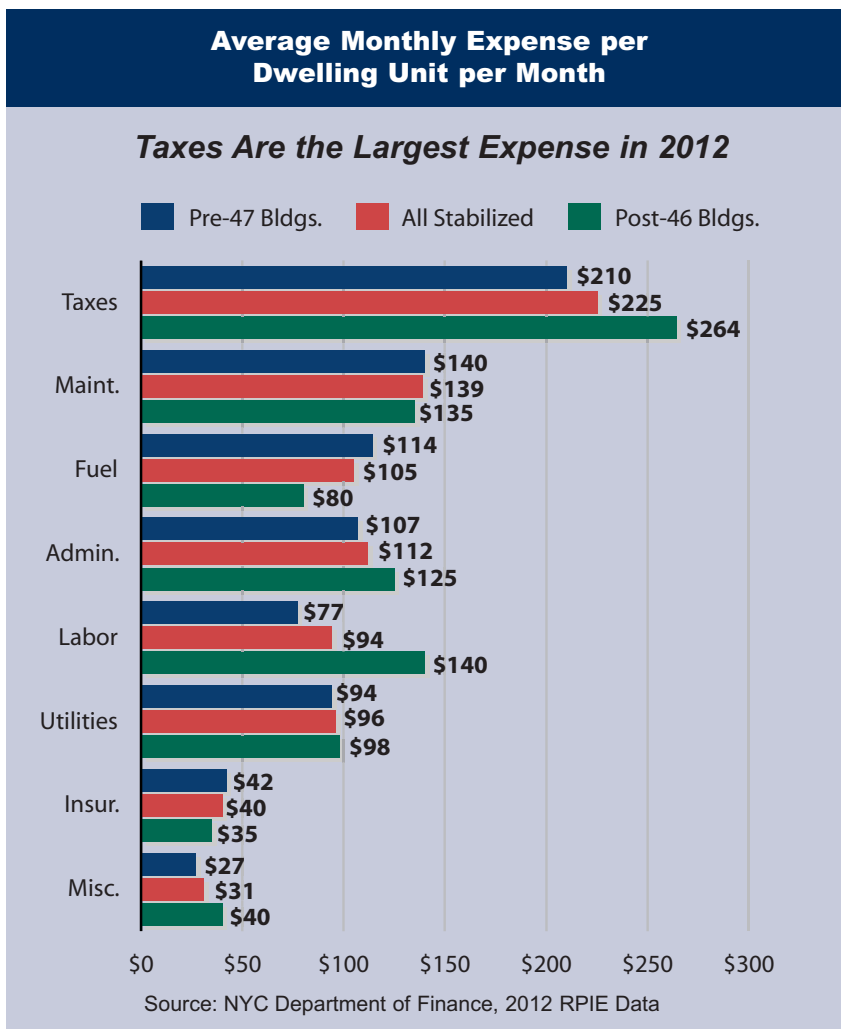
In 1992, the NYC Department of Finance and RGB staff tested RPIE expense data for accuracy. Initial examinations found that most "miscellaneous" costs were actually administrative or maintenance costs, while 15% were not valid business expenses. Further audits on the revenues and expenses of 46 rent 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 NYC Dept. of Finance's assessors. Adjustment of the 2012 RPIE O&M cost (\$841) by the results of the 1992 audit results in an average monthly O&M cost of \$772 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 2012, unaudited average O&M costs for "residential-only" buildings were \$778 per month and average audited O&M costs for these buildings were \$714 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 RPIEs for 2012, 985 buildings, or 6.6% of the cross-sectional sample, had O&M costs in excess of gross income, down from 7.0% found the prior year. In 2012, only 66 (6.7%) 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 generally increased, but has declined for seven of the last eight years, and in 2012 reached its lowest level in thirteen years (see graph on the next page). Most distressed stabilized properties (58%) contain 20 to 99 units. Further, most buildings are located in Manhattan (43%); the Bronx (28%); or Brooklyn (20%). (See Appendix 7 for a breakdown of distressed buildings by borough, building size and building age.)

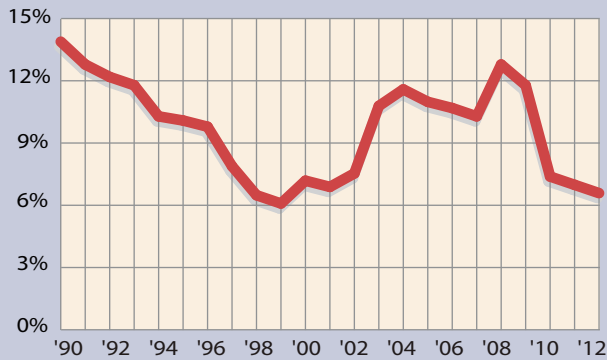


## Net Operating Income

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.

### Percent of Distressed Properties in Cross-Sectional Samples 1990-2012

#### Share of Distressed Properties Decreased in 2012



Source: NYC Department of Finance, 1990-2012 RPIE Data

On average, apartments in rent stabilized buildings generated \$436 of net income per month in 2012, with units in post-war buildings earning more (\$542 per month) than those in pre-war buildings (\$398 per month). Average monthly NOI tended to be greater for stabilized properties in Manhattan (\$704) than for those in the other boroughs: \$386 in Queens; \$357 in Brooklyn; \$344 in Staten Island; and \$251 per unit per month in the Bronx. There was a sizable difference when looking at NOI on a sub-borough level in Manhattan. Core Manhattan properties earned on average \$928 per unit per month in NOI, while properties in Upper Manhattan had an NOI of \$397. The monthly NOI average calculated Citywide, excluding Core Manhattan, was \$347. Looking at the NOI using audited expense figures, the Citywide NOI in 2012 was \$505. Average monthly unaudited NOI in “residential-only” properties Citywide was \$392 per unit in 2012, 10.2% lower than the average 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

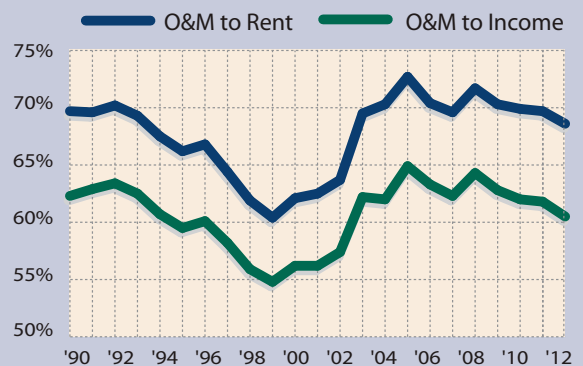
the average unaudited monthly NOI of \$436 per unit by the typical size of buildings in this year’s cross-sectional sample (an average of 45.3 units) yields an estimated average annual NOI of about \$237,500 in 2012. By comparison, multiplying the unaudited monthly NOI of \$347 per unit Citywide average, excluding Core Manhattan, by the typical size of buildings in this year’s cross-sectional sample (an average of 45.7 units Citywide, excluding Core Manhattan) yields an estimated average annual Net Operating Income of about \$190,200.

### 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 below shows how over the period from 1990 to 2012, the proportion of total income and rent collections spent on audited operating costs has fluctuated. The audited Cost-to-Income ratio in 2012 was 60.5%, a decrease of 1.3 percentage points from the prior year’s 61.8%. This means that on average, owners of rent stabilized

### Ratios of Citywide Average Monthly Audited O&M Costs to Average Monthly Gross Income and Rent 1990-2012

#### Cost-to-Income and Cost-to-Rent Ratios Decrease in 2012



Source: NYC Dept. of Finance, 1990-2012 RPIE Data



properties spent roughly 60.5 cents out of every dollar of revenue on operating and maintenance costs in 2012. Looking at unaudited expenses, the cost-to-income ratio in 2012 was 65.8%. The unaudited *median* cost-to-income ratio was 67% in 2012.

Examining the ratio of costs to rent collections, audited operating costs in 2012 were 68.6% of revenues from rent, a decrease of 1.1 percentage points from the prior year. Using unaudited expenses, the cost-to-rent ratio in 2012 was 74.7%. Looking at the unaudited *median* cost-to-rent ratio, it was 74% in 2012.

Rents, income, and costs per unit were on average highest in Core Manhattan in 2012 (see map and graphs below). 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 audited Cost-to-Income Ratio for the rest of the City was 61.7%, higher than the Cost-to-Income Ratio for stabilized buildings in Manhattan's Core (55.2%). These figures indicate that on average, owners of stabilized properties outside of Core Manhattan spend about six and one-half cents

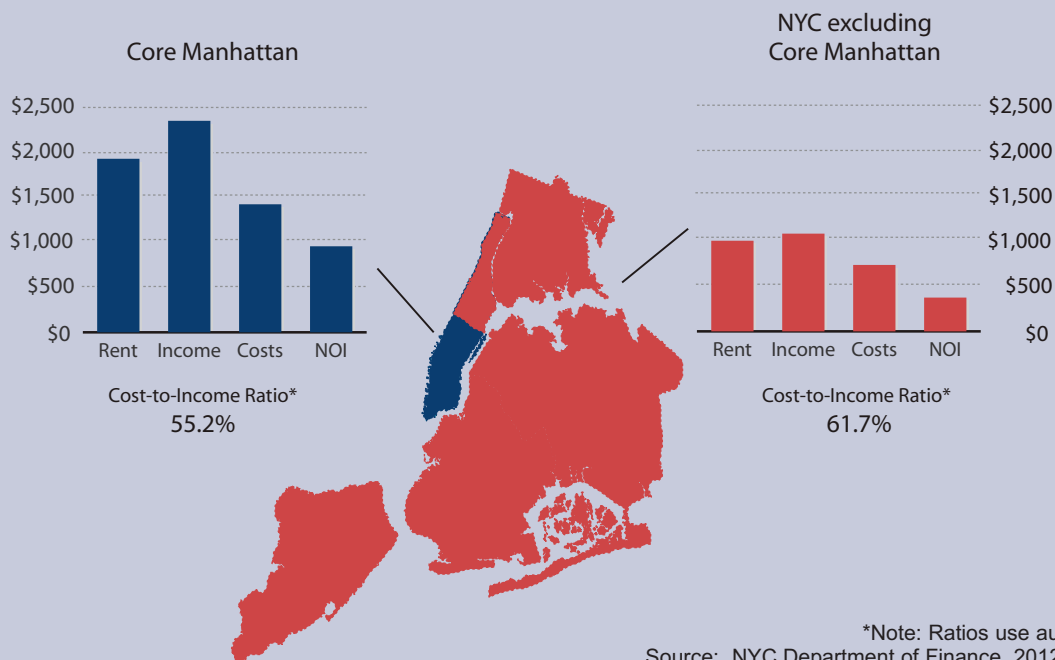
more of every dollar of revenue on expenses, as compared to their counterparts in Core Manhattan.

In an attempt to capture the financial health of small rent stabilized buildings, staff analyzed income and expense data for buildings with fewer than 11 units. As stated earlier, owners of rent stabilized buildings with fewer than 11 units are not required to file RPIE forms. However, they can voluntarily file an RPIE-B form with the Department of Finance. The information on this form is limited, containing only gross income and expense for each unit. Rent is not reported separately so a cost-to-rent ratio could not be calculated. A total of 818 buildings with fewer than eleven units were examined. Citywide, the average cost to income ratio for rent stabilized buildings with fewer than 11 units was 75.3% in 2012, with an unaudited ratio of 82.0%.

In an analysis of the distribution of operating costs in relation to total income in buildings by decile, it may be useful to examine the percentage of buildings with cost-to-income ratios at or below certain levels. The Department of Finance calculated decile levels, and in

**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, 2012**

**Cost-to-Income Ratio Lower in Core Manhattan in 2012**



examining them, for instance, decile statistics reveal that half of all rent stabilized buildings citywide have unaudited cost-to-income ratios of 0.67 or less. This means that half the building owners spent no more than 67 cents out of every dollar of revenue on operating and maintenance costs in 2012. Another example: If you look at the 80% decile level Citywide, 80% of buildings pay no more than 83 cents of every dollar of revenue on operating and maintenance costs, and 20% pay more. The complete table of all ten decile levels citywide and by borough can be found in Appendix 8.

### Net Operating Income After Inflation

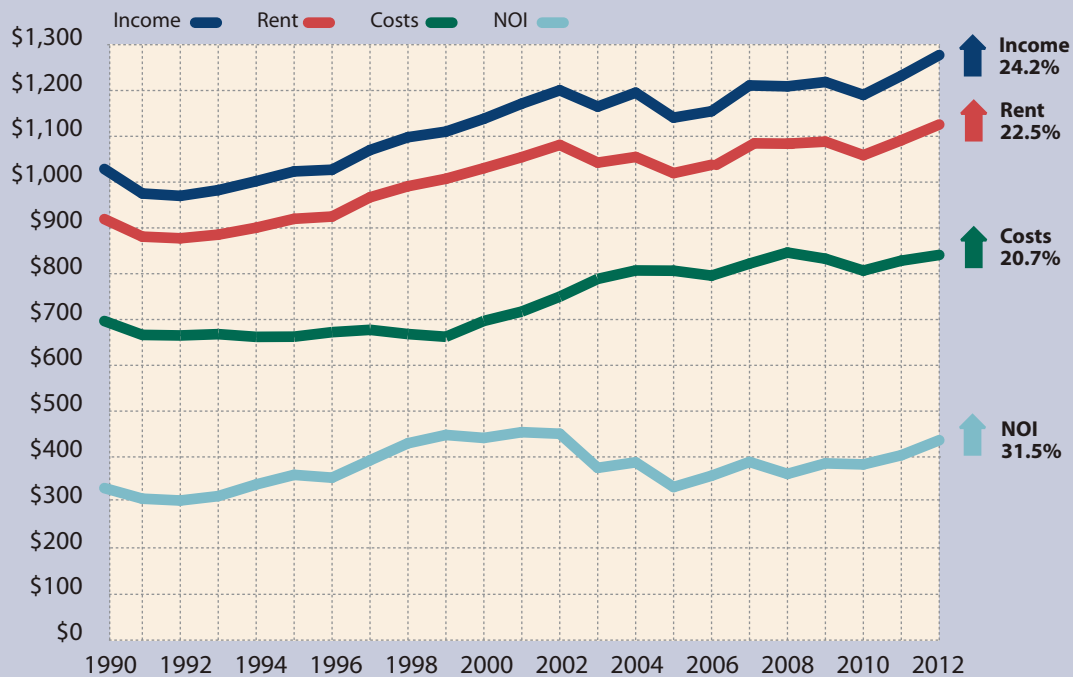
The amount of net operating income is a function of the level of expense and the level of revenue in a given year

(revenues minus operating expenses equals net operating income). Adjusting NOI as well as rent, income and costs figures for inflation (in constant 2012 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 2012, after adjusting for inflation, NOI (the surrogate measure for profit) has increased 31.5% (see graph on this page). This indicates that revenues have outpaced expenses to the extent that average monthly NOI was worth 31.5% more in 2012 than it was in 1990, after adjusting for inflation. Another point-to-point comparison shows that from 2002 to 2012, after adjusting for inflation, NOI declined 3.1%.

## Citywide Income, Rent, Costs and NOI After Inflation, 1990-2012

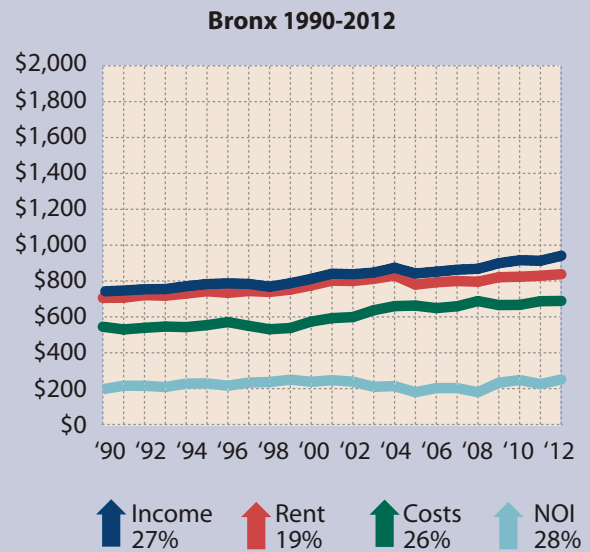
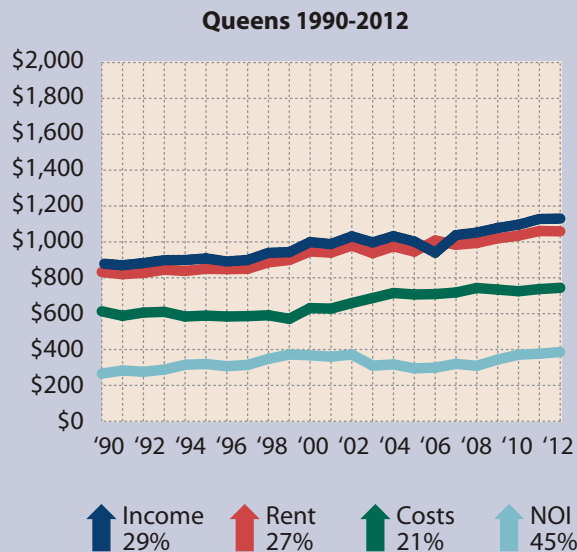
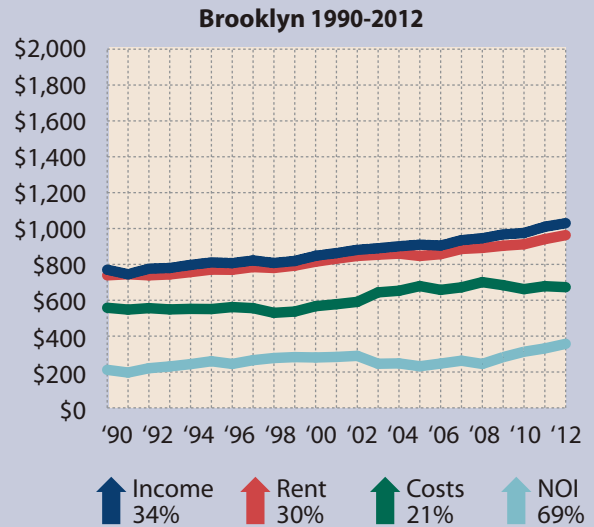
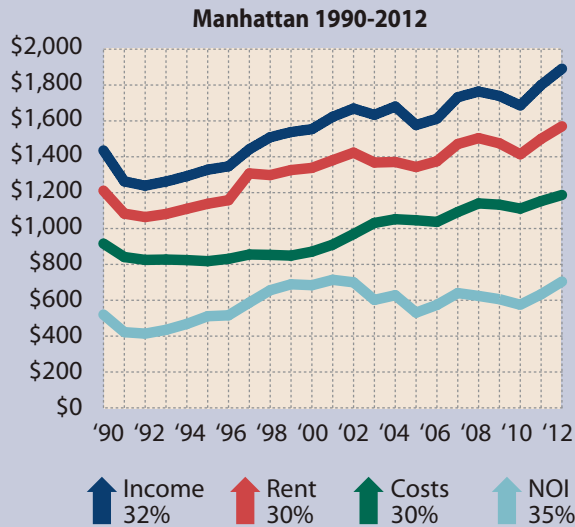
**After Inflation, NOI Up Since 1990**  
*(Average Monthly Income, Rent, Operating Costs and Net Operating Income per Dwelling Unit in Constant 2012 Dollars)*



Note: Percent changes are point-to-point measurements and should not be considered cumulatively.  
 Sources: NYC Rent Guidelines Board *Income and Expense Studies*, 1992-2014.  
 NYC Department of Finance, 1990-2012 RPIE Data.

## Income, Rent, Costs and NOI After Inflation per Borough, 1990-2012

**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 2012 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.

Sources: NYC Rent Guidelines Board *Income and Expense Studies*, 1992-2014.

NYC Department of Finance, 1990-2012 RPIE Data.

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 2012 period, inflation-adjusted rent increased a cumulative 22.5%, income by 24.2%, and costs by 20.7%, resulting in an increase in NOI of 31.5%.

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 ten years, the average ratio of NOI/income was about 32%. This means that on average, over the past nine years, 32 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 the previous page). Looking at each of the boroughs individually, from 1990 to 2012, all boroughs saw double-digit increases in their net income, with Brooklyn seeing the largest increase, 69%; followed by Queens, up 45%; Manhattan, up 35%; and the Bronx, up 28%.

## 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 13,457 buildings from 2011 to 2012.

## Rents and Income

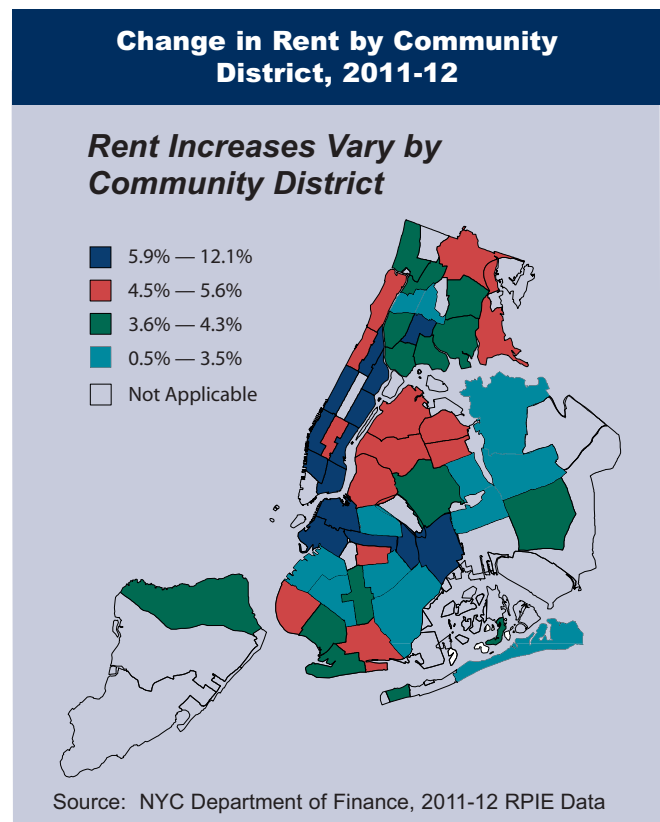
Rent collections increase for many reasons, including increases allowed under RGB renewal guidelines; vacancy allowances of at least 16-20% allowed under the Rent Regulation Reform Act of 1997; individual apartments improvements; and building-wide improvements (MCIs).

Average rent collections in stabilized buildings rose by 5.0% in 2012. Rent collections in pre-war buildings grew at a greater rate, up 5.0%, than in post-

war buildings, which increased by 4.8%. Rent collections increased the most among smaller, 11-19 unit buildings, up 5.6%; while rents grew 5.1% among large, 100+ unit building; and rose 4.8% among mid-sized, 20-99 unit buildings. Examining rent collections by borough, Manhattan saw the largest increase, up 6.3%; followed by Brooklyn, up 4.5%; Bronx, up 4.0%; Staten Island, up 3.9%; and Queens, up 3.6%. Within Manhattan, Core Manhattan rents grew 6.1% and Upper Manhattan rents grew even more, up 6.8%. The growth in *median* rent Citywide was 4.8%.

Looking at rent collections throughout New York City, every community district saw increases in average rent from 2011 to 2012.<sup>8</sup>

At the neighborhood level, the greatest rent growth was found in the Brownsville/Ocean Hill area of Brooklyn, rising 12.1%. Also among the largest rent increases were four Manhattan neighborhoods: Stuy Town/Turtle Bay and Central Harlem, both up 9.5%; Chelsea/Clinton, up 7.7%; and the Lower East Side/Chinatown, up 6.6%. The Bronx neighborhood seeing the largest increase was Morrisania/Melrose/Claremont, up 5.9%; and the largest increase in



Queens was in Jackson Heights, up 5.5%. See the map on the previous 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 5.3% from 2011 to 2012. Revenues rose faster in post-war buildings, up 5.6%, than in pre-war buildings, up 5.2%. Manhattan saw the highest growth in income, rising 6.6%; followed by Brooklyn, up 4.6%; Bronx, up 4.4% Staten Island, up 4.0%; and Queens, up 3.9%. Within Manhattan, Core Manhattan income rose 6.4% while Upper Manhattan saw income an even larger rise, up 7.0%. The *median* growth in income Citywide was 4.7%.

## Operating Costs

Average expenses in stabilized buildings Citywide increased from 2011 to 2012, up 3.2%. However, the change in operating costs varied by building age and

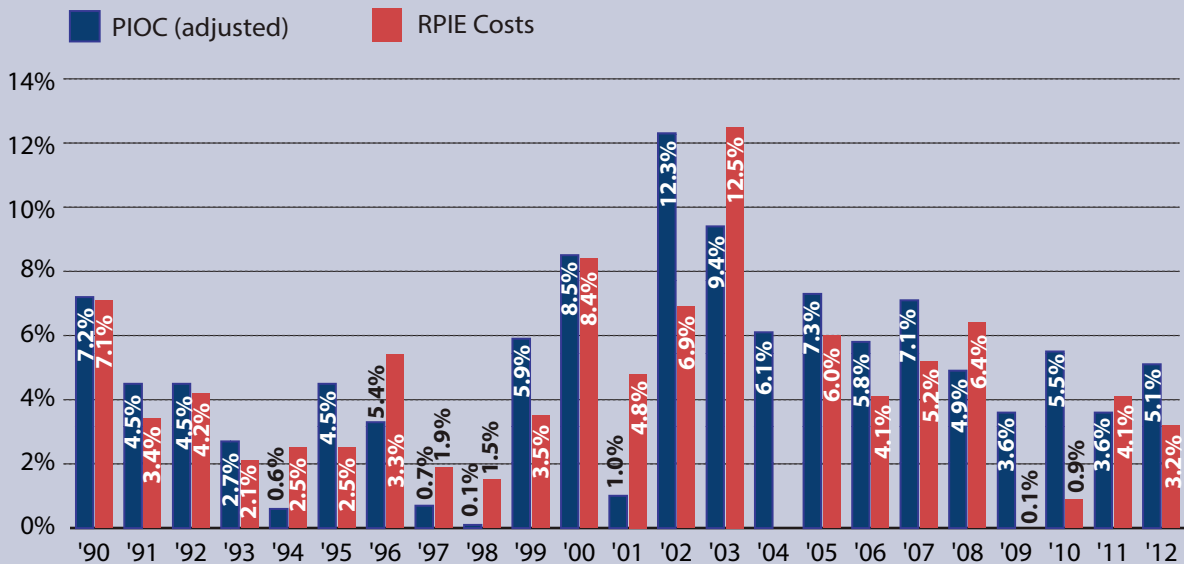
by borough. Older, pre-war buildings saw expenses increase 3.3%, while newer, post-war buildings saw expenses increase 2.9%. Breaking down the change in costs by borough, costs rose the most in Manhattan, up 4.1%; while costs rose 3.5% in Staten Island; 2.8% in the Bronx; 2.5% in Brooklyn; and 2.4% in Queens. Citywide, *median* expenses rose 2.9%. For a detailed breakdown of the changes in rent, income and costs by building size, age and location, see Appendices 10 and 11.

## 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

### Change in Operating & Maintenance Costs, RPIE and the PIOC, 1990 to 2012

*In 2012, Owner-Reported RPIE Costs Increased at a Lesser Rate than the PIOC*



\*Longitudinal RPIE data for 2003-04 is unavailable (see endnote 8).

Sources: NYC Department of Finance, 1990-2012 RPIE Data; NYC Rent Guidelines Board Price Index of Costs (PIOC) 1990-2012

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 5.1% from 2011 to 2012, the same period as the 3.2% increase in I&E costs, a 1.95 percentage point difference. (See graph on the previous page.)

From 1990-91 to 2011-12, cumulative growth in owners' costs as measured by the two indices varied. Overall nominal costs measured in the PIOC increased at a greater rate, 165.6%, compared to RPIE data, which grew 138.7%, over this period.<sup>8</sup>

### Operating Cost Ratios

Between 2011 and 2012, the proportion of gross income spent on audited expenses (the O&M Cost-to-Income ratio) declined, falling by 1.2 percentage points. The proportion of rental income used for audited expenses (the O&M Cost-to-Rent ratio) similarly declined, also down 1.2 percentage points.

### Net Operating Income

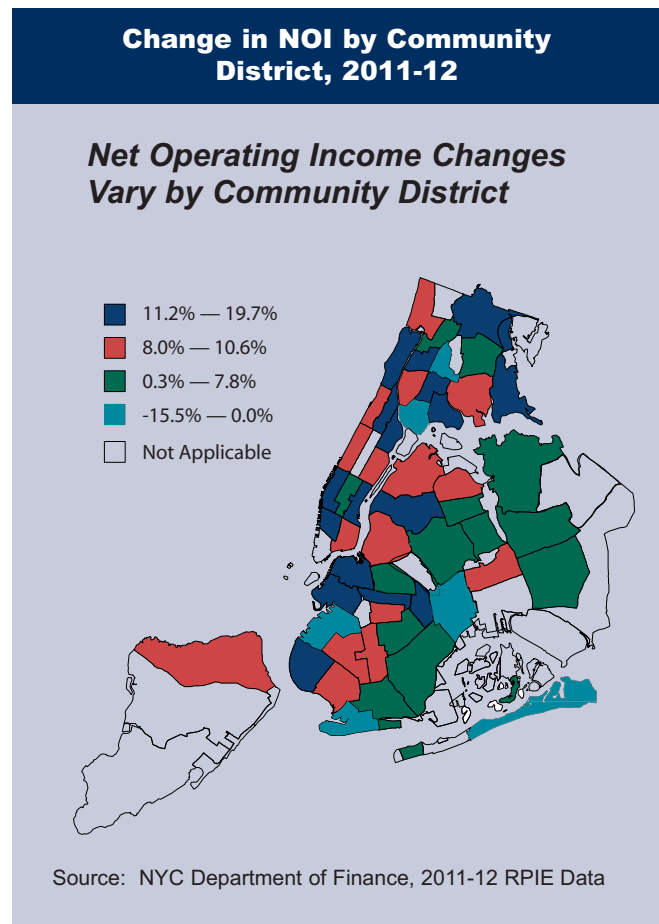
Net Operating Income (NOI) refers to the earnings that remain after operating and maintenance (O&M) expenses are paid, but before payments of income tax and debt service. Since average collected income grew more than operating costs, Citywide net operating income in rent stabilized buildings increased by 9.6% in 2012, the eighth consecutive year that NOI has increased.

The average change in NOI from 2011 to 2012 differed throughout the City. All boroughs saw NOI increase, with Manhattan seeing the largest increase, up 11.0%; while NOI rose 9.1% in the Bronx; 8.8% in Brooklyn; 6.9% in Queens; and 5.1% in Staten Island. Within Manhattan, both core and upper Manhattan saw NOI rise, up 10.1% and 14.3%, respectively. See

Appendix 12 for a breakdown of NOI by borough, building age and building size.

At the Community District level, change in NOI varied widely, with most neighborhoods experiencing increases in NOI. Two of the four neighborhoods seeing the largest growth in NOI were in the Bronx, with Hunts Point/Longwood up 19.7% and Morrisania/Melrose/Claremont up 17.6%. Central Harlem in Manhattan saw NOI rise more than any other Manhattan area, up 18.5%. The North Crown Heights/Prospect Heights area saw NOI increase the most in Brooklyn, up 15.9%. In Queens, NOI growth was strongest in Sunnyside/Woodside, increasing 11.9%.

On the other hand, four neighborhoods saw NOI decline from 2011 to 2012. The largest was in Brooklyn's East New York/Starett City neighborhood, with NOI declining 15.5%. Other neighborhoods seeing declines include the Rockaways, in Queens, down 4.2%; Coney Island in Brooklyn, down 3.0%; and E. Tremont/Belmont in the Bronx, down 0.5%. The



map on the previous page shows how change in NOI varied in each neighborhood. (See endnote 7.)

## Conclusion

RPIE filings, from almost 14,900 rent stabilized buildings containing over 674,100 units in the cross-sectional sample and from almost 13,500 buildings containing over 616,300 units in the longitudinal sample, were analyzed in this year's *Income and*

*Expense Study*. Citywide, rent collected rose 5.0%; revenue collections increased 5.3%; and expenses rose by 3.2%. Since the average increase in revenue outpaced the increase in expenses from 2011 to 2012, Net Operating Income (NOI) Citywide increased by 9.6%, the eighth consecutive year that NOI has increased. Further, the proportion of distressed properties fell Citywide, down 0.4 percentage points. Finally, the cost-to-income ratio was 60.5%, down 1.3 percentage points from the prior year.

### Changes in Average Monthly Rents, Income, Operating Costs and Net Operating Income per Dwelling Unit, 1990-2012

#### *Increase in Income Growth Outpaces Increase in Expenses Resulting in an Increase in NOI from 2011 to 2012*

	<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%
10-11	4.4%	4.5%	4.1%	5.6%
<b>11-12</b>	<b>5.0%</b>	<b>5.3%</b>	<b>3.2%</b>	<b>9.6%</b>

Source: NYC Department of Finance, 1990-2012 RPIE Data  
 Note: Longitudinal data from 2003-04 is unavailable.

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## Methodology

The information in this report was generated by analyzing data derived from RPIE forms filed with the NYC Department of Finance in 2013 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 2012, was made available to NYC Rent Guidelines Board research staff in March, 2014 for analysis. Unit averages contained in this analysis were computed by the NYC Department of Finance. The averages were then weighted by the RGB using data from the *2011 NYC Housing and Vacancy Survey*, the most recent comprehensive data available, to calculate averages that are representative of the population of residential buildings in New York City. In addition, medians were calculated and included in this report. The medians derived from the sample were also produced by the NYC 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 2013 RPIE or alternatively, TCIE (Tax Commission Income & Expense) forms.<sup>9</sup> Data from the forms was used to compute average and median rents, operating costs, etc., that were typical of the year 2012. Longitudinal data, which provides a direct comparison of identical elements over time, encompasses properties that filed RPIE/TCIE forms for the years 2011 and 2012. 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 2012, while longitudinal data measures changes in conditions that occurred from 2011 to 2012.

This year, 14,867 buildings containing rent stabilized units were analyzed in the cross-sectional study and 13,457 buildings 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 2013 RPIE or TCIE statements (or 2012 and 2013 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 2013 RPIE or TCIE form for the cross-sectional study, or a 2012 and a 2013 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 NYC 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 NYC Department of Finance categorized sample data reflecting particular types of buildings throughout the five boroughs (e.g., structures with 20-99 units). □



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## **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. According to DHCR, 26% of all 2012 apartment registrations filed indicate a preferential 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, 146.9%, is understated. If 2003-04 data was also excluded from the RGB Rent Index, the cumulative increase would have been 141.7% over the same 1990-2012 period. If 2003-04 data was excluded from the DHCR contract rent calculation, the cumulative increase would have been 149.1%.
7. 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 NYC Department of Finance.
8. Due to the unavailability of RPIE longitudinal data for 2003-04, PIOC data from the same period is also excluded from this comparison.
9. TCIE (Tax Commission Income & Expense) forms are used by the NYC Department of Finance when RPIE forms are not filed by owners.

# Appendices

## 1. Cross-Sectional Income and Expense Study, Estimated Average Operating & Maintenance Cost (2012) 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
<b>Citywide</b>	<b>\$210</b>	<b>\$77</b>	<b>\$114</b>	<b>\$69</b>	<b>\$25</b>	<b>\$140</b>	<b>\$107</b>	<b>\$42</b>	<b>\$27</b>	<b>\$813</b>
11-19 units	\$244	\$71	\$116	\$71	\$29	\$152	\$114	\$46	\$42	\$885
20-99 units	\$188	\$67	\$116	\$70	\$23	\$136	\$103	\$42	\$25	\$770
100+ units	\$364	\$185	\$93	\$61	\$34	\$158	\$134	\$38	\$26	\$1,093
<b>Bronx</b>	<b>\$112</b>	<b>\$65</b>	<b>\$135</b>	<b>\$76</b>	<b>\$23</b>	<b>\$129</b>	<b>\$92</b>	<b>\$44</b>	<b>\$14</b>	<b>\$692</b>
11-19 units	\$107	\$77	\$140	\$79	\$28	\$135	\$91	\$49	\$24	\$730
20-99 units	\$112	\$63	\$135	\$76	\$23	\$128	\$92	\$44	\$14	\$689
100+ units	\$115	\$85	\$129	\$69	\$22	\$142	\$97	\$39	\$6	\$706
<b>Brooklyn</b>	<b>\$146</b>	<b>\$55</b>	<b>\$88</b>	<b>\$68</b>	<b>\$21</b>	<b>\$128</b>	<b>\$86</b>	<b>\$39</b>	<b>\$22</b>	<b>\$654</b>
11-19 units	\$157	\$55	\$102	\$67	\$24	\$142	\$91	\$42	\$26	\$705
20-99 units	\$142	\$52	\$87	\$69	\$21	\$125	\$85	\$39	\$21	\$640
100+ units	\$166	\$85	\$69	\$69	\$22	\$133	\$95	\$36	\$22	\$696
<b>Manhattan</b>	<b>\$360</b>	<b>\$112</b>	<b>\$119</b>	<b>\$68</b>	<b>\$31</b>	<b>\$164</b>	<b>\$147</b>	<b>\$44</b>	<b>\$44</b>	<b>\$1,091</b>
11-19 units	\$371	\$87	\$122	\$76	\$36	\$171	\$156	\$52	\$66	\$1,138
20-99 units	\$318	\$89	\$123	\$69	\$27	\$159	\$139	\$43	\$40	\$1,007
100+ units	\$590	\$289	\$91	\$53	\$48	\$176	\$181	\$38	\$31	\$1,498
<b>Queens</b>	<b>\$188</b>	<b>\$63</b>	<b>\$106</b>	<b>\$61</b>	<b>\$20</b>	<b>\$132</b>	<b>\$80</b>	<b>\$37</b>	<b>\$25</b>	<b>\$712</b>
11-19 units	\$166	\$53	\$117	\$57	\$20	\$130	\$63	\$39	\$22	\$666
20-99 units	\$189	\$58	\$106	\$60	\$20	\$130	\$83	\$37	\$24	\$706
100+ units	\$218	\$113	\$85	\$67	\$19	\$151	\$89	\$36	\$43	\$822
<b>Core Man</b>	<b>\$508</b>	<b>\$137</b>	<b>\$98</b>	<b>\$60</b>	<b>\$35</b>	<b>\$176</b>	<b>\$170</b>	<b>\$45</b>	<b>\$43</b>	<b>\$1,271</b>
11-19 units	\$485	\$86	\$110	\$69	\$35	\$184	\$168	\$52	\$58	\$1,247
20-99 units	\$465	\$98	\$97	\$59	\$29	\$170	\$162	\$43	\$43	\$1,167
100+ units	\$665	\$318	\$87	\$51	\$52	\$184	\$192	\$39	\$23	\$1,610
<b>Upper Man</b>	<b>\$204</b>	<b>\$86</b>	<b>\$140</b>	<b>\$77</b>	<b>\$28</b>	<b>\$150</b>	<b>\$123</b>	<b>\$44</b>	<b>\$46</b>	<b>\$897</b>
11-19 units	\$204	\$89	\$137	\$86	\$39	\$151	\$137	\$50	\$78	\$971
20-99 units	\$202	\$82	\$143	\$76	\$26	\$150	\$120	\$43	\$38	\$880
100+ units	\$240	\$152	\$110	\$61	\$31	\$137	\$126	\$35	\$65	\$957
<b>City w/o Core</b>	<b>\$151</b>	<b>\$66</b>	<b>\$117</b>	<b>\$71</b>	<b>\$23</b>	<b>\$133</b>	<b>\$94</b>	<b>\$41</b>	<b>\$24</b>	<b>\$721</b>
11-19 units	\$163	\$65	\$118	\$71	\$27	\$140	\$95	\$44	\$37	\$760
20-99 units	\$148	\$63	\$118	\$72	\$23	\$131	\$94	\$41	\$22	\$712
100+ units	\$174	\$101	\$96	\$67	\$22	\$141	\$98	\$37	\$28	\$765

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.3 due to rounding. Data in this table is NOT adjusted for the results of the 1992 NYC Dept. 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 NYC Dept. of Finance.

Source: NYC Department of Finance, RPIE Filings.

## 2. Cross-Sectional Income and Expense Study, Estimated Average Operating & Maintenance Cost (2012) 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
<b>Citywide</b>	<b>\$264</b>	<b>\$140</b>	<b>\$80</b>	<b>\$60</b>	<b>\$38</b>	<b>\$135</b>	<b>\$125</b>	<b>\$35</b>	<b>\$40</b>	<b>\$918</b>
11-19 units	\$159	\$67	\$65	\$58	\$33	\$142	\$102	\$44	\$22	\$693
20-99 units	\$181	\$88	\$78	\$62	\$33	\$128	\$108	\$36	\$33	\$745
100+ units	\$351	\$197	\$82	\$59	\$43	\$141	\$142	\$34	\$48	\$1,096
<b>Bronx</b>	<b>\$107</b>	<b>\$87</b>	<b>\$102</b>	<b>\$71</b>	<b>\$41</b>	<b>\$111</b>	<b>\$107</b>	<b>\$35</b>	<b>\$17</b>	<b>\$678</b>
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	\$104	\$74	\$105	\$71	\$38	\$113	\$99	\$37	\$15	\$656
100+ units	\$110	\$108	\$100	\$72	\$45	\$106	\$119	\$30	\$19	\$708
<b>Brooklyn</b>	<b>\$162</b>	<b>\$100</b>	<b>\$60</b>	<b>\$60</b>	<b>\$32</b>	<b>\$129</b>	<b>\$107</b>	<b>\$38</b>	<b>\$39</b>	<b>\$727</b>
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	\$160	\$87	\$62	\$61	\$31	\$131	\$111	\$37	\$36	\$716
100+ units	\$170	\$142	\$58	\$57	\$34	\$119	\$94	\$34	\$50	\$757
<b>Manhattan</b>	<b>\$625</b>	<b>\$282</b>	<b>\$96</b>	<b>\$53</b>	<b>\$52</b>	<b>\$182</b>	<b>\$198</b>	<b>\$40</b>	<b>\$54</b>	<b>\$1,583</b>
11-19 units	\$503	\$106	\$81	\$60	\$51	\$238	\$188	\$47	\$32	\$1,306
20-99 units	\$377	\$117	\$83	\$53	\$37	\$151	\$159	\$38	\$55	\$1,070
100+ units	\$709	\$339	\$100	\$53	\$56	\$191	\$210	\$41	\$54	\$1,753
<b>Queens</b>	<b>\$203</b>	<b>\$111</b>	<b>\$71</b>	<b>\$58</b>	<b>\$32</b>	<b>\$123</b>	<b>\$102</b>	<b>\$31</b>	<b>\$45</b>	<b>\$776</b>
11-19 units	\$160	\$69	\$69	\$50	\$32	\$133	\$91	\$36	\$18	\$658
20-99 units	\$190	\$89	\$76	\$58	\$30	\$124	\$91	\$31	\$35	\$723
100+ units	\$218	\$133	\$67	\$59	\$34	\$120	\$112	\$29	\$57	\$830
<b>St. Island</b>	<b>\$168</b>	<b>\$121</b>	<b>\$69</b>	<b>\$47</b>	<b>\$21</b>	<b>\$109</b>	<b>\$84</b>	<b>\$30</b>	<b>\$13</b>	<b>\$662</b>
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	\$134	\$65	\$53	\$54	\$28	\$159	\$87	\$40	\$8	\$628
100+ units	-	-	-	-	-	-	-	-	-	-
<b>Core Man</b>	<b>\$722</b>	<b>\$307</b>	<b>\$93</b>	<b>\$51</b>	<b>\$52</b>	<b>\$188</b>	<b>\$205</b>	<b>\$40</b>	<b>\$59</b>	<b>\$1,718</b>
11-19 units	\$503	\$106	\$81	\$60	\$51	\$238	\$188	\$47	\$32	\$1,306
20-99 units	\$487	\$127	\$73	\$46	\$36	\$162	\$166	\$34	\$51	\$1,182
100+ units	\$783	\$356	\$98	\$52	\$56	\$194	\$214	\$41	\$61	\$1,856
<b>Upper Man</b>	<b>\$190</b>	<b>\$162</b>	<b>\$105</b>	<b>\$63</b>	<b>\$48</b>	<b>\$153</b>	<b>\$166</b>	<b>\$41</b>	<b>\$31</b>	<b>\$959</b>
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	\$168	\$98	\$101	\$67	\$39	\$130	\$143	\$43	\$60	\$848
100+ units	-	-	-	-	-	-	-	-	-	-
<b>City w/o Core</b>	<b>\$168</b>	<b>\$105</b>	<b>\$76</b>	<b>\$62</b>	<b>\$35</b>	<b>\$123</b>	<b>\$107</b>	<b>\$34</b>	<b>\$36</b>	<b>\$745</b>
11-19 units	\$148	\$66	\$65	\$58	\$32	\$138	\$99	\$44	\$21	\$672
20-99 units	\$155	\$85	\$78	\$63	\$33	\$125	\$103	\$36	\$31	\$709
100+ units	\$185	\$134	\$75	\$61	\$37	\$119	\$113	\$31	\$43	\$798

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 3 due to rounding. Data in this table is NOT adjusted for the results of the 1992 NYC Dept. 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 NYC Dept. of Finance.

Source: NYC Department of Finance, RPIE Filings.

### 3. Cross-Sectional Income and Expense Study, Estimated Average Rent, Income and Costs (2012) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
<b>Citywide</b>	<b>\$1,295</b>	<b>\$1,460</b>	<b>\$918</b>	<b>\$1,064</b>	<b>\$1,211</b>	<b>\$813</b>	<b>\$1,126</b>	<b>\$1,277</b>	<b>\$841</b>
11-19 units	\$1,075	\$1,173	\$693	\$1,102	\$1,327	\$885	\$1,099	\$1,311	\$865
20-99 units	\$1,076	\$1,165	\$745	\$1,018	\$1,138	\$770	\$1,028	\$1,143	\$765
100+ units	\$1,517	\$1,757	\$1,096	\$1,423	\$1,687	\$1,093	\$1,487	\$1,735	\$1,095
<b>Bronx</b>	<b>\$929</b>	<b>\$1,028</b>	<b>\$678</b>	<b>\$817</b>	<b>\$920</b>	<b>\$692</b>	<b>\$838</b>	<b>\$941</b>	<b>\$689</b>
11-19 units	-	-	-	\$787	\$906	\$730	\$790	\$910	\$728
20-99 units	\$917	\$981	\$656	\$813	\$917	\$689	\$823	\$924	\$685
100+ units	\$952	\$1,096	\$708	\$912	\$988	\$706	\$931	\$1,038	\$707
<b>Brooklyn</b>	<b>\$1,034</b>	<b>\$1,120</b>	<b>\$727</b>	<b>\$938</b>	<b>\$998</b>	<b>\$654</b>	<b>\$963</b>	<b>\$1,030</b>	<b>\$673</b>
11-19 units	-	-	-	\$943	\$1,021	\$705	\$946	\$1,023	\$705
20-99 units	\$1,025	\$1,099	\$716	\$926	\$981	\$640	\$936	\$993	\$648
100+ units	\$1,040	\$1,163	\$757	\$1,086	\$1,158	\$696	\$1,057	\$1,161	\$734
<b>Manhattan</b>	<b>\$2,261</b>	<b>\$2,693</b>	<b>\$1,583</b>	<b>\$1,401</b>	<b>\$1,695</b>	<b>\$1,091</b>	<b>\$1,570</b>	<b>\$1,891</b>	<b>\$1,187</b>
11-19 units	\$1,567	\$1,958	\$1,306	\$1,360	\$1,787	\$1,138	\$1,362	\$1,788	\$1,139
20-99 units	\$1,624	\$1,849	\$1,070	\$1,333	\$1,560	\$1,007	\$1,356	\$1,583	\$1,012
100+ units	\$2,476	\$2,975	\$1,753	\$1,848	\$2,326	\$1,498	\$2,224	\$2,715	\$1,651
<b>Queens</b>	<b>\$1,088</b>	<b>\$1,178</b>	<b>\$776</b>	<b>\$1,029</b>	<b>\$1,081</b>	<b>\$712</b>	<b>\$1,059</b>	<b>\$1,130</b>	<b>\$744</b>
11-19 units	\$1,081	\$1,170	\$658	\$931	\$978	\$666	\$946	\$997	\$665
20-99 units	\$1,049	\$1,122	\$723	\$1,032	\$1,081	\$706	\$1,036	\$1,092	\$711
100+ units	\$1,117	\$1,219	\$830	\$1,168	\$1,247	\$822	\$1,129	\$1,226	\$828
<b>St. Island</b>	<b>\$934</b>	<b>\$1,039</b>	<b>\$662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$928</b>	<b>\$1,016</b>	<b>\$672</b>
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	\$888	\$934	\$628	-	-	-	\$908	\$954	\$645
100+ units	-	-	-	-	-	-	-	-	-
<b>Core Man</b>	<b>\$2,446</b>	<b>\$2,928</b>	<b>\$1,718</b>	<b>\$1,690</b>	<b>\$2,089</b>	<b>\$1,271</b>	<b>\$1,901</b>	<b>\$2,323</b>	<b>\$1,395</b>
11-19 units	\$1,567	\$1,958	\$1,306	\$1,528	\$2,060	\$1,247	\$1,529	\$2,057	\$1,249
20-99 units	\$1,819	\$2,066	\$1,182	\$1,654	\$1,958	\$1,167	\$1,666	\$1,966	\$1,168
100+ units	\$2,611	\$3,153	\$1,856	\$1,978	\$2,517	\$1,610	\$2,357	\$2,897	\$1,757
<b>Upper Man</b>	<b>\$1,410</b>	<b>\$1,604</b>	<b>\$959</b>	<b>\$1,090</b>	<b>\$1,272</b>	<b>\$897</b>	<b>\$1,116</b>	<b>\$1,299</b>	<b>\$902</b>
11-19 units	-	-	-	\$1,105	\$1,371	\$971	\$1,108	\$1,372	\$970
20-99 units	\$1,235	\$1,416	\$848	\$1,080	\$1,246	\$880	\$1,086	\$1,253	\$879
100+ units	-	-	-	\$1,219	\$1,404	\$957	\$1,341	\$1,534	\$992
<b>City w/o Core</b>	<b>\$1,048</b>	<b>\$1,144</b>	<b>\$745</b>	<b>\$954</b>	<b>\$1,026</b>	<b>\$698</b>	<b>\$979</b>	<b>\$1,058</b>	<b>\$710</b>
11-19 units	\$1,058	\$1,146	\$672	\$915	\$978	\$684	\$933	\$1,000	\$682
20-99 units	\$1,014	\$1,090	\$709	\$936	\$1,006	\$682	\$951	\$1,022	\$687
100+ units	\$1,087	\$1,208	\$798	\$1,095	\$1,177	\$772	\$1,089	\$1,199	\$790

Notes: City, borough totals and building size categories are weighted. Cost figures in this table are NOT adjusted for the results of the 1992 NYC Dept. 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 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.

#### 4. Cross-Sectional Income and Expense Study, Estimated Median Rent, Income and Costs (2012) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
<b>Citywide</b>	<b>\$1,085</b>	<b>\$1,165</b>	<b>\$763</b>	<b>\$974</b>	<b>\$1,056</b>	<b>\$737</b>	<b>\$990</b>	<b>\$1,073</b>	<b>\$740</b>
11-19 units	\$1,018	\$1,164	\$731	\$1,028	\$1,160	\$817	\$1,027	\$1,162	\$816
20-99 units	\$1,032	\$1,087	\$710	\$952	\$1,029	\$713	\$962	\$1,035	\$713
100+ units	\$1,186	\$1,291	\$917	\$1,117	\$1,210	\$811	\$1,165	\$1,267	\$878
<b>Bronx</b>	<b>\$911</b>	<b>\$968</b>	<b>\$623</b>	<b>\$809</b>	<b>\$894</b>	<b>\$675</b>	<b>\$818</b>	<b>\$901</b>	<b>\$671</b>
11-19 units	-	-	-	\$772	\$855	\$703	\$773	\$860	\$695
20-99 units	\$911	\$953	\$621	\$812	\$894	\$671	\$820	\$900	\$668
100+ units	\$948	\$1,050	\$674	\$905	\$995	\$714	\$916	\$1,017	\$698
<b>Brooklyn</b>	<b>\$1,019</b>	<b>\$1,091</b>	<b>\$677</b>	<b>\$905</b>	<b>\$951</b>	<b>\$624</b>	<b>\$917</b>	<b>\$960</b>	<b>\$629</b>
11-19 units	-	-	-	\$892	\$940	\$659	\$894	\$941	\$659
20-99 units	\$1,009	\$1,072	\$651	\$905	\$950	\$611	\$915	\$958	\$615
100+ units	\$1,037	\$1,165	\$744	\$1,034	\$1,099	\$650	\$1,037	\$1,137	\$698
<b>Manhattan</b>	<b>\$1,901</b>	<b>\$2,210</b>	<b>\$1,288</b>	<b>\$1,321</b>	<b>\$1,538</b>	<b>\$969</b>	<b>\$1,353</b>	<b>\$1,573</b>	<b>\$989</b>
11-19 units	\$1,487	\$1,785	\$1,172	\$1,366	\$1,700	\$1,064	\$1,374	\$1,701	\$1,067
20-99 units	\$1,599	\$1,806	\$1,005	\$1,277	\$1,449	\$919	\$1,296	\$1,473	\$923
100+ units	\$2,420	\$2,907	\$1,715	\$1,760	\$2,182	\$1,412	\$2,206	\$2,596	\$1,552
<b>Queens</b>	<b>\$1,108</b>	<b>\$1,172</b>	<b>\$746</b>	<b>\$1,019</b>	<b>\$1,049</b>	<b>\$666</b>	<b>\$1,049</b>	<b>\$1,083</b>	<b>\$688</b>
11-19 units	\$975	\$1,039	\$591	\$949	\$963	\$627	\$950	\$971	\$625
20-99 units	\$1,082	\$1,135	\$722	\$1,049	\$1,070	\$676	\$1,053	\$1,087	\$686
100+ units	\$1,145	\$1,218	\$815	\$1,158	\$1,191	\$771	\$1,146	\$1,216	\$806
<b>St. Island</b>	<b>\$854</b>	<b>\$922</b>	<b>\$604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$881</b>	<b>\$932</b>	<b>\$613</b>
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	\$859	\$888	\$613	-	-	-	\$862	\$912	\$631
100+ units	-	-	-	-	-	-	-	-	-
<b>Core Man</b>	<b>\$2,121</b>	<b>\$2,463</b>	<b>\$1,426</b>	<b>\$1,537</b>	<b>\$1,800</b>	<b>\$1,083</b>	<b>\$1,566</b>	<b>\$1,836</b>	<b>\$1,115</b>
11-19 units	\$1,496	\$1,845	\$1,191	\$1,475	\$1,835	\$1,135	\$1,478	\$1,835	\$1,137
20-99 units	\$1,769	\$1,903	\$1,098	\$1,565	\$1,748	\$1,032	\$1,576	\$1,764	\$1,036
100+ units	\$2,652	\$3,035	\$1,777	\$2,004	\$2,463	\$1,539	\$2,325	\$2,781	\$1,711
<b>Upper Man</b>	<b>\$1,188</b>	<b>\$1,282</b>	<b>\$855</b>	<b>\$989</b>	<b>\$1,103</b>	<b>\$802</b>	<b>\$998</b>	<b>\$1,110</b>	<b>\$804</b>
11-19 units	-	-	-	\$965	\$1,115	\$843	\$967	\$1,119	\$843
20-99 units	\$1,115	\$1,167	\$788	\$990	\$1,099	\$792	\$997	\$1,101	\$792
100+ units	-	-	-	\$1,048	\$1,216	\$832	\$1,167	\$1,305	\$912
<b>City w/o Core</b>	<b>\$1,024</b>	<b>\$1,089</b>	<b>\$697</b>	<b>\$896</b>	<b>\$959</b>	<b>\$674</b>	<b>\$912</b>	<b>\$976</b>	<b>\$677</b>
11-19 units	\$911	\$991	\$590	\$880	\$949	\$682	\$882	\$950	\$679
20-99 units	\$997	\$1,048	\$670	\$896	\$958	\$671	\$908	\$968	\$671
100+ units	\$1,103	\$1,184	\$783	\$1,035	\$1,100	\$729	\$1,083	\$1,153	\$755

Notes: Cost figures in this table are NOT adjusted for the results of the 1992 NYC Dept. 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 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.

## 5. Cross-Sectional Income and Expense Study, Average Net Operating Income in 2012 per Apartment per Month by Building Size and Location

	Post-46	Pre-47	All		Post-46	Pre-47	All
<b>Citywide</b>	<b>\$542</b>	<b>\$398</b>	<b>\$436</b>	<b>Core Man</b>	<b>\$1,210</b>	<b>\$818</b>	<b>\$928</b>
11-19 units	\$480	\$443	\$446	11-19 units	\$652	\$813	\$808
20-99 units	\$420	\$368	\$377	20-99 units	\$884	\$791	\$798
100+ units	\$661	\$594	\$640	100+ units	\$1,297	\$907	\$1,140
<b>Bronx</b>	<b>\$350</b>	<b>\$229</b>	<b>\$251</b>	<b>Upper Man</b>	<b>\$646</b>	<b>\$375</b>	<b>\$397</b>
11-19 units	-	\$176	\$182	11-19 units	-	\$400	\$402
20-99 units	\$325	\$228	\$239	20-99 units	\$568	\$366	\$374
100+ units	\$388	\$282	\$331	100+ units	-	\$447	\$542
<b>Brooklyn</b>	<b>\$393</b>	<b>\$344</b>	<b>\$357</b>	<b>City w/o Core</b>	<b>\$399</b>	<b>\$329</b>	<b>\$347</b>
11-19 units	-	\$316	\$318	11-19 units	\$474	\$295	\$318
20-99 units	\$383	\$341	\$345	20-99 units	\$381	\$324	\$335
100+ units	\$406	\$462	\$427	100+ units	\$410	\$405	\$409
<b>Manhattan</b>	<b>\$1,110</b>	<b>\$605</b>	<b>\$704</b>				
11-19 units	\$652	\$649	\$649				
20-99 units	\$778	\$553	\$571				
100+ units	\$1,222	\$828	\$1,064				
<b>Queens</b>	<b>\$402</b>	<b>\$369</b>	<b>\$386</b>				
11-19 units	\$512	\$312	\$332				
20-99 units	\$399	\$375	\$381				
100+ units	\$389	\$425	\$398				
<b>St. Island</b>	<b>\$377</b>	<b>-</b>	<b>\$344</b>				
11-19 units	-	-	-				
20-99 units	\$306	-	\$309				
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 NYC Dept. 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 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.

## 6. Cross-Sectional Distribution of Operating Costs in 2012, by Building Size and Age

	Taxes	Maint.	Labor	Admin.	Utilities	Fuel	Misc.	Insurance	Total
<b>Pre-47</b>	25.9%	17.3%	9.5%	13.2%	11.6%	14.0%	3.4%	5.2%	100.0%
11-19 units	27.6%	17.2%	8.0%	12.9%	11.3%	13.1%	4.8%	5.2%	100.0%
20-99 units	24.4%	17.7%	8.8%	13.3%	12.1%	15.0%	3.2%	5.4%	100.0%
100+ units	33.3%	14.4%	16.9%	12.3%	8.7%	8.5%	2.4%	3.4%	100.0%
<b>Post-46</b>	28.7%	14.8%	15.3%	13.6%	10.7%	8.7%	4.4%	3.9%	100.0%
11-19 units	23.0%	20.4%	9.7%	14.7%	13.2%	9.4%	3.1%	6.4%	100.0%
20-99 units	24.3%	17.1%	11.8%	14.5%	12.7%	10.4%	4.4%	4.8%	100.0%
100+ units	32.0%	12.8%	17.9%	12.9%	9.3%	7.5%	4.4%	3.1%	100.0%
<b>All Bldgs.</b>	26.7%	16.5%	11.2%	13.3%	11.4%	12.5%	3.7%	4.8%	100.0%
11-19 units	27.2%	17.4%	8.1%	13.0%	11.4%	12.8%	4.6%	5.3%	100.0%
20-99 units	24.4%	17.6%	9.3%	13.5%	12.2%	14.2%	3.4%	5.3%	100.0%
100+ units	32.4%	13.3%	17.6%	12.7%	9.1%	7.8%	3.8%	3.2%	100.0%

Source: NYC Department of Finance, RPIE Filings.

## 7. Cross-Sectional Number of “Distressed” Buildings, 2012 RPIE Data

	Citywide	Bronx	Brooklyn	Manhattan	Queens	St. Island	Core Man	Upper Man
<b>Pre-47</b>								
11-19 units	381	72	92	185	28	4	112	73
20-99 units	526	183	94	213	36	0	83	130
100+ units	12	3	1	7	1	0	5	2
All	919	258	187	405	65	4	200	205
<b>Post-46</b>								
11-19 units	13	2	1	7	3	0	6	1
20-99 units	42	9	6	5	22	0	2	3
100+ units	11	3	0	3	5	0	3	0
All	66	14	7	15	30	0	11	4
<b>All Bldgs.</b>								
11-19 units	394	74	93	192	31	4	118	74
20-99 units	568	192	100	218	58	0	85	133
100+ units	23	6	1	10	6	0	8	2
All	985	272	194	420	95	4	211	209

Source: NYC Department of Finance, RPIE Filings.

## 8. Operating Cost-to-Income Ratios by Decile, 2012 RPIE Data

	# of Bldgs	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
<b>Citywide</b>	14,867	0.49	0.54	0.58	0.63	0.67	0.71	0.76	0.83	0.94	42.59
Manhattan	5,995	0.47	0.52	0.55	0.59	0.63	0.68	0.73	0.81	0.94	7.88
Bronx	3,277	0.56	0.62	0.67	0.71	0.75	0.79	0.83	0.89	0.98	2.17
Brooklyn	3,517	0.49	0.55	0.59	0.63	0.66	0.70	0.74	0.81	0.90	1.95
Queens	1,981	0.49	0.54	0.57	0.61	0.65	0.69	0.73	0.79	0.90	42.59
St. Island	97	0.46	0.54	0.59	0.63	0.67	0.70	0.73	0.77	0.86	1.14

Source: NYC Department of Finance, RPIE Filings.

## 9. Cross-Sectional Sample, 2012 RPIE Data

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
<b>Citywide</b>	<b>1,847</b>	<b>193,882</b>	<b>13,018</b>	<b>480,220</b>	<b>14,867</b>	<b>674,171</b>
11-19 units	145	2,149	3,659	55,084	3,804	57,233
20-99 units	1,096	63,300	8,982	355,674	10,080	419,043
100+ units	606	128,433	377	69,462	983	197,895
<b>Bronx</b>	<b>364</b>	<b>28,760</b>	<b>2,913</b>	<b>123,352</b>	<b>3,277</b>	<b>152,112</b>
11-19 units	20	300	418	6,206	438	6,506
20-99 units	277	16,325	2,418	105,961	2,695	122,286
100+ units	67	12,135	77	11,185	144	23,320
<b>Brooklyn</b>	<b>355</b>	<b>35,315</b>	<b>3,161</b>	<b>111,864</b>	<b>3,517</b>	<b>147,214</b>
11-19 units	13	195	933	13,975	946	14,170
20-99 units	236	15,079	2,166	90,511	2,403	105,625
100+ units	106	20,041	62	7,378	168	27,419
<b>Manhattan</b>	<b>466</b>	<b>65,893</b>	<b>5,528</b>	<b>188,747</b>	<b>5,995</b>	<b>254,674</b>
11-19 units	51	777	1,894	28,539	1,945	29,316
20-99 units	202	10,509	3,464	120,288	3,667	130,831
100+ units	213	54,607	170	39,920	383	94,527
<b>Queens</b>	<b>592</b>	<b>59,338</b>	<b>1,389</b>	<b>54,966</b>	<b>1,981</b>	<b>114,304</b>
11-19 units	44	635	401	6,165	445	6,800
20-99 units	344	19,932	924	38,468	1,268	58,400
100+ units	204	38,771	64	10,333	268	49,104
<b>St. Island</b>	<b>70</b>	<b>4,576</b>	<b>27</b>	<b>1,291</b>	<b>97</b>	<b>5,867</b>
11-19 units	17	242	13	199	30	441
20-99 units	37	1,455	10	446	47	1,901
100+ units	16	2,879	4	646	20	3,525
<b>Core Man</b>	<b>384</b>	<b>56,426</b>	<b>3,541</b>	<b>118,112</b>	<b>3,925</b>	<b>174,538</b>
11-19 units	44	674	1,439	21,704	1,483	22,378
20-99 units	151	7,765	1,975	62,187	2,126	69,952
100+ units	189	47,987	127	34,221	316	82,208
<b>Upper Man</b>	<b>82</b>	<b>9,467</b>	<b>1,987</b>	<b>70,635</b>	<b>2,070</b>	<b>80,136</b>
11-19 units	7	103	455	6,835	462	6,938
20-99 units	51	2,744	1,489	58,101	1,541	60,879
100+ units	24	6,620	43	5,699	67	12,319

Source: NYC Department of Finance, RPIE Filings.



## 10. Longitudinal Income and Expense Study, Estimated Average Rent, Income and Costs Changes (2011-2012) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
<b>Citywide</b>	<b>4.8%</b>	<b>5.6%</b>	<b>2.9%</b>	<b>5.0%</b>	<b>5.2%</b>	<b>3.3%</b>	<b>5.0%</b>	<b>5.3%</b>	<b>3.2%</b>
11-19 units	0.3%	-0.6%	0.5%	6.2%	5.9%	3.4%	5.6%	5.3%	3.2%
20-99 units	3.8%	4.8%	1.7%	5.0%	5.1%	3.2%	4.8%	5.1%	3.0%
100+ units	5.8%	6.5%	3.7%	3.7%	4.5%	4.0%	5.1%	5.9%	3.8%
<b>Bronx</b>	<b>3.2%</b>	<b>4.7%</b>	<b>1.9%</b>	<b>4.2%</b>	<b>4.3%</b>	<b>3.0%</b>	<b>4.0%</b>	<b>4.4%</b>	<b>2.8%</b>
11-19 units	-	-	-	2.5%	2.6%	2.6%	2.6%	2.8%	2.4%
20-99 units	3.3%	4.3%	0.6%	4.2%	4.3%	3.0%	4.1%	4.3%	2.7%
100+ units	3.2%	5.2%	3.6%	5.6%	5.7%	2.8%	4.0%	5.4%	3.3%
<b>Brooklyn</b>	<b>3.7%</b>	<b>4.5%</b>	<b>1.7%</b>	<b>4.7%</b>	<b>4.6%</b>	<b>2.8%</b>	<b>4.5%</b>	<b>4.6%</b>	<b>2.5%</b>
11-19 units	-	-	-	5.5%	5.0%	4.0%	4.7%	4.1%	3.5%
20-99 units	3.7%	5.3%	1.8%	4.6%	4.6%	2.4%	4.4%	4.8%	2.2%
100+ units	4.8%	4.1%	2.0%	4.5%	4.2%	4.1%	4.7%	4.2%	2.8%
<b>Manhattan</b>	<b>7.7%</b>	<b>8.1%</b>	<b>4.4%</b>	<b>5.7%</b>	<b>6.0%</b>	<b>4.0%</b>	<b>6.3%</b>	<b>6.6%</b>	<b>4.1%</b>
11-19 units	6.5%	5.5%	6.0%	7.6%	7.1%	3.2%	7.6%	7.1%	3.2%
20-99 units	6.2%	6.8%	2.4%	6.0%	6.2%	4.2%	6.0%	6.3%	4.0%
100+ units	8.0%	8.3%	4.8%	2.8%	4.2%	4.3%	6.2%	6.9%	4.6%
<b>Queens</b>	<b>2.8%</b>	<b>3.4%</b>	<b>2.2%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>2.7%</b>	<b>3.6%</b>	<b>3.9%</b>	<b>2.4%</b>
11-19 units	0.7%	-0.1%	0.6%	4.5%	4.1%	3.9%	3.3%	2.7%	2.9%
20-99 units	2.8%	3.1%	1.8%	4.4%	4.4%	2.3%	3.8%	3.9%	2.1%
100+ units	3.0%	4.0%	2.6%	5.3%	5.9%	3.4%	3.4%	4.3%	2.7%
<b>Staten Island</b>	<b>3.9%</b>	<b>4.4%</b>	<b>1.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.9%</b>	<b>4.0%</b>	<b>3.5%</b>
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-	6.5%	5.5%	9.7%
100+ units	-	-	-	-	-	-	-	-	-
<b>Core Manhattan</b>	<b>7.0%</b>	<b>7.5%</b>	<b>4.1%</b>	<b>5.6%</b>	<b>5.8%</b>	<b>4.1%</b>	<b>6.1%</b>	<b>6.4%</b>	<b>4.1%</b>
11-19 units	6.5%	5.5%	6.0%	8.0%	7.3%	3.5%	7.9%	7.3%	3.5%
20-99 units	7.3%	7.9%	2.6%	6.0%	6.0%	4.1%	6.2%	6.3%	3.9%
100+ units	6.9%	7.5%	4.4%	2.7%	4.1%	4.6%	5.5%	6.3%	4.4%
<b>Upper Manhattan</b>	<b>13.8%</b>	<b>12.9%</b>	<b>6.9%</b>	<b>6.0%</b>	<b>6.4%</b>	<b>3.9%</b>	<b>6.8%</b>	<b>7.0%</b>	<b>4.1%</b>
11-19 units	-	-	-	6.8%	6.5%	2.6%	6.8%	6.5%	2.6%
20-99 units	3.3%	3.6%	2.0%	6.1%	6.5%	4.3%	5.9%	6.3%	4.1%
100+ units	-	-	-	3.4%	5.0%	2.0%	13.7%	13.3%	6.5%
<b>All City w/o Core</b>	<b>3.8%</b>	<b>4.6%</b>	<b>2.2%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>3.1%</b>	<b>4.5%</b>	<b>4.8%</b>	<b>2.9%</b>
11-19 units	0.0%	-1.0%	0.1%	5.2%	5.0%	3.4%	4.5%	4.1%	3.0%
20-99 units	3.3%	4.3%	1.5%	4.8%	4.9%	3.0%	4.5%	4.8%	2.8%
100+ units	4.7%	5.5%	3.2%	4.8%	5.2%	3.2%	4.8%	5.4%	3.2%

Notes: City, borough totals and building size categories are weighted. Cost figures in this table are NOT adjusted for the results of the 1992 NYC Dept. 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 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.

## 11. Longitudinal Income and Expense Study, Estimated Median Rent, Income and Costs Changes (2011-2012) by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
<b>Citywide</b>	<b>4.7%</b>	<b>4.5%</b>	<b>3.1%</b>	<b>4.6%</b>	<b>4.4%</b>	<b>2.8%</b>	<b>4.8%</b>	<b>4.7%</b>	<b>2.9%</b>
11-19 units	1.5%	8.0%	3.2%	5.5%	5.1%	4.2%	5.4%	5.1%	4.3%
20-99 units	4.4%	4.5%	2.4%	4.3%	4.6%	2.7%	4.5%	4.5%	2.6%
100+ units	6.0%	6.2%	4.4%	4.3%	4.9%	2.5%	5.6%	5.5%	2.5%
<b>Bronx</b>	<b>4.9%</b>	<b>3.4%</b>	<b>0.9%</b>	<b>2.8%</b>	<b>3.9%</b>	<b>3.5%</b>	<b>3.1%</b>	<b>3.7%</b>	<b>3.4%</b>
11-19 units	-	-	-	3.2%	3.4%	2.5%	3.2%	4.5%	2.5%
20-99 units	5.1%	5.5%	-1.0%	3.0%	3.7%	3.4%	3.1%	3.7%	3.1%
100+ units	3.4%	5.3%	5.3%	2.6%	4.3%	6.9%	3.1%	4.9%	6.4%
<b>Brooklyn</b>	<b>4.6%</b>	<b>4.5%</b>	<b>2.9%</b>	<b>4.6%</b>	<b>4.3%</b>	<b>3.1%</b>	<b>4.4%</b>	<b>4.3%</b>	<b>2.9%</b>
11-19 units	-	-	-	4.9%	4.9%	2.9%	4.7%	4.9%	2.8%
20-99 units	4.2%	4.8%	-0.5%	4.6%	4.4%	2.0%	4.7%	4.2%	2.0%
100+ units	3.8%	5.0%	9.0%	7.0%	3.0%	4.2%	4.1%	6.0%	6.2%
<b>Manhattan</b>	<b>6.3%</b>	<b>7.5%</b>	<b>2.7%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>3.1%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>3.4%</b>
11-19 units	2.6%	12.8%	6.8%	6.7%	6.9%	1.9%	7.2%	7.0%	2.1%
20-99 units	5.6%	8.3%	4.0%	5.3%	6.7%	3.6%	5.7%	6.6%	3.2%
100+ units	6.9%	8.7%	4.0%	3.9%	5.4%	6.5%	5.5%	4.9%	4.8%
<b>Queens</b>	<b>4.4%</b>	<b>4.8%</b>	<b>4.0%</b>	<b>5.0%</b>	<b>4.4%</b>	<b>3.0%</b>	<b>3.8%</b>	<b>4.9%</b>	<b>1.9%</b>
11-19 units	1.4%	-0.2%	7.0%	4.0%	4.4%	2.9%	3.8%	3.7%	3.1%
20-99 units	4.2%	4.0%	3.6%	3.6%	5.1%	1.9%	3.7%	4.5%	1.5%
100+ units	4.9%	4.8%	1.7%	5.8%	2.8%	1.2%	5.0%	5.3%	1.8%
<b>Staten Island</b>	<b>6.1%</b>	<b>3.3%</b>	<b>-1.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.0%</b>	<b>2.8%</b>	<b>-1.1%</b>
11-19 units	-	-	-	-	-	-	-	-	-
20-99 units	-	-	-	-	-	-	3.9%	0.9%	-0.9%
100+ units	-	-	-	-	-	-	-	-	-
<b>Core Manhattan</b>	<b>6.3%</b>	<b>6.1%</b>	<b>5.0%</b>	<b>6.1%</b>	<b>7.0%</b>	<b>3.1%</b>	<b>6.0%</b>	<b>6.3%</b>	<b>4.1%</b>
11-19 units	2.1%	14.8%	5.1%	7.6%	6.5%	2.3%	7.2%	6.8%	2.4%
20-99 units	6.8%	7.8%	10.1%	6.2%	6.3%	2.6%	6.0%	6.7%	3.1%
100+ units	7.7%	8.1%	4.2%	2.6%	4.2%	4.5%	4.5%	5.5%	5.5%
<b>Upper Manhattan</b>	<b>8.2%</b>	<b>5.1%</b>	<b>1.5%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>4.3%</b>	<b>5.7%</b>	<b>5.0%</b>	<b>4.2%</b>
11-19 units	5.2%	5.5%	13.3%	8.6%	7.0%	6.5%	8.4%	6.8%	7.0%
20-99 units	3.9%	2.9%	2.5%	4.9%	5.0%	4.3%	4.6%	5.0%	4.2%
100+ units	-	-	-	6.2%	6.9%	0.0%	6.6%	6.1%	3.3%
<b>All City w/o Core</b>	<b>3.8%</b>	<b>4.1%</b>	<b>1.7%</b>	<b>4.3%</b>	<b>4.1%</b>	<b>3.2%</b>	<b>4.3%</b>	<b>4.2%</b>	<b>3.2%</b>
11-19 units	5.0%	1.1%	1.4%	4.3%	4.3%	3.2%	4.5%	4.1%	3.5%
20-99 units	3.8%	4.3%	1.3%	4.2%	4.1%	3.2%	4.6%	4.3%	3.1%
100+ units	5.9%	5.4%	2.0%	5.9%	6.5%	4.2%	4.3%	5.9%	3.6%

Notes: Cost figures in this table are NOT adjusted for the results of the 1992 NYC Dept. 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 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.

## 12. Longitudinal Income and Expense Study, Avg. Net Operating Income Changes (2011-2012) by Bldg. Size & Location

	Post-46	Pre-47	All		Post-46	Pre-47	All
<b>Citywide</b>	<b>10.6%</b>	<b>9.1%</b>	<b>9.6%</b>	<b>Core Manhattan</b>	<b>12.8%</b>	<b>8.6%</b>	<b>10.1%</b>
11-19 units	-2.2%	11.1%	9.6%	11-19 units	4.4%	13.6%	13.5%
20-99 units	10.9%	9.3%	9.6%	20-99 units	15.8%	9.0%	9.8%
100+ units	11.3%	5.6%	9.6%	100+ units	12.3%	3.3%	9.3%
<b>Bronx</b>	<b>10.8%</b>	<b>8.6%</b>	<b>9.1%</b>	<b>Upper Manhattan</b>	<b>23.5%</b>	<b>13.0%</b>	<b>14.3%</b>
11-19 units	-	2.7%	4.2%	11-19 units	-	17.5%	17.5%
20-99 units	12.9%	8.5%	9.2%	20-99 units	6.3%	12.2%	11.8%
100+ units	8.4%	13.9%	10.1%	100+ units	-	12.1%	26.9%
<b>Brooklyn</b>	<b>10.3%</b>	<b>8.3%</b>	<b>8.8%</b>	<b>All City w/o Core</b>	<b>9.3%</b>	<b>9.3%</b>	<b>9.3%</b>
11-19 units	-	7.5%	5.3%	11-19 units	-2.5%	8.9%	6.8%
20-99 units	12.9%	8.9%	9.9%	20-99 units	10.0%	9.4%	9.5%
100+ units	8.4%	4.3%	6.6%	100+ units	10.2%	9.2%	9.9%
<b>Manhattan</b>	<b>13.8%</b>	<b>9.9%</b>	<b>11.0%</b>				
11-19 units	4.4%	14.5%	14.4%				
20-99 units	13.5%	10.2%	10.5%				
100+ units	13.9%	4.1%	10.6%				
<b>Queens</b>	<b>5.8%</b>	<b>8.3%</b>	<b>6.9%</b>				
11-19 units	-1.0%	4.6%	2.3%				
20-99 units	5.5%	8.6%	7.4%				
100+ units	7.2%	11.1%	7.8%				
<b>St. Island</b>	<b>10.0%</b>	<b>-</b>	<b>5.1%</b>				
11-19 units	-	-	-				
20-99 units	-	-	-3.4%				
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, 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.

### 13. Longitudinal Sample, 2011 & 2012 RPIE Data

	Post-46		Pre-47		All	
	Bldgs.	DU's	Bldgs.	DU's	Bldgs.	DU's
<b>Citywide</b>	<b>1,652</b>	<b>176,070</b>	<b>11,804</b>	<b>440,263</b>	<b>13,457</b>	<b>616,367</b>
11-19 units	123	1,824	3,256	49,156	3,379	50,980
20-99 units	972	56,725	8,195	326,547	9,168	383,306
100+ units	557	117,521	353	64,560	910	182,081
<b>Bronx</b>	<b>314</b>	<b>25,239</b>	<b>2,611</b>	<b>112,608</b>	<b>2,925</b>	<b>137,847</b>
11-19 units	13	189	347	5,194	360	5,383
20-99 units	244	14,462	2,191	96,716	2,435	111,178
100+ units	57	10,588	73	10,698	130	21,286
<b>Brooklyn</b>	<b>320</b>	<b>32,506</b>	<b>2,879</b>	<b>102,640</b>	<b>3,199</b>	<b>135,146</b>
11-19 units	9	128	838	12,607	847	12,735
20-99 units	215	13,942	1,986	83,522	2,201	97,464
100+ units	96	18,436	55	6,511	151	24,947
<b>Manhattan</b>	<b>428</b>	<b>59,292</b>	<b>5,032</b>	<b>173,851</b>	<b>5,460</b>	<b>233,143</b>
11-19 units	48	738	1,707	25,755	1,755	26,493
20-99 units	185	9,734	3,165	110,546	3,350	120,280
100+ units	195	48,820	160	37,550	355	86,370
<b>Queens</b>	<b>530</b>	<b>54,866</b>	<b>1,261</b>	<b>50,063</b>	<b>1,791</b>	<b>104,929</b>
11-19 units	38	556	355	5,464	393	6,020
20-99 units	299	17,512	844	35,341	1,143	52,853
100+ units	193	36,798	62	9,258	255	46,056
<b>St. Island</b>	<b>60</b>	<b>4,167</b>	<b>21</b>	<b>1,101</b>	<b>81</b>	<b>5,268</b>
11-19 units	15	213	9	136	24	349
20-99 units	29	1,075	9	422	38	1,497
100+ units	16	2,879	3	543	19	3,422
<b>Core Manhattan</b>	<b>356</b>	<b>51,252</b>	<b>3,220</b>	<b>108,617</b>	<b>3,576</b>	<b>159,869</b>
11-19 units	41	635	1,306	19,718	1,347	20,353
20-99 units	142	7,389	1,795	56,617	1,937	64,006
100+ units	173	43,228	119	32,282	292	75,510
<b>Upper Manhattan</b>	<b>72</b>	<b>8,040</b>	<b>1,812</b>	<b>65,234</b>	<b>1,884</b>	<b>73,274</b>
11-19 units	7	103	401	6,037	408	6,140
20-99 units	43	2,345	1,370	53,929	1,413	56,274
100+ units	22	5,592	41	5,268	63	10,860

Source: NYC Department of Finance, RPIE Filings.