Get the **Facts**

- Over the past 20 years, the costs of owning buildings, including fixed costs such as taxes and fuel, have increased by more than twice the rate of rent increases provided by the New York City Rent Guidelines Board (RGB), according to REBNY/HR&A analysis of RGB data.

- In 2017, New York City had a net gain of 4,387 rent stabilized units according to the Rent Guidelines Board 2018 Housing Supply Report, for the first time in over a decade.

- 71% of the city's rent-stabilized units were built before 1947, according to a REBNY/HR&A analysis of the 2017 Housing and Vacancy survey. These older buildings are more likely to require significant and ongoing maintenance.

- The MCI program has significantly improved the quality of the city's rental housing stock. Since 1991, the percentage of renter-occupied units with severe maintenance deficiencies has been cut in half, according to the 2017 Housing and Vacancy Survey.

- Albany's proposals mean that landlords for more than 40% of the city's rent-stabilized units won't be able to afford an investment beyond basic maintenance, taxes, and utilities within 5 years.

- This will create a particular burden for tenants of smaller landlords who will not be able to reinvest to maintain quality of life in their properties, according to a REBNY/HR&A analysis of data derived from the New York City Rent Guidelines Board, Department of Finance, and 2017 Housing and Vacancy Survey.

- If Albany's proposals were enacted, rent-stabilized housing would provide up to $2 billion less in property tax revenues annually, according to a REBNY/HR&A analysis of data derived from the New York City Rent Guidelines Board, Department of Finance, and the Housing and Vacancy Survey.

- In 2017, over 28,000 households who earned more than $200,000 a year were living in rent-stabilized units—saving them a total of $271 million annually, according to the Citizen Budget Commission.

- Over 145,000 lower-income and/or elderly rent-stabilized households are exempt from annual rent increases approved by the Rent Guidelines Board or rent increases resulting from major capital improvements (MCIs) in their buildings, unless approved by NYCHA, because they participate in the Section 8, SCRIE and DRIE programs.

- Tenant evictions are down 37.1% over 2013. This is the fewest number of evictions since at least 1983 (the first year data is available for), according to the Rent Guidelines Board's 2019 Income and Affordability study.

Top 10 Rental Housing Myths

Myth 1 All landlords are bad landlords.

According to a recent analysis by the Regional Plan Association, less than 2% of residential buildings are managed by "bad" landlords who demonstrate undeniable patterns of harassment through repeated building violations and evictions.

The city's housing stock is in the best shape on record — with billions spent annually to maintain and improve building conditions. The percent of units with dilapidated conditions is less than .02%, according to the 2017 New York City Housing and Vacancy Survey.

Myth 2 The eviction bonus, or vacancy allowance, is a perverse incentive to kick people out.

Currently, the average tenancy for a rent-regulated unit is nearly 13 years. On the Upper East Side the average tenancy is 17 years and on the Upper West Side it is 19. This indicates that landlords are NOT kicking people out. Otherwise tenancy rates would be much lower, especially in neighborhoods like the UES and UWS side where market rent is significantly higher than the decontrol threshold of $2,775.

The vacancy allowance is a necessary funding stream to improve apartments beyond that which is covered by MCI or IAI's while the apartment is vacant and does not inconvenience a tenant. It is also used to supplement RGB increases that have not kept pace with tax and operating expense increases.

Myth 3 Landlords charge unreasonable increases under MCIs and IAIs.

MCIs refer to permanent rent increases that are issued by DHCR upon application by landlord for eligible building-wide improvements or major building system replacements. Rent increase may not exceed 6% of the rent listed on the application for any one year. 983 MCI applications were granted in 2017, roughly 0.1% of the total stabilized units. The average MCI rent increase per room per month for 2017 was $13.15, or just under $40 for an average apartment.

In 2017, 14,470 IAI rent increases were filed by owners as part of their annual registration filings, roughly 1.4% of the rent stabilized stock. IAI's apply a permanent rent increase for improvements of individual apartments based only on the cost and installation of the improvement. If the building contains more than 35 apartments the increase is equal to 1/60th of the cost of the improvement and 1/40th of the cost for buildings with 35 units or less. Currently, DHCR does not retain data on the average IAI increase. There is room for improvement in document retention.

Myth 4 Market rate apartments are not affordable apartments.

While market rate apartments are not subject to regulatory agreements or income restrictions, according to the Citizens Budget Commission (2015), 58% of market-rate tenants have affordable rents given the resident's income level.

Myth 5 Rent regulated units are affordable apartments.

Affordability is defined by a household paying less than 30% of its income on rent. However, the rents of most rent regulated units are not tied to a set percentage of the residents' income, resulting in units that are occupied by both households paying far more than 30% (rent burdened) and those paying far less. 53.2% of rent stabilized households are rent burdened. Of those who are rent-burdened, 64%

of the households that are rent burdened in rent stabilized housing are paying $1499 or less, including 5,263 households that are rent burdened while paying $500 or less, according to the 2017 New York City Housing and Vacancy Survey.

According to the Citizens Budget Commission in 2010 22,642 of the city's 970,000 rent-stabilized apartments were occupied by households with an income over $199,000 and 2,300 were occupied by households making more than $500,000.

We agree changes would be necessary to make this program an affordable program, versus an existing tenant protection program. However, changes that severely limit or eliminate financial streams to provide quality safe housing will not address the affordability issue for those that are currently rent burdened in below market rate rent units.

Myth 6 The rent stabilization laws only protect the neediest New Yorkers.

Rent stabilization laws provide all tenants, regardless of income, age, gender affiliation, or other protected classes, with the same set of rights and protections. These include the right to lease renewal, protections from some forms of eviction, and limits on annual rent increases set by the Rent Guidelines Board.

According to the 2017 Housing and Vacancy Survey, in the Upper West Side rent stabilized households are 57% white, have an average household income of $129,791, an average tenure of 19.1 years and an average householder age of 55.7 years old. Upper East Side rent stabilized households are 80% white, have an average household income of $113,726, an average tenure of 17 years and an average householder age of 49.8 years old. In the Chelsea/Clinton neighborhood, rent stabilized households are 47% white, have an average household income of $114,677, an average tenure of 13.1

years and an average householder age of 52.4 years old. Greenwich Village/Financial District rent stabilized households are 79% white, have an average household income of $209,912, an average tenure of 15.1 years and an average householder age of 48.5 years old.

Myth 7

Middle-income tenants cannot find affordable housing.

According to a Citizens Budget Commission report in 2015, 82% of middle-income tenants are not rent burdened in New York City.

Myth 8

We lose more rent regulated units than we add.

In 2017, New York City had a net gain of 4,387 rent stabilized units according to the Rent Guidelines Board 2018 Housing Supply Report, for the first time. This demonstrates that supply can be net positive with appropriate development incentives in place.

Myth 9

Rent regulation provides tenants with more mobility.

Currently, the average tenancy for a rent-regulated unit is nearly 13 years, indicating long term tenancy is the norm, not mobility. Preferential rents are a key consideration in long term tenancy. The preferential rent is the rent the owner agrees to charge that is lower than the legal regulated rent that the owner could collect. 90% of preferential rents in a given year remain preferential in the following year. For the preferential rent apartments that maintained the same tenant, the increase on the median rent was just 1.8%, bringing the median rent to $1,440. Where there was a new tenant in a preferential rent apartment, the increase on the median rent was just 7%, bringing the median rent to $1,850, according to the Rent Stabilization Association.

For all preferential apartments the average rent in 2017 was $1,902 according to DHCR data.

Myth 10 Rent regulation is an affordable housing program.

Historically, rent regulations were put into effect temporarily as a result of a rental housing emergency. The first rent regulation laws came into effect in New York City to address the housing emergency in 1920 when vacancy rates plummeted following World War 1, and landlords were raising rents to compensate for the slump in the market during the war. These laws were repealed in 1929 when it was determined that the rental housing emergency was over. Later, rent-control was established nation-wide and later in New York City after the Great Depression, when demand was not able to keep up with the supply of housing. Similar actions were taking in the 1960's as a response to declining vacancy rates and later in 1994 during a downturn in the real estate market. Affordable housing programs have an application process set by the city's housing agency, set rents based on income and utilize housing subsidies or vouchers for construction and rental assistance. None of these features are required for rent stabilized housing.