Testimony of the New York City Department of Housing Preservation and Development to the New York City Council Committee on Housing and Buildings

**2023 Housing and Vacancy Survey (HVS) and the Continuation of
Rent Control and Rent Stabilization in New York City**

March 6, 2024

Good morning, Chair Sanchez, and members of the Housing and Buildings Committee. I am Ahmed Tigani First Deputy Commissioner for the New York City Department of Housing Preservation and Development (HPD).

I am joined by colleague Dr. Elyzabeth Gaumer, HPD's Chief Research Officer.

I would like to thank the Committee for welcoming us today to testify in support of Preconsidered Resolution T2024-1227 and Preconsidered Introduction T2024-1228 and to discuss the initial findings from the 2023 New York City Housing and Vacancy Survey (NYCHVS). HPD submitted these findings to the Council on February 8, 2024.

For nearly six decades, the NYCHVS, has been one of our most important tools for addressing the housing needs of the City, has provided critical data that informs our understanding of the city's housing stock and has established the city's net rental vacancy rate, which the Council must consider when determining if New York City is in a state of housing emergency. Pursuant to State law, a housing emergency is determined based on the supply and condition of housing accommodations within a municipality and an identified need for regulating and controlling residential rents. The continuation of rent stabilization and rent control in the city depends on a determination by the Council that a state of housing emergency still exists. Local law also requires that a survey be conducted to examine the supply of housing, the condition of housing, and the need for continuing regulation and control of residential rents and evictions.

The NYCHVS is a representative survey of the city's housing stock that has been carried out about every three years since its first incarnation in 1962. It is the longest running housing survey in the country and is of critical importance for understanding how our city is changing and what we can and should do to support improvements in policy and programming. It is the most up-to-date and representative survey available.

As you know, if the Council believes that the city is still in a state of housing emergency, it must pass the Resolution and Introduction being heard here today between 30 and 60 days from receiving findings of the NYCHVS, and the Mayor must sign the legislation before April 1, 2024 in order to extend rent control and rent stabilization.

Before turning the microphone over to the Chief Research Officer, I want to emphasize my gratitude to Lyz and the entire team that ran the NYCHVS over the past two years; to the hundreds of New Yorkers who worked as Census field representatives; and to the thousands of

New Yorkers who dedicated their time and shared their information. The people of the City of New York – and especially the million households who live in rent-controlled and rent-stabilized housing – are deeply indebted to their service.

Good morning, I am Elyzabeth Gaumer, Chief Research Officer at HPD. Thank you for the opportunity to testify before the Council today.

My testimony today will present the main findings from the 2023 New York City Housing and Vacancy Survey Selected Initial Findings, including key statistics on the supply of housing, its condition, and the continued need for the regulation of residential rents and evictions. Before I present those findings, I would like to take a brief moment to talk about the source of these data and the importance of the survey.

All of the data presented today as well as those in our report come from data collected as part of the New York City Housing and Vacancy Survey. The 2023 survey is the 19th time the City of New York has conducted the NYCHVS, which is completed about every three years going back to 1965 in partnership with the US Census Bureau. It is the longest running housing survey in the country and is a unique source of timely and accurate data on various aspects of our city's housing and resident population that is relied on by policymakers working on topics as varied as poverty, immigration, health, and of course, housing, among others.

SLIDE 1

The NYCHVS is a scientific survey distinct from much of the other available data. It represents every residential housing unit in the five boroughs. Our sample is randomly drawn from a complete list of all residential addresses in the city to ensure our survey is inclusive of every type of housing in every community. At the heart of our data are the interviews completed each cycle with thousands of New Yorkers—in 2023, we completed about 10,000 interviews. These interviews are conducted by trained Census Field Representatives in multiple languages using a set of questions that are designed to collect accurate and complete information in a neutral way. Interview data are combined with other information from administrative sources matched to sampled units, buildings, and tax lots, such as HCR's rent registration data, code enforcement data, tax information from the NYC Department of Finance, HPD's housing production, and more. Our Census field team conducts in-person observations of each sampled unit. Our data are weighted by survey statisticians to ensure the NYCHVS represents all of the 3.7 million housing units and the more than 8 million residents who call New York City home.

All of the units sampled for the 2021 survey were also part of the 2023 survey, enabling us to examine not only point-in-time changes between the two surveys, but also look at changes within units or households. The NYCHVS survey methodology follows best practices used by academic and scientific studies across the country and enables us to report reliable and valid information to all of you and to the New Yorkers represented in our data.

The 2023 NYCHVS was conducted from January through the middle of June in 2023. Although the NYCHVS is the most up-to-date, representative information we currently have available, it is important to note that it reflects this point in time. The estimates we share today, as well as the information provided in the report, are based on that time period.

With that, let's turn to the findings.

SLIDE 2

The citywide net rental vacancy rate in 2023 was 1.41%. That is one of the lowest vacancy rates recorded since the NYCHVS began and stands in stark contrast to the 4.54% net rental vacancy rate reported for 2021, which was one of the highest vacancy rates on record.

SLIDE 3

There was very limited supply across all price ranges, but of those that were available most would not be affordable to the typical New Yorker. The median asking rent for units available for rent in 2023 was $3,000. A family would have to earn at least $120,000 to afford that, yet the median income of NYC renters in 2023 was $70,000.

SLIDE 4

We see a continued severe shortage of supply among lower-cost rental units—the net rental vacancy rate was less than 1% for units renting for less than $1,650 in both 2021 and 2023. Where we have seen significant change is among higher-cost units where the net rental vacancy rate has dropped to historically low levels.

To understand these changes, I'd like to walk through the components of our housing supply with a specific focus on how it changed by comparing the point-in-time estimates from 2021 and 2023 or the net change between the two surveys.

SLIDE 5

In 2023, there were 3.7 million housing units. This is the largest stock recorded since the NYCHVS began in 1965. That is a net increase of 61,000 housing units or about a 2% increase relative to 2021, which is the sum of both losses and gains. This growth in the housing supply continues the trend seen over the last several NYCHVS cycles.

SLIDE 6

Despite this increase in supply, it failed to keep pace with increased demand. Between 2021 and 2023, the total number of occupied units increased by 275,000 (or 9 percent) relative to just two years prior. This increase in households was seen for both renter- and owner-occupied units.

SLIDE 7

This tight housing market meant that more units of every kind were occupied in 2023, including far fewer units available for rent and far fewer units that were off-the-market.

SLIDE 8

Let's look at the changes in a different way. Here, we are looking at the units that were in both the 2021 and 2023 surveys to assess what happened to them over the last two years.

95% of the units that were occupied in 2021 were occupied in 2023, though not always by the same household. 83% of the units that were available for rent were occupied at our follow-up— as a reminder, most of the units that were for rent in 2021 were higher-cost units; and 62% of units that had been off the market in 2021 were occupied in 2023.

SLIDE 9

The NYCHVS measured housing conditions through self-report of the current occupants regarding housing problems. In 2021, 14 percent of occupied units reported three or more of the seven types of problems we asked about. The prevalence of housing problems increased again in 2023 to 15%.

SLIDE 10

Both rent stabilized and market rentals showed similar net changes in the rate of reported problems. Between 2021 and 2023, 8.2% fewer rent stabilized units reported no problems while 7.6% fewer market units reported no problems.

SLIDE 11

The median rent in NYC in 2023 was $1,641. Citywide, rents increased by 9% in nominal terms since 2021, generally in-line with our historically high rates of inflation during this period.

Rent stabilized units increased by 7% in nominal terms with a median rent below citywide-- $1,500 in 2023. In contrast, market rentals increased by 10% in nominal terms, with a median rent of $2,000.

SLIDE 12

When we examine the distribution of household incomes, we see a stark shift upward. Between 2021 and 2023, the median household income in NYC increased to $80,000 from just over $60,000. During this period, there was a large net increase in the number of households earning $100,000 or more—up by almost half a million households—and a net loss of the lowest income households.

SLIDE 13

Using the subset of NYCHVS units that were in both the 2021 and 2023 surveys, we examined the income of renters in different groups. The first group shows renters who stayed in the same unit and were interviewed in both surveys. The second group shows renters who moved out after the 2021 survey. The third group is the renters who moved into those same units that the second group vacated. The last group shows the renters who moved into a unit that was vacant in 2021.

We found that higher-income renters moved in where lower-income renters moved out and that a full half of the households that moved into units that had been vacant in 2021 earned $100,000 or more.

SLIDE 14

When we look at these same households by the race and ethnicity of the householder, we see that a larger share of renters headed by White New Yorkers moved in since 2021, including 50% of those who moved into units that were vacant in 2021.

SLIDE 15

We separately looked at those who moved to the city since 2021 to understand the composition of the newest New Yorkers. The vast majority (over 95%) were renters. 53% earned $100,000 or more. Overall, their median income was $105,000; among those earning $100,000 or more, the median income was $200,000. The newest New Yorkers were more likely to live alone (44% compared to 37% citywide) and to be headed by someone who was White (52% compared to 32% of renters citywide).

SLIDE 16

For the first time in many cycles of the NYCHVS, the share of renters who were rent burdened or paying more than a third of income toward rent went down, from 53% in 2021 to 43% in 2023. This was driven by the larger number of higher-income renters and not by increasing affordability of the rental stock.

When we look at rent burdened households by income, we see stark differences for low-income New Yorkers compared to those earning more. 86% of the lowest income renters who did not benefit from rental assistance were severely rent burdened or paying more than half of their income toward rent. An additional 4% were moderately burdened or paying between 30% and 50%. This remains unchanged since 2021. In contrast, 91% of renters with household incomes of $100,000 or more were in housing that was affordable to them—that is, paid less than a third of their income on rent.

SLIDE 17

Beginning in 2021, the NYCHVS also collected information about renters who were unable to make rental payments on time. In 2023, 13% of renter households reported being late or missing a rent payment at least once in the prior year. That was unchanged since 2021.

SLIDE 18

We also collected follow-up information on whether any of those 13% of renters were still behind on rent at the time of our NYCHVS interview. 34% reported still being in arrears, up from 29% in 2021.

SLIDE 19

In summary, the 2023 NYCHVS showed stark changes in the two years since our last survey. The citywide net rental vacancy rate was historically low at 1.41%. There was very limited supply across all price ranges, but of those that were available most would not be affordable to the typical New Yorker. While the overall supply continued to increase, it was insufficient to keep pace with the large net increase in the number of households. The prevalence of housing problems increased across all types of housing back to levels similar to what we found in the 2011 survey. Citywide, rents increased at a pace similar to our historically high inflation during this period—up 9% in nominal terms. Low-income New Yorkers continued to experience high levels of rent burden and many were unable make rent payments. Perhaps the most dramatic shift was in household incomes. Between 2021 and 2023, there were almost half a million more households earning $100,000 or more, with a net loss of the lowest-income New Yorkers. More than half of the households who moved to NYC between 2021 and 2023 earned $100,000 or more as were the renters who moved into units that had been vacant in 2021. New York City continues to see diverging experience where low- and middle-income New Yorkers face limited housing choice while more New Yorkers with more purchasing power continue to grow in numbers.

As Dr. Gaumer's testimony highlighted in detail, the findings from the 2023 NYCHVS are clear: as the city has emerged from the COVID-19 pandemic, our housing crisis worsened over the last two years, and New Yorkers are feeling this on multiple fronts. Too many New Yorkers are experiencing rising costs and are worried about being able to pay the rent and many others are unable to move to a new home because of the dearth of low-cost apartments on the market. While the housing shortage is felt by all households, low-income households feel this the most deeply – they face the lowest vacancy rates among homes they can afford and experience the highest levels of rent burden.

This brings us to the important role of rent stabilization housing in our city. A strong rent stabilization system, coupled with our unparalleled investments in affordable housing, has helped ensure that we have as much low-cost housing as we do and has helped many New Yorkers remain in their homes and exercise the choice to stay in their neighborhoods. Rent stabilization supports our work in affordable housing – the housing we finance is stabilized in exchange for our investment and provides an extra layer of protection for those renters. HPD is focused on advancing our pipeline of deeply affordable housing projects, preserving our remaining our stock of low-cost and affordable housing and on supporting critical efforts to build more housing citywide. However, we need to do more to address the need and it requires action and partnership at both the local and state levels.

With this year's State legislative session in full swing, we urgently need action from our partners in Albany to enact a housing agenda to allow us to build and preserve more housing efficiently, effectively, and equitably. At the local level, we need to work hand-in-hand to maximize all avenues for housing development including, but not limited to, affordable housing development.

We need the City Council to continue to advocate for and champion new housing development across every neighborhood in the city. We are thankful for Speaker Adams' leadership in passing the Fair Housing Framework Law, which is a consequential step towards ensuring every neighborhood contributes equitably to building more housing, including low-cost and affordable housing in our city. In passing the City of Yes for Housing Opportunity, the City Council can take a monumental step to unlock housing opportunities citywide and helping us fulfill the spirit of the Fair Housing Framework Law. At the same time, we must continue invest in and preserve our limited stock of low-cost housing to prevent further exacerbating the existing housing crisis.

To conclude this testimony, and in focusing on the legislation on which we are here to discuss, the net rental vacancy rate is less than 5 percent, a precondition to a finding of a housing emergency. We have provided information about the supply, condition and continued need within our housing stock. We shared data indicating that many of our neighbors, especially low-income New Yorkers, are struggling to remain stably housed in our city. It is now up to the Council to determine whether we remain in a state of housing emergency and, in turn, the future of our rent stabilized and rent controlled housing stock.

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

NYCHV$\textcircled{S}$

New York City Housing and Vacancy Survey

SELECTED INITIAL FINDINGS

March 6, 2024

Elyzabeth Gaumer, PhD
Chief Research Officer
Department of Housing Preservation and Development

All housing types, each neighborhood, every New Yorker.

- Units of all kinds systematically selected at random to ensure coverage of all housing types; every unit in the city has a chance of being selected

- The 2023 NYCHVS included a larger sample than 2021, adding ~3,000 rent stabilized units of all building sizes, ages, and rent levels

- Interview data from sampled units weighted based on inverse probability of selection and known counts of housing units of various kinds to ensure representativeness

- Standardized training of field interviewers; quality assurance by independent team, including re-interviews to ensure integrity

- Additional administrative data from various sources to increase types of information and ensure validity of the data; in-person observations of every unit

The citywide net rental vacancy rate in 2023 was 1.41 percent. That's across all prices, all types of rentals, and every neighborhood.

$$\frac{\text{AVAILABLE FOR RENT}}{\text{AVAILABLE FOR RENT + OCCUPIED RENTAL}} = \mathbf{1.41\%} \text{ IN 2023}$$

The net rental vacancy rate measures the share of rental units that someone could move into at the time of the survey.

The 2023 NYCHVS net rental vacancy rate uses the same methodology as the 2021 survey.

NET RENTAL VACANCY RATE, BY RENT

In 2023, the net rental vacancy rate for units with rents less than $2,400 was less than 1 percent.

< $1100	$1100 - $1649	$1650 - $2399	$2400 +
0.39%	0.91%	0.78%	3.39%
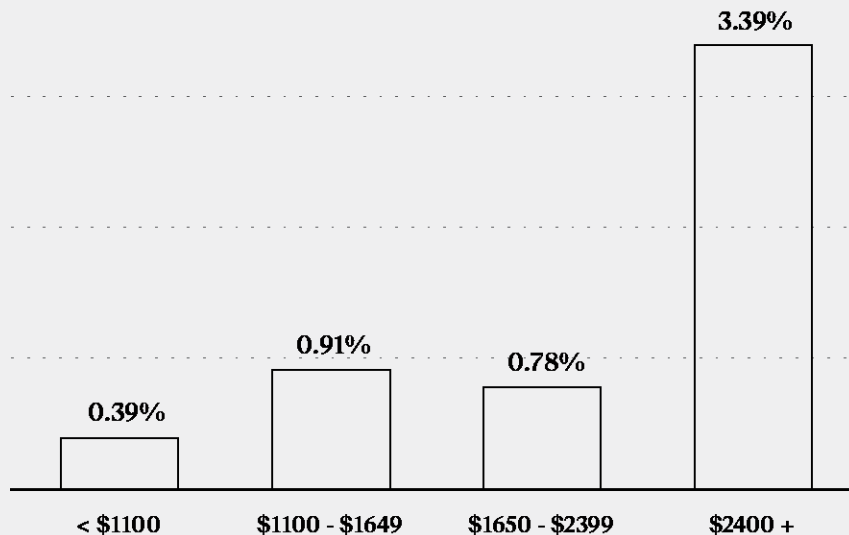
Compared to 2021, there was a significantly lower vacancy rate for higher-cost units. But there continued to be an extremely low supply of available units for lower cost units.

	2021	2023
Citywide	4.54%	1.41%
< $1650 (in 23$)	0.90%	0.65%
$1650+ (in 23$)	7.57%	2.16%

2021   2023

NYCHV(S)
New York City Housing and Vacancy Survey
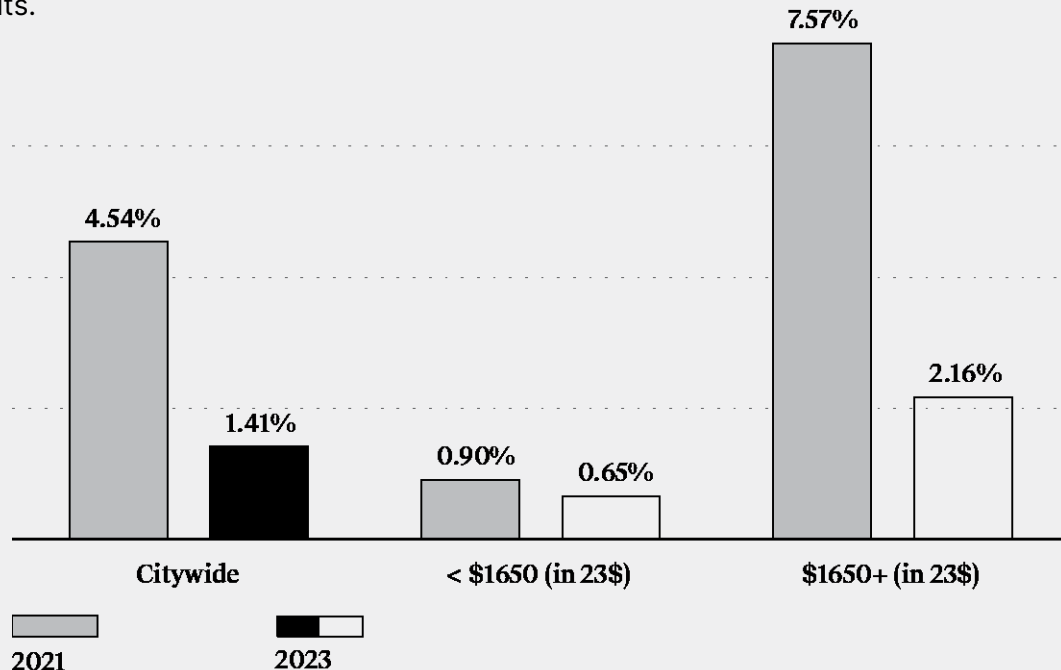
NET CHANGE IN NYC'S HOUSING STOCK: 2021 - 2023

Between 2021 and 2023, there was a net increase in the overall supply of housing by about 61,000 units or 2%.

+275,000		
+152,000		
+122,900		
+61,000		
-69,990		
-123,200		

All units | Occupied units | Renter-Occupied | Owner-Occupied | Vacant Available for Rent | Vacant Not Available

NYCHVⓈ
New York City Housing and Vacancy Survey
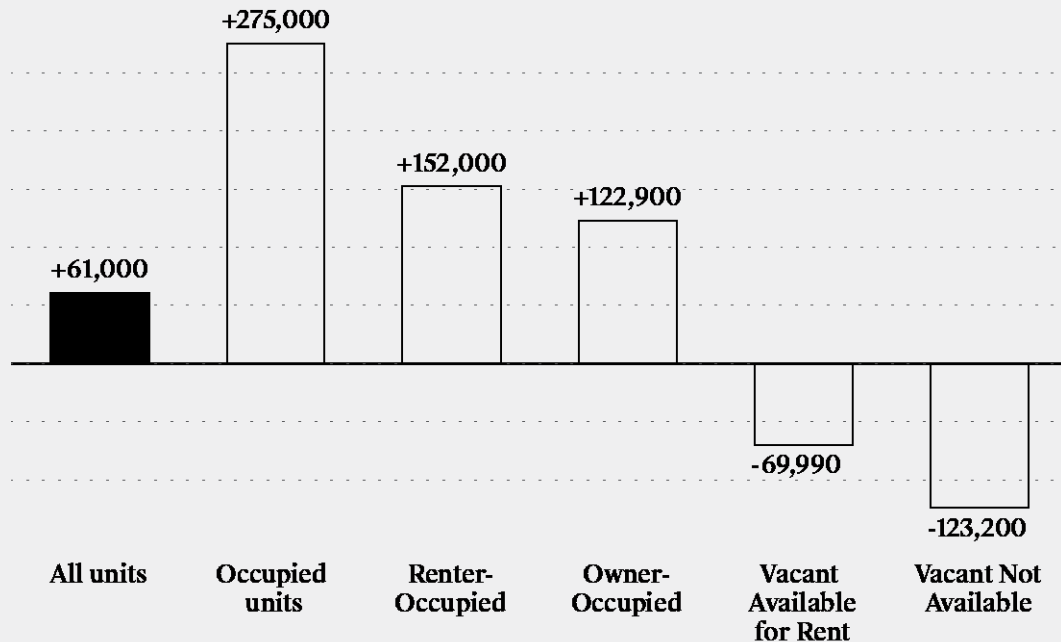
NET CHANGE IN NYC'S HOUSING STOCK: 2021 - 2023

There was a net increase of 275,000 occupied units—up 9% relative to 2021. This included large net increases for both renter- and owner-occupied units.

+275,000

+152,000

+122,900

+61,000

-69,990

-123,200

| All units | Occupied units | Renter-Occupied | Owner-Occupied | Vacant Available for Rent | Vacant Not Available |

NYCHV(S)
New York City Housing and Vacancy Survey
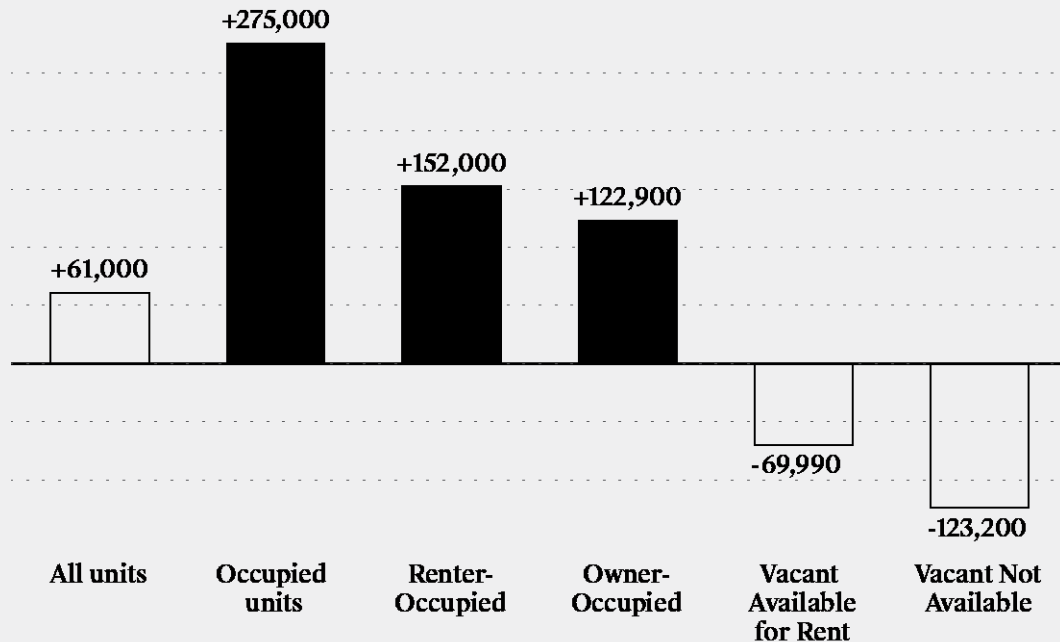
NET CHANGE IN NYC'S HOUSING STOCK: 2021 - 2023

More occupied housing units meant that there were fewer units available for rent and fewer units that were off-the-market in 2023.

All units +61,000
Occupied units +275,000
Renter-Occupied +152,000
Owner-Occupied +122,900
Vacant Available for Rent -69,990
Vacant Not Available -123,200

NYCHV(S)
New York City Housing and Vacancy Survey
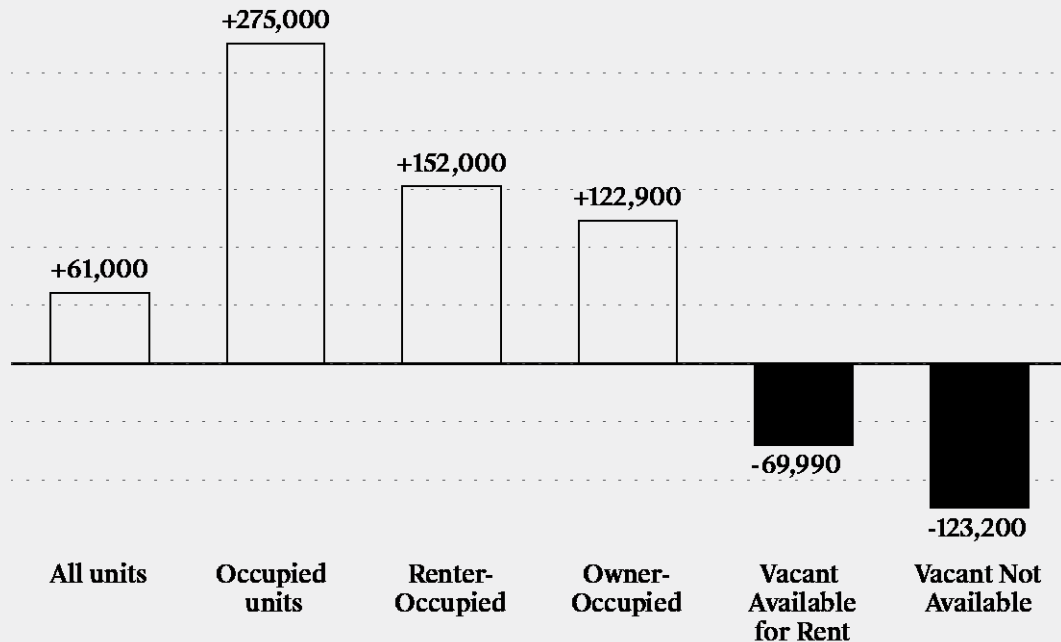
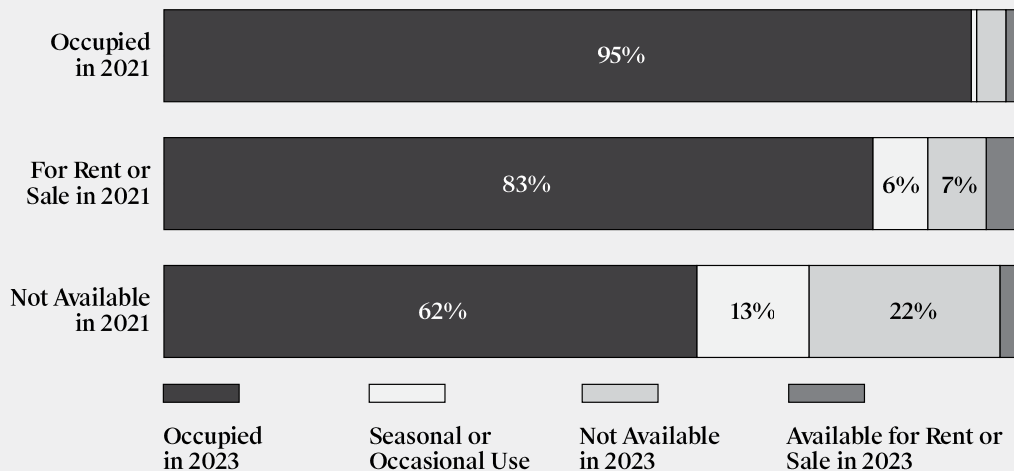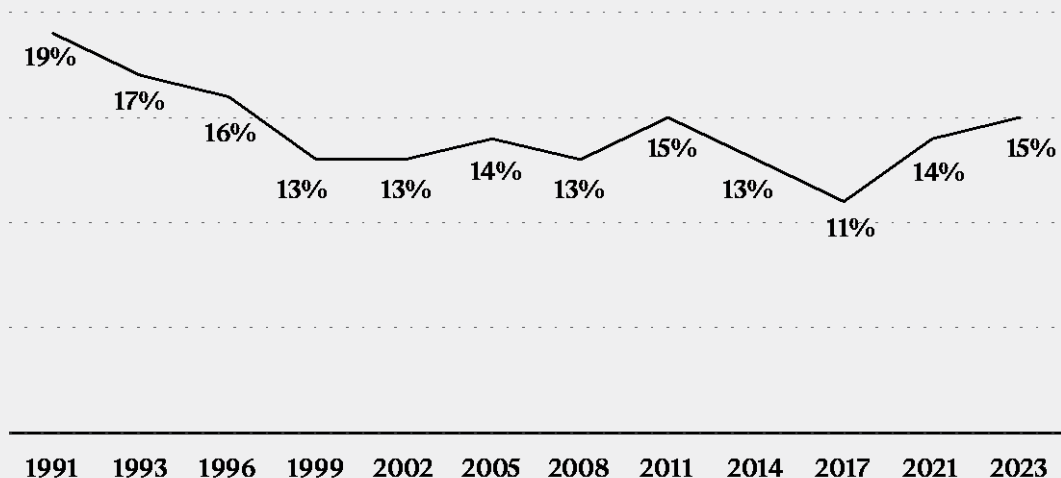Most of the units that were vacant in 2021 were occupied in 2023, including a large share of units that had been off-the-market for various reasons.

Occupied in 2021	95%	
For Rent or Sale in 2021	83% 6% 7%	
Not Available in 2021	62% 13% 22%	

Occupied in 2023   **Seasonal or Occasional Use**   **Not Available in 2023**   **Available for Rent or Sale in 2023**

HOUSING CONDITIONS: 1991 – 2023

In 2023, the share of units that reported three or more housing problems increased across all housing types except public housing (which remained the same as in 2021).

19%
17%
16%
13%   13%   14%   13%   15%   13%   11%   14%   15%

1991   1993   1996   1999   2002   2005   2008   2011   2014   2017   2021   2023

Rent stabilized and market rentals saw similar changes in the rate of reported housing problems between 2021 and 2023.

No problems reported

5.2%   5.3%

2.9%   2.3%

1-2 problems

3+ problems

-8.2%   -7.6%

■ **Rent Stabilized**   □ **Market Rentals**

NYCHV(S)
New York City Housing and Vacancy Survey
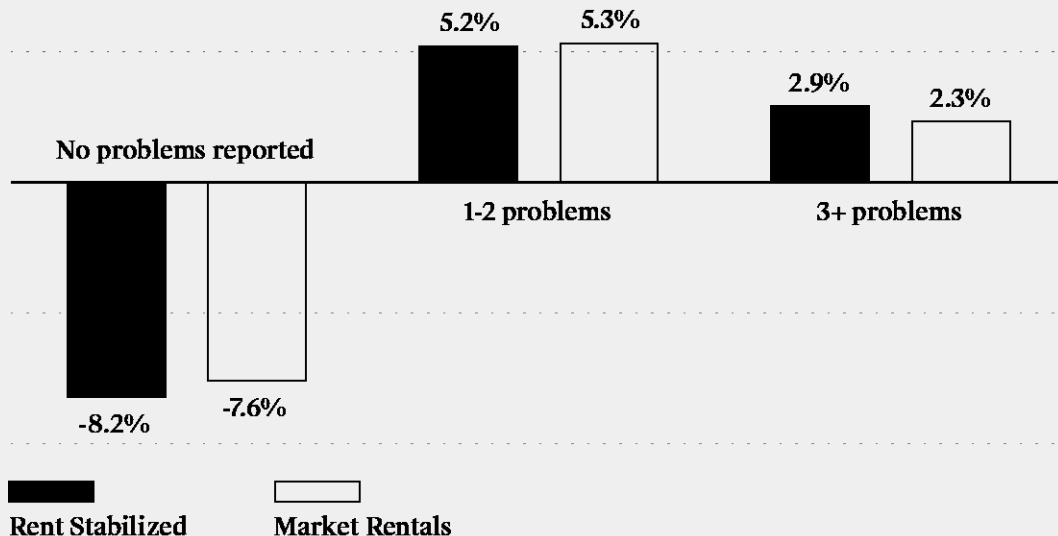
Between 2021 and 2023, rents increased by 9% (in nominal terms). This was generally in-line inflation, which increased by 10.2% during this period.

NYCHV(S)
New York City Housing and Vacancy Survey
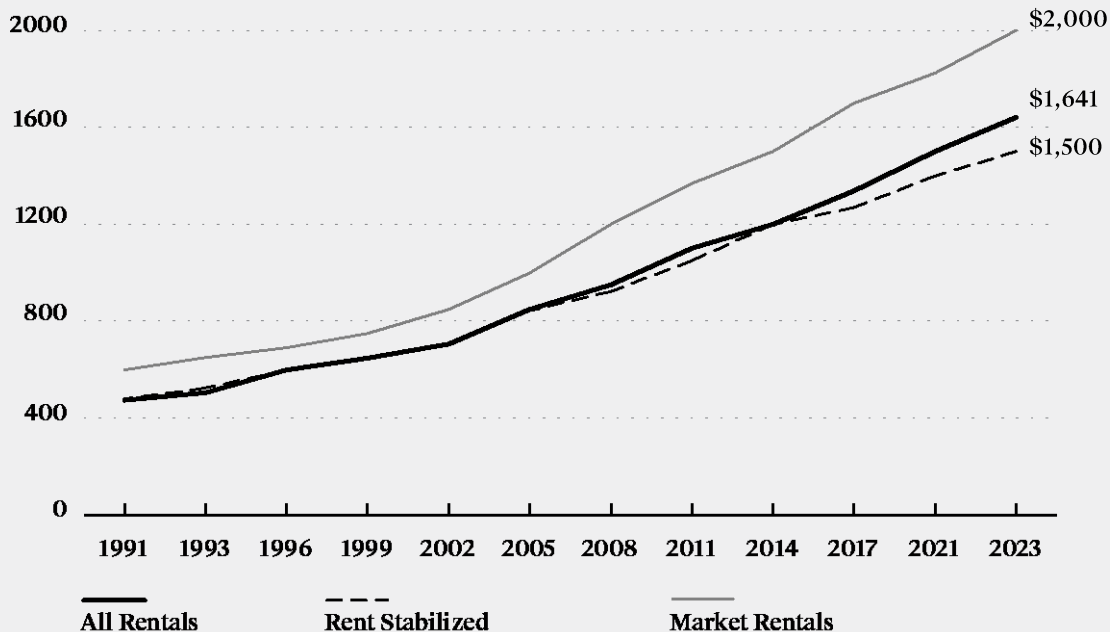
Between 2021 and 2023, there was a net increase in household earning $100,000 or more and a net loss of households earning less than $50,000.

	2021	2023
<$25,000	808,100	695,800
$25,000-$49,999	526,000	461,500
$50,000-$99,999	794,200	789,500
$100,000+	1,029,000	1,486,000
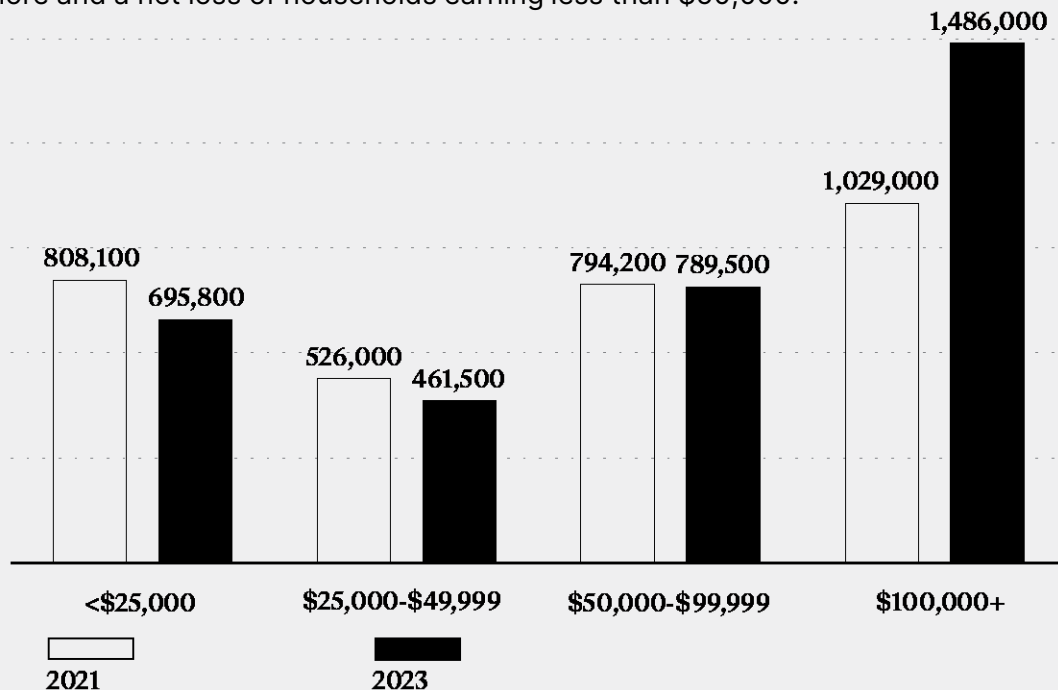
NYC RENTERS WHO STAYED OR MOVED, 2021 TO 2023

A larger share of renter households who moved in between 2021 and 2023 (3,4) had higher incomes.

1 Same occupants in 2021 and 2023
- 30% ($100k +)
- 24% ($50k-$99k)
- 17% ($25k-$49k)
- 30% (< $25k)
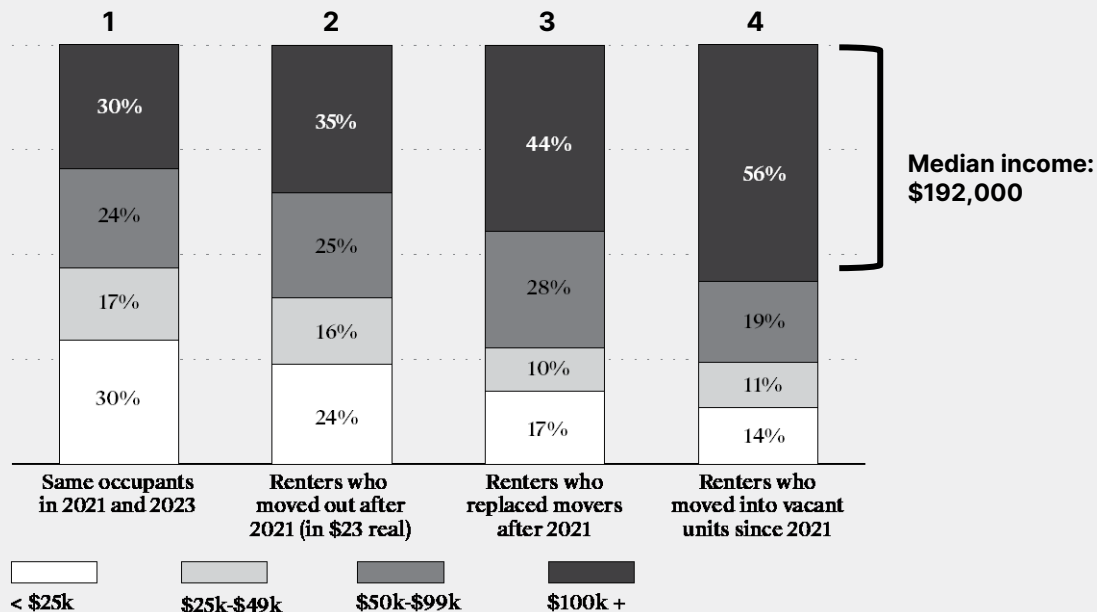
2 Renters who moved out after 2021 (in $23 real)
- 35% ($100k +)
- 25% ($50k-$99k)
- 16% ($25k-$49k)
- 24% (< $25k)

3 Renters who replaced movers after 2021
- 44% ($100k +)
- 28% ($50k-$99k)
- 10% ($25k-$49k)
- 17% (< $25k)

4 Renters who moved into vacant units since 2021
- 56% ($100k +)
- 19% ($50k-$99k)
- 11% ($25k-$49k)
- 14% (< $25k)

Median income: $192,000

Legend:
- < $25k
- $25k-$49k
- $50k-$99k
- $100k +

NYCHVS
New York City Housing and Vacancy Survey

A larger share of renter households who moved in between 2021 and 2023 (3,4) were headed by someone who was White.

1

25%

26%

35%

12%

Same occupants in 2021 and 2023

2

38%

15%

22%

23%

Renters who moved out after 2021 (in $23 real)

3

42%

14%

27%

15%

Renters who replaced movers after 2021

4

50%

11%

16%

21%

Renters who moved into vacant units since 2021

Asian, non-Hispanic Hispanic Black, non-Hispanic White, non-Hispanic Other

NYCHV(S)
New York City Housing and Vacancy Survey
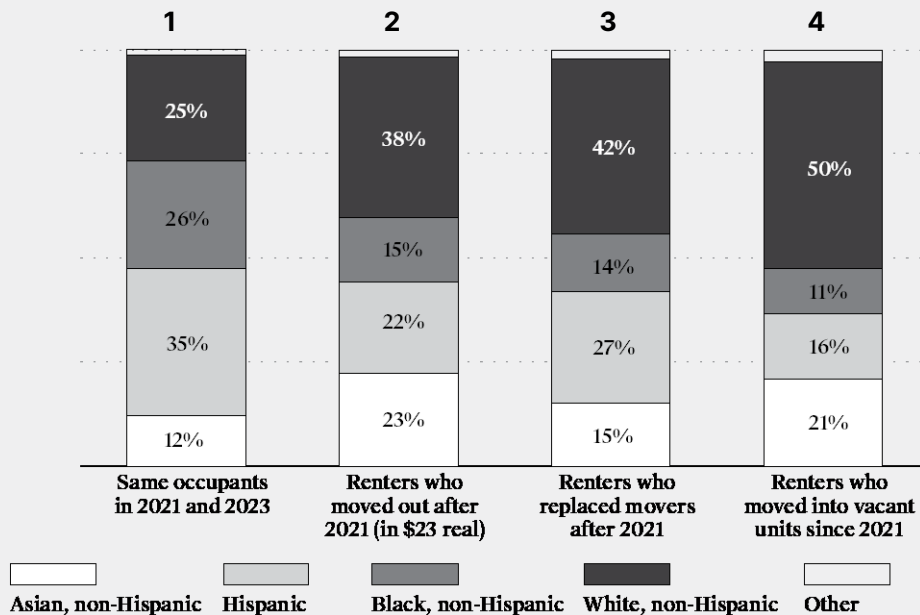
Between 2021 and 2023, about 130,000 households moved here from outside NYC.
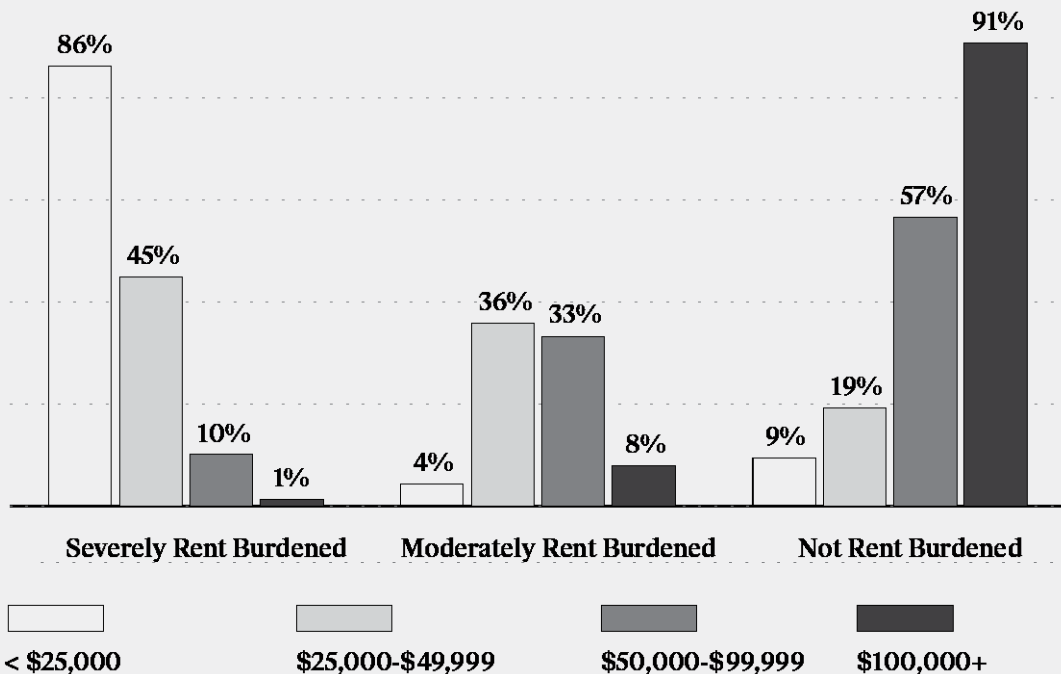Compared to all NYC renters, these newest New Yorkers were more likely to be
higher-income, to live alone, and to be headed by someone who was White.

53%

36%

44%

37%

52%

32%

Household Income of
$100,000 or More

Single-Person Household

Householder is
White, Non-Hispanic

■ Newest New Yorkers   □ All NYC Renters
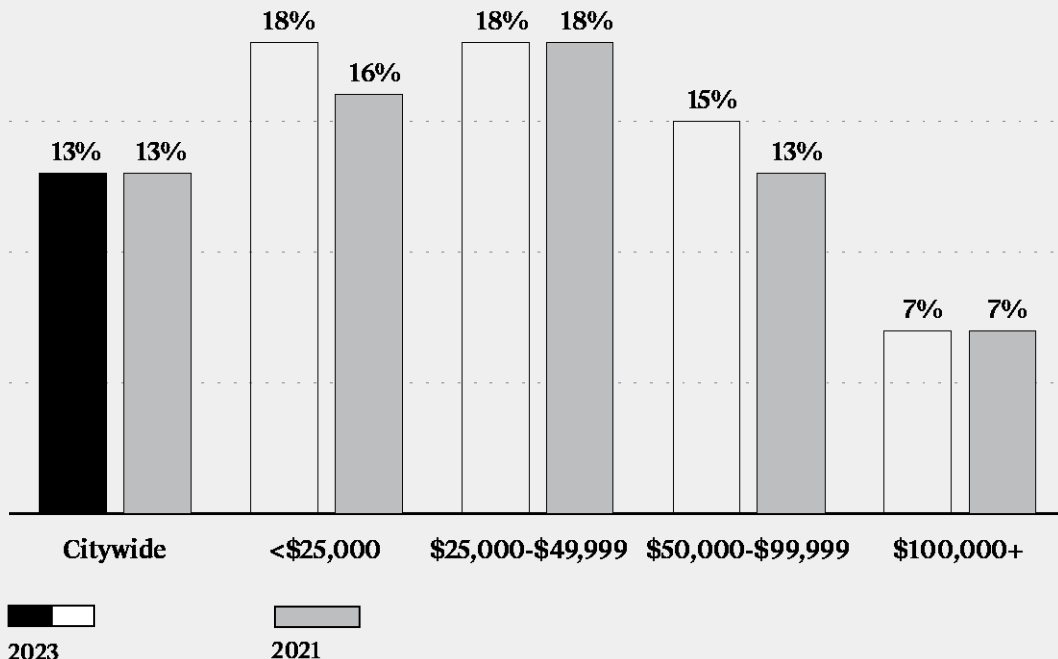
NYCHV(S)
New York City Housing and Vacancy Survey
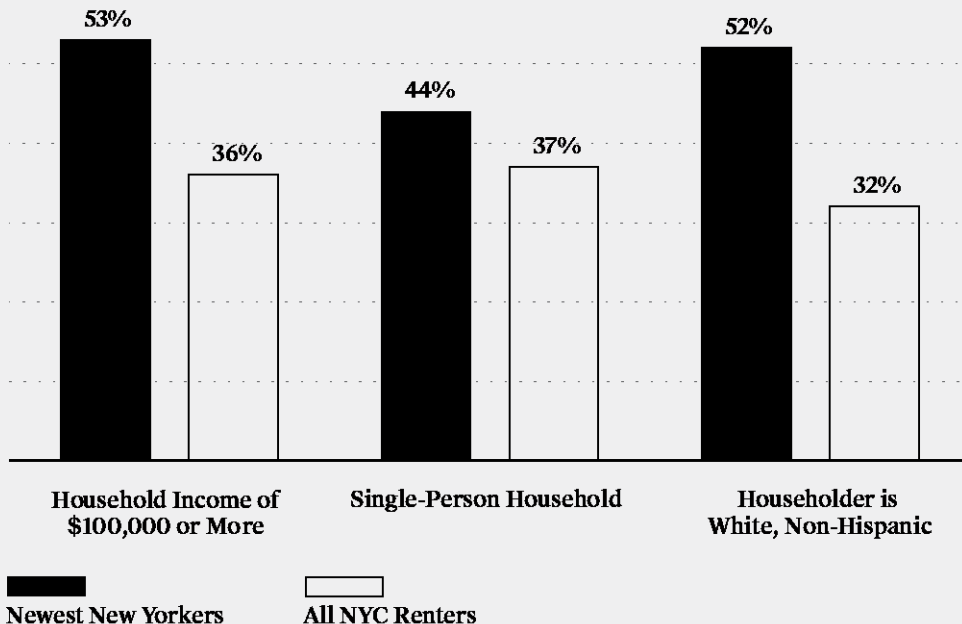
Low-income households without rental assistance continued to show high levels of rent burden. This remained unchanged since 2021.

	Severely Rent Burdened	Moderately Rent Burdened	Not Rent Burdened
< $25,000	86%	4%	9%
$25,000-$49,999	45%	36%	19%
$50,000-$99,999	10%	33%	57%
$100,000+	1%	8%	91%

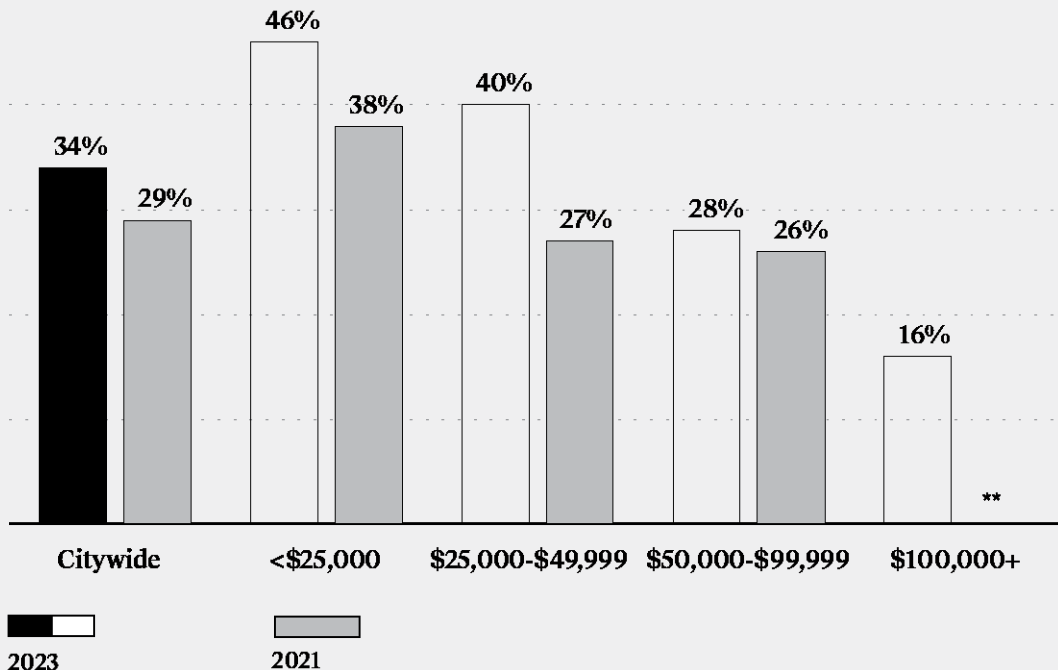< $25,000 $25,000-$49,999 $50,000-$99,999 $100,000+

MISSED RENT IN LAST YEAR, BY INCOME

The prevalence of missed rent payments remained at the same or higher levels than in 2021.

	Citywide	<$25,000	$25,000-$49,999	$50,000-$99,999	$100,000+
2023	13%	18%	18%	15%	7%
2021	13%	16%	18%	13%	7%

2023

2021

NYCHV S
New York City Housing and Vacancy Survey

STILL OWED RENT, BY INCOME

The share of renters who fell behind on rent and were in arrears at the time of the NYCHVS interview was higher in 2023 than in 2021.

	2023	2021
Citywide	34%	29%
<$25,000	46%	38%
$25,000-$49,999	40%	27%
$50,000-$99,999	28%	26%
$100,000+	16%	**

2023

2021

NYCHV(S)
New York City Housing and Vacancy Survey

- Historically low net rental vacancy rate of 1.41%. Units with rents below $2,400 all have a vacancy rate of less than 1%.

- Significant net increase in occupied units, including a large increase in the number of households with higher incomes.

- Lowest income households continue to face high levels of rent burden, now with even more limited supply than in 2021.

- Reported housing problems increased slightly across the board with similar patterns across both rent stabilized and market rentals.

- New York City continues to see diverging experience where low- and middle-income New Yorkers face limited housing choice while more New Yorkers with more purchasing power continue to grow in numbers.