

**Testimony of the New York City Department of Housing Preservation and Development to  
the New York City Rent Guidelines Board**

**Wednesday June 15, 2022**

Good afternoon, Chairman Reiss and members of the Rent Guidelines Board. I am Dr. Elyzabeth Gaumer, Chief Research Officer at HPD, where I am the Principal Investigator of the New York City Housing and Vacancy Survey. Thank you for the opportunity to testify before the Board today regarding findings from the 2021 survey.

We made selected initial findings from the New York City Housing and Vacancy Survey available to the public after delivering them to the City Council on May 16th. We shared that report with this Board and provided special tabulations at the request of RGB staff. Today, I will share the key findings from the report.

In 2021, there were 3.644 million housing units. This is the largest stock recorded since the NYCHVS began in 1965 and represents a net increase of 175,000 units since 2017.

The 2021 New York City Housing and Vacancy Survey reports the citywide net rental vacancy rate to be 4.54 percent. This vacancy rate indicates that although supply has continued to increase, it has failed to keep pace with the continuing demand for housing.

When we break the vacancy rate down further, we see significant variation in the rental inventory.

Manhattan had a significantly higher net rental vacancy rate than any other borough at 10.01 percent. The net rental vacancy rate was 4.15 percent for Queens and Staten Island combined, 2.73 in Brooklyn, and less than one percent in The Bronx.

There was an acute shortage of housing among lower-cost units. In 2021, the median rent across all occupied housing was \$1,500. The vacancy rate for units with asking rents below this level was less than one percent. Units with asking rents at or above \$2,300 had a 12.64 percent vacancy rate.

In 2021, there were 2.274 million renter-occupied and vacant, available rental units during the survey period. Just over one million of these were rent stabilized, representing 44 percent of the active rental stock. This is statistically the same as in 2017. There was a similar share of rental units that were what the NYCHVS refers to as private, unregulated units.

Each cycle of the NYCHVS shows the net change in units from the prior survey—that is, the cumulative result of both units that have left the stock and those that have been added. Over time, the NYCHVS has shown minimal net change in the rent stabilized stock and a net increase of private, unregulated units.

The NYCHVS measured housing conditions through self-report of the current occupants regarding maintenance deficiencies. In 2021, 14 percent of occupied units reported three or more deficiencies.

Although the share of households experiencing a heating or toilet breakdown decreased in 2021, there was an increase in the prevalence of most individual deficiencies, including presence of rodents, leaks, cracks and holes, broken plaster or peeling paint, and additional heating required.

This upward trend was across all housing types. In these charts show select maintenance deficiencies for private, unregulated units and rent stabilized units over time. We see that rent stabilized units have a higher prevalence of maintenance deficiencies compared to private, unregulated units.

The 2021 NYCHVS shows rent burden across nearly every income level. In 2021, we found that more than half of renter households were rent burdened, or paying more than 30 percent of income for housing each month. More than a third were severely burdened or paying more than 50 percent of income for housing.

The affordability challenge faced by everyday New Yorkers continues unabated. When we examine the share of income spent on rent for the typical New Yorker all the way back to the first NYCHVS in 1965, we see a clear increase over time. In the last decade, the level of rent burden has remained constant where the typical New Yorker, regardless of income, is paying more 30% of their pre-tax income on rent.

The NYCHVS helps us to identify one component of this challenge: changes in the rent distribution. Between 2017 and 2021, we saw a net decrease of about 96,000 units renting for less than \$1,500 and a net increase of 107,000 renting for \$2,300 or more. This is after adjusting for inflation.

This is not a recent phenomenon. Over the last decade, from 2011 to 2021, we saw an even larger net loss of the lowest cost units as rents shifted upward. This graph shows the net change in the number of rental units by rent level in 2021, relative to 2011 after adjusting for inflation. The negative bars to the left show where we have lost lower-cost units and the bars to the right show the net increase in higher-cost units. Over this time period, there was a net decrease of about 340,100 units with rents below \$1,500 and an increase of just over 335,400 units with rents of \$2,300 or more.

When we examine the change in rents over the last 30 years we see a dramatic shift in rental costs, after adjusting for inflation. This graph shows the absolute number of units with rents of less than \$1,500 and those with rents of \$2,300 or more from 1991 to 2021. Over this period, New York City saw the loss of 608,700 units renting for less than \$1,500 and a gain of 431,200 more units renting for \$2,300 or more. All estimates are inflation-adjusted and shown in 2021 dollars.

In summary, there is a net rental vacancy rate of less than 5 percent overall, and a severe shortage of lower-cost units. Rents continue to increase. The rent burden faced by most New York City households remains at persistently high levels, leaving households vulnerable to financial instability across multiple dimensions.

Thank you for the opportunity to testify. We are happy to answer any questions.

# 2021 NYCHVS Selected Initial Findings

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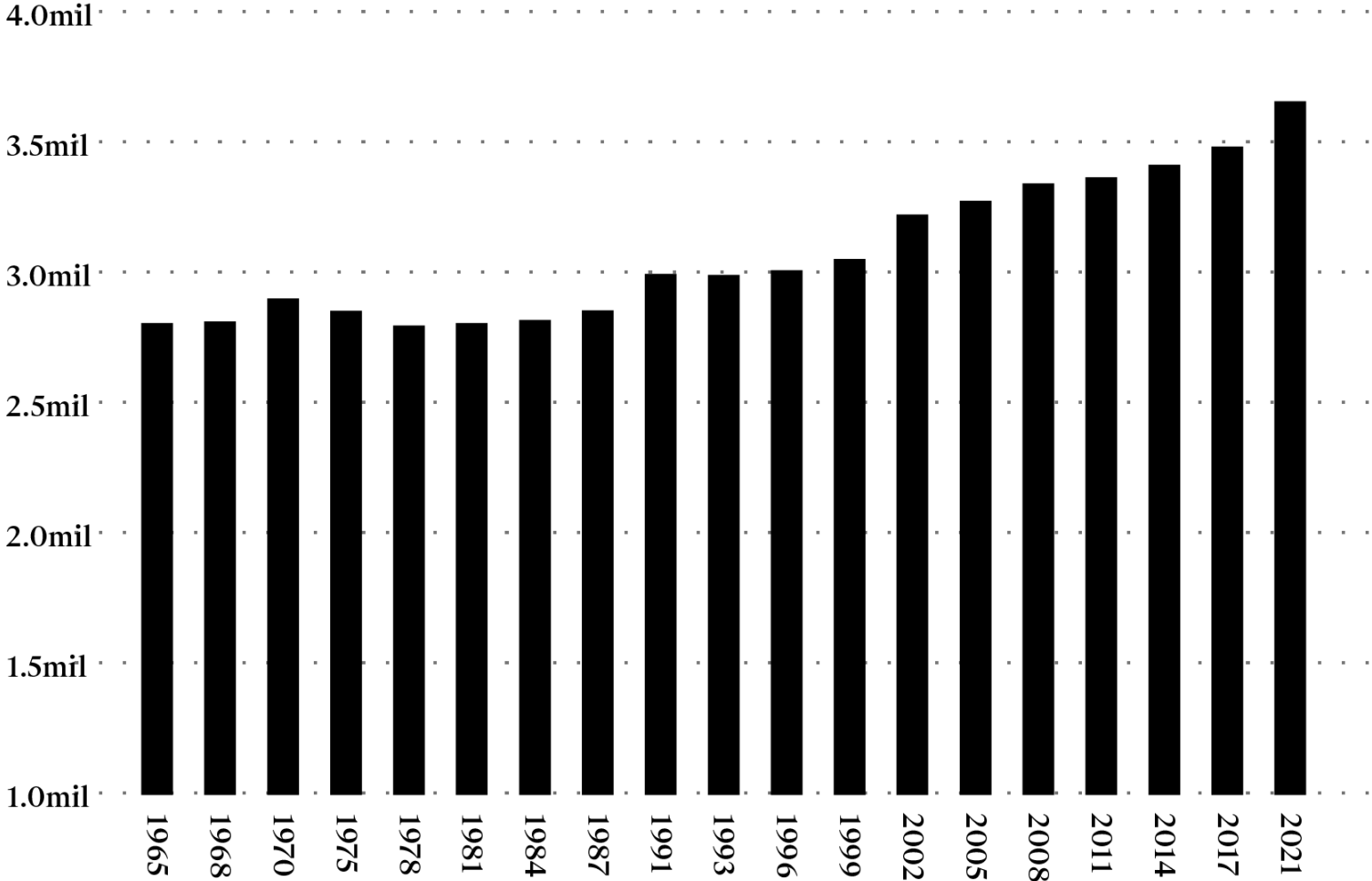
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Department of Housing Preservation and Development

The U.S. Census Bureau reviewed all of the 2021 NYCHVS estimates that appear in this report for unauthorized disclosure of confidential information and approved the disclosure avoidance practices applied to this release. CBDRB-FY22-199 and CBDRB-FY22-POP001-0101.

Data sources: New York City Housing and Vacancy Survey (NYCHVS), 1965 - 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. See 2021 NYCHVS Selected Initial Findings for methodology and technical definitions.

# NYC continued to add to the overall supply of housing

Total Housing Units: 1965-2021

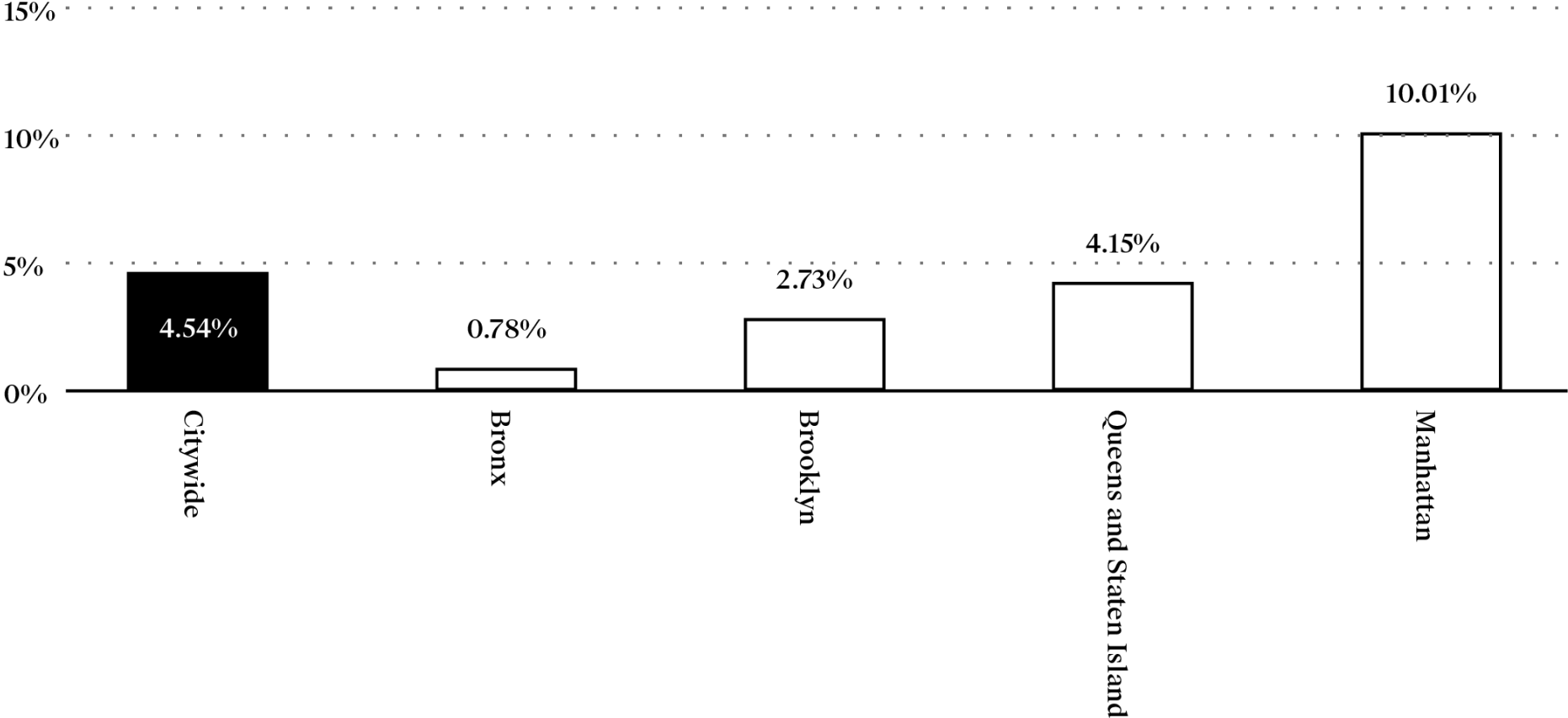


New York City Housing and Vacancy Survey

Adapted from Figure 1, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

# The citywide net rental vacancy rate of 4.54% varied by borough

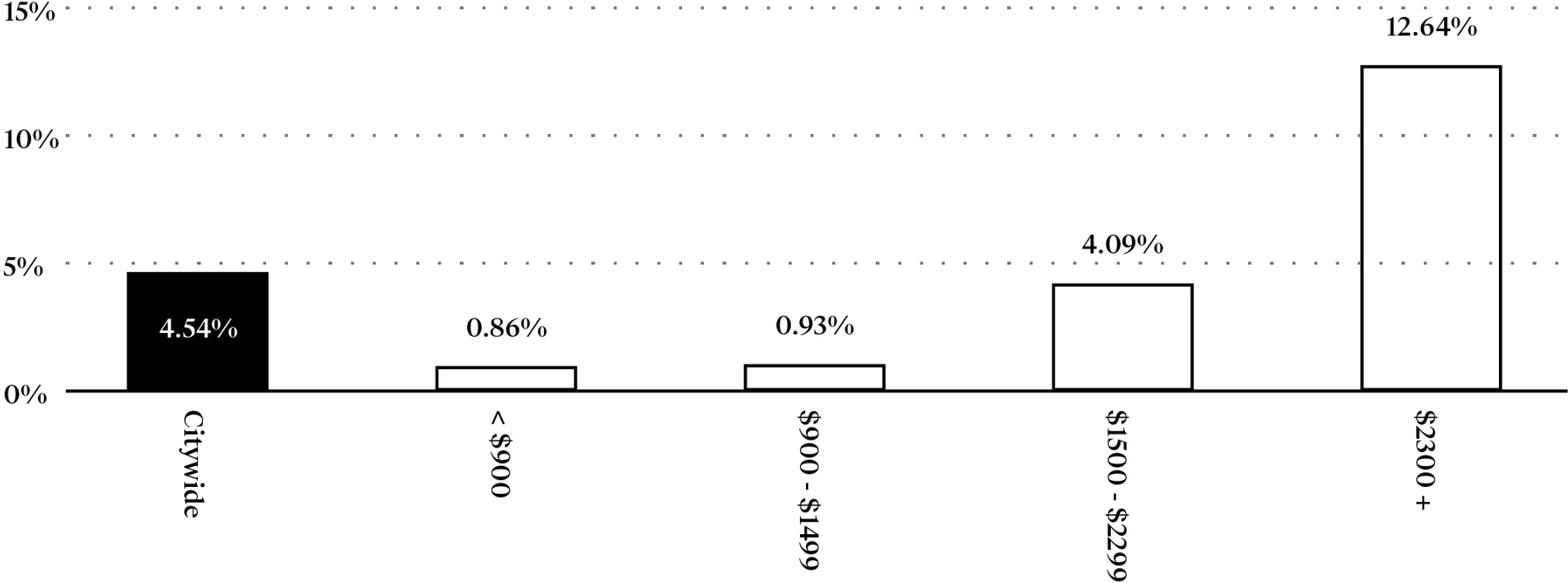
Net Rental Vacancy Rate by Borough



See Table 9, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

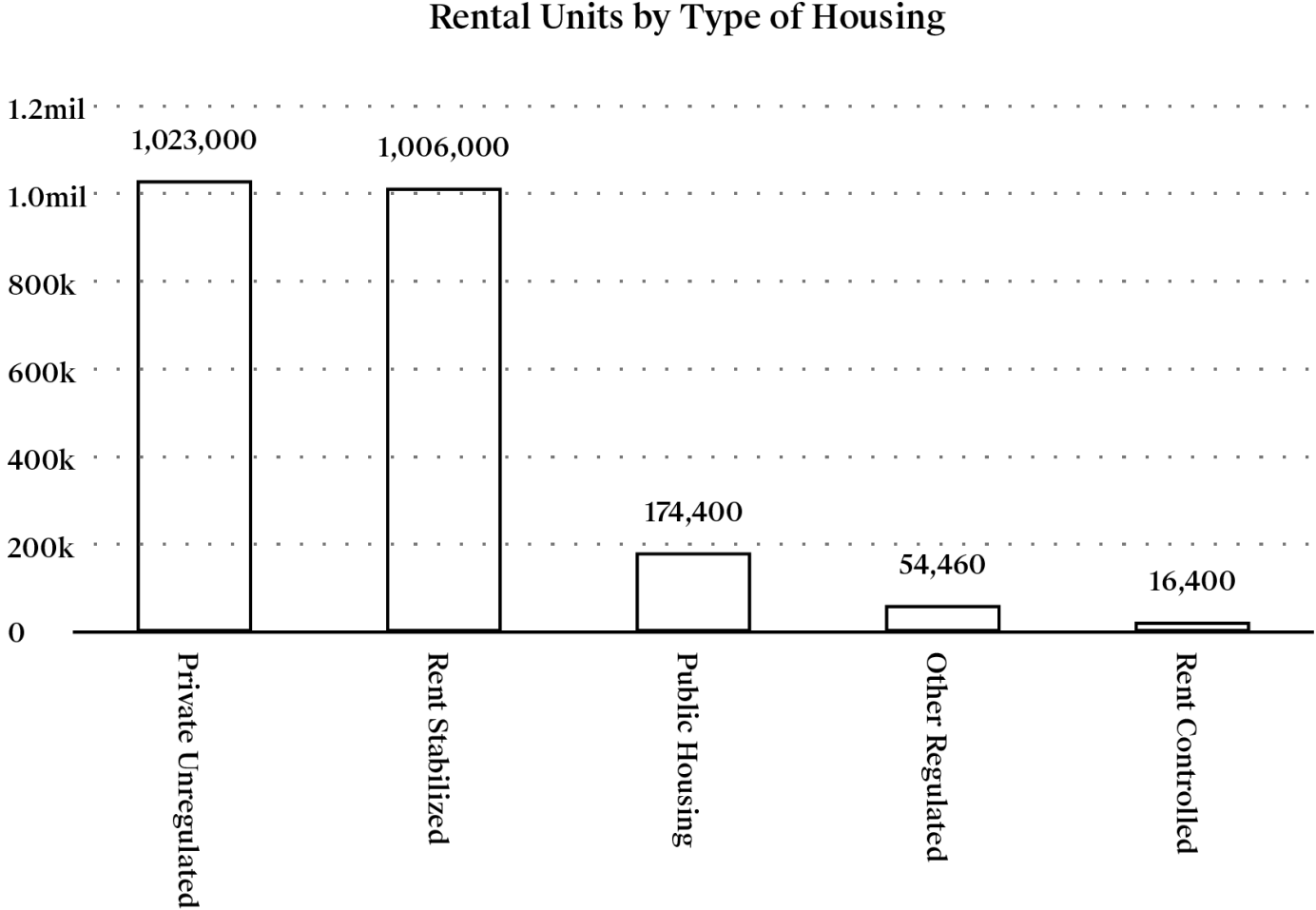
# There was a severe shortage of lower-cost units

Net Rental Vacancy Rate by Asking Rent



Adapted from Figure 7, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

# There were about 1 million rent stabilized units that were part of the active supply of housing



# Over 30 years, the number of private, unregulated units has doubled

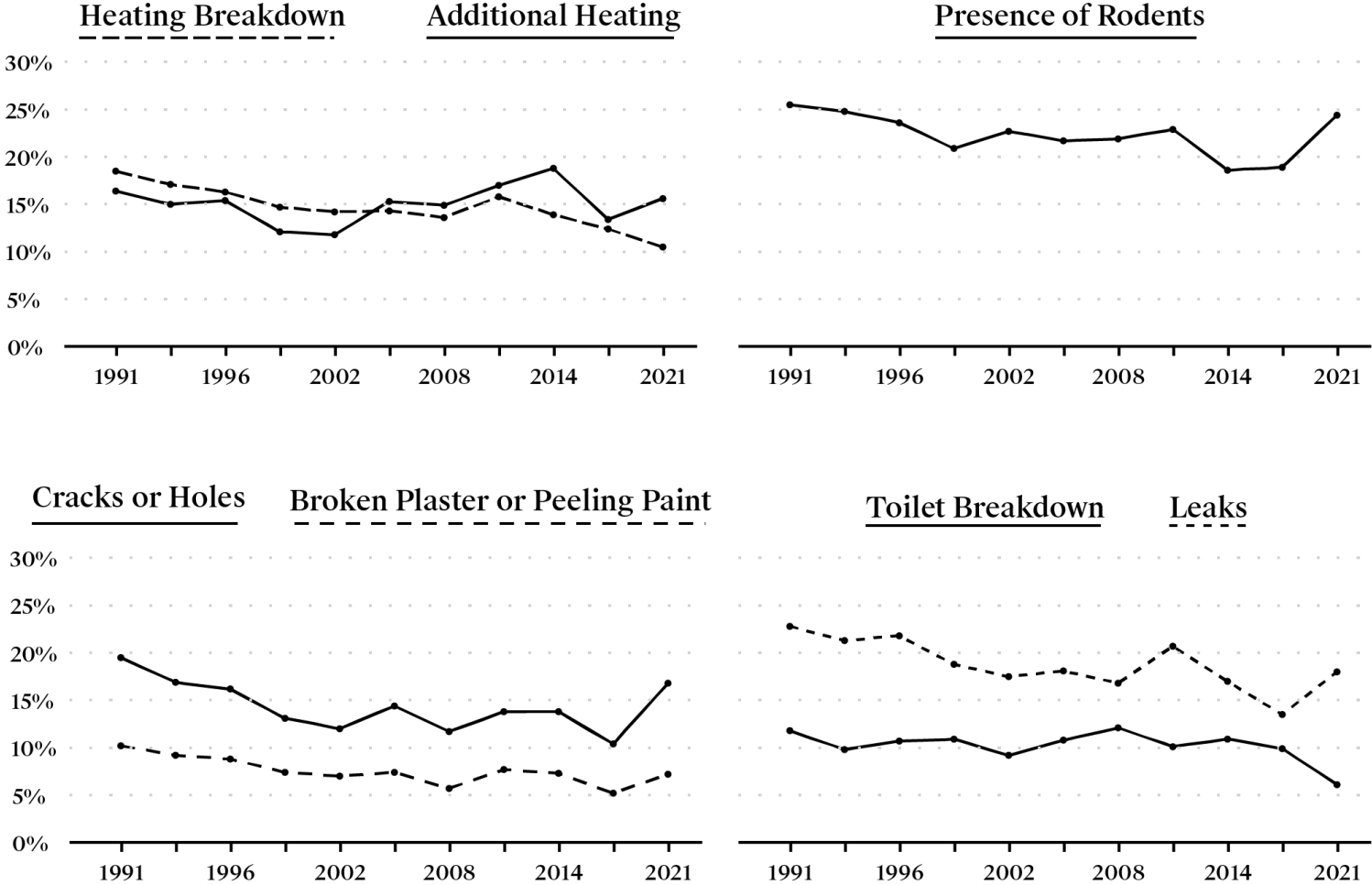
Rent Stabilized vs Private Unregulated Rental Units: 1991-2021





# In 2021, the prevalence of maintenance deficiencies increased across all housing types

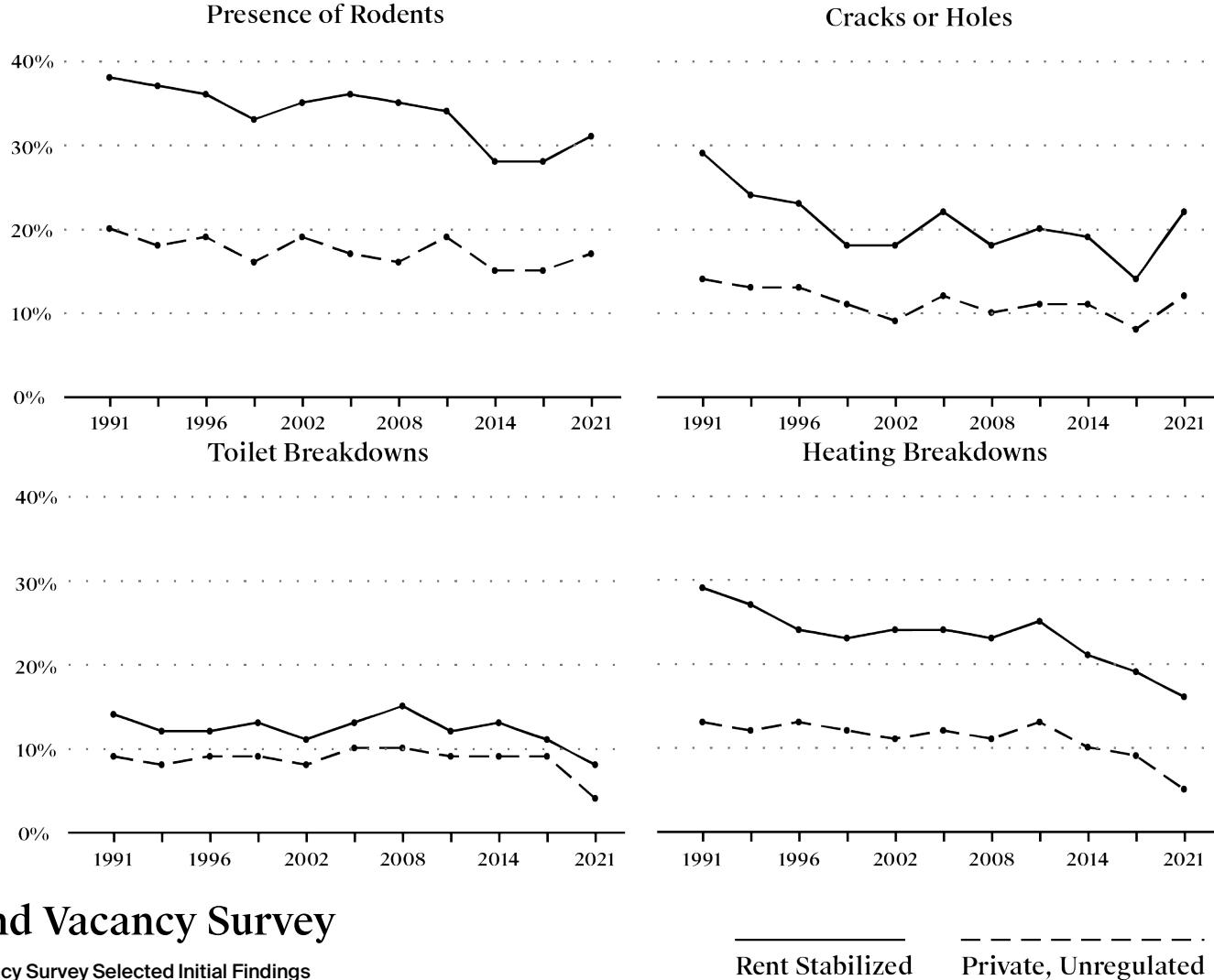
Prevalence of Maintenance Deficiencies: 1991 - 2021



See Figure 13, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

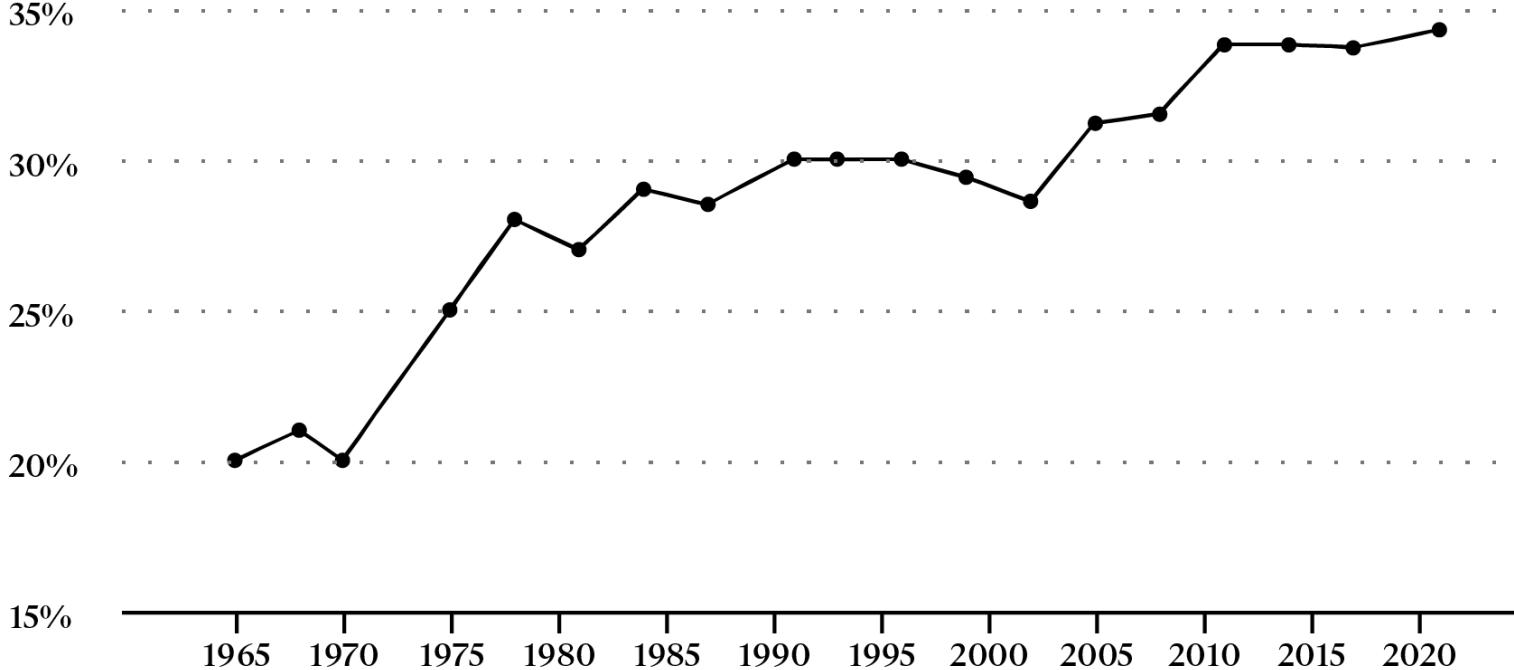
# Changes in maintenance deficiencies have moved in tandem across rent stabilized and private unregulated housing

Select Maintenance Deficiencies by Housing Type: 1991 - 2021



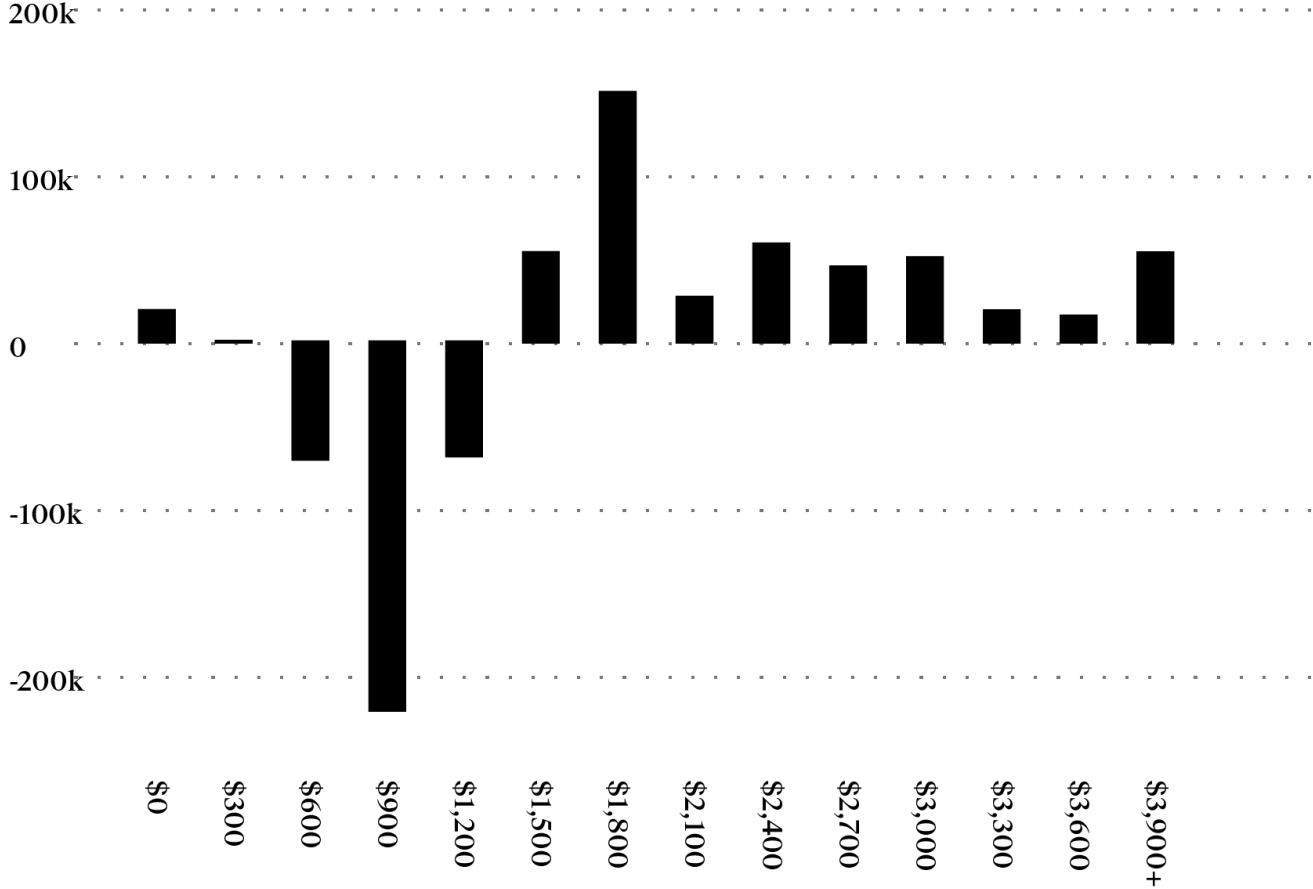
# The share of income the typical New Yorker pays for rent remains at historically high levels

Median Gross Rent-to-Income Ratio: 1965-2021



# In the past decade, New York City has seen a net loss of lower-cost units

Net Change in Monthly Rents: 2011 - 2021  
Inflation-Adjusted and Shown in 2021 Dollars



# In the last 30 years, New York City has lost more than 600,000 units renting for less than \$1,500

Number of High- and Low-Cost Units Over Time: 1991-2021  
 Inflation-Adjusted and Shown in 2021 Dollars

