The Rent Guidelines Board

1999 Income & Expense Study

April 27, 1999

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Introduction

The Rent Guidelines Board (RGB), under mandate to establish rent adjustments for City dwelling units under the Rent Stabilization Law, has analyzed the cost of operating and maintaining rental apartment buildings in New York City since the law's enactment. For almost 30 years, the Board's primary instrument for measuring cost shifts has been the Price Index of Operating Costs (PIOC), a survey of prices for various goods and services required to maintain apartment buildings.

In 1990, the RGB acquired a new data source that permitted independent verification of the PIOC's accuracy:RPIE, or real property income and expense (I&E) statements of rent stabilized buildings from the Department of Finance. These I&E statements, filed annually by property owners, provide detailed information on the revenues and costs garnered by "income producing" properties such as apartment buildings. The inclusion of I&E statements in the Board's complement of research denoted a marked improvement in the collective data upon which adjustments are based. I&E statements not only describe conditions in rent stabilized housing in a given year, but also illuminate changes in conditions over a two-year period, as an additional yet independent measure of the market's cost side. More importantly, I&E data encompasses both revenues and expenses, allowing the Board to more effectively evaluate the overall condition of New York's rent stabilized housing, including some measure of profitability.

This I&E Study examines the conditions that existed in New York's rent stabilized housing market in 1997, the year for which the most recent data is available, and also the extent by which these conditions changed from the year before.

Local Law 63

The income and expense data for stabilized properties originates from Local Law 63, enacted by the New York City Council in 1986. This statute requires owners of apartment buildings to annually file Real Property Income and Expense (RPIE) statements with the Department of Finance. While certain types of properties are exempt from filing requirements — cooperatives,condominiums, or buildings with fewer than 11 units, Local Law 63's mandate produces detailed financial records on thousands of rent stabilized buildings every year. Data on individual properties is strictly confidential; however, the Department of Finance is allowed to release summary statistics of RPIE data.

One important change to this year's RPIE filing requirements for accounting year 1997 is that the minimum assessed value threshold for buildings has been raised from $40,000 to $80,000. Properties with final actual assessments of

What's New

According to the financial records of the owners of rent stabilized buildings,1997 was a good year. Rents and revenues not only rose faster than operating costs in the City's stabilized stock, they increased at the highest rates seen since 1990, while costs rose at the lowest rate observed over the same period. These effects caused Net Operating Income (NOI, revenue left over after operating expenses) to also rise at its highest rate in eight years:11.4%.

Overall, these trends have helped the City's stabilized market reach a state of recovery from the effects of the recession of the early 1990's,to the point where typical inflation-adjusted net earnings surpassed levels observed in the late 1980's.

However, the record growth in rents, revenues and NOI in the City's stabilized buildings is not monolithic. Thirteen City Community Districts reported tepid gains in stabilized rent collections of less than 3%, and four neighborhoods reported declines in NOI. New York City's high unemployment rate, which consistently exceeds the rate for the nation, and disparities between different New York City industries in real wage rate growth,may hinder the ability of owners in some areas of the City to collect the kind of rent increases owners in other areas achieve.

- ✔ Rental income in stabilized buildings rose by 5.4% from 1996-97.
- ✔ Total income rose by 5.2% from 1996-97.
- ✔ Operating costs rose by 1.9% from 1996-97.
- ✔ Net income in stabilized buildings rose by 11.4% from 1996-97.

$80,000 or less, as stated on the 1998/99 final assessment roll, were exempt from filing Form RPIE-97 in 1998. The New York City Finance Commissioner states in the introductory message to the RPIE-97 form, that the higher tax filing threshold is part of a comprehensive City tax reform and reduction program which has reduced the number of filers on the tax rolls.

Since 1990, the RGB has received data on samples of rent stabilized properties that file RPIE forms. Samples in the first two studies were limited to 500 buildings, because RPIE files were not automated. Upon computerization of all I&E filings several years ago, the size of samples has risen to approximately 10,000 properties.

Methodology

The information in this report was generated from summaries of RPIE forms filed with the Department of Finance in 1998 by owners of apartment buildings with eleven or more dwellings. The data in these forms, which reflects financial conditions in stabilized buildings for the year 1997, was computerized in late 1998, and made available to RGB research staff early in 1999.

Two types of summarized data, cross-sectional and longitudinal, were obtained for stabilized buildings. Cross-sectional data, which provides a "snapshot" view, comes from properties that filed RPIE forms in 1998. This data is used to compute average rents, operating costs, etc. that are typical of the year 1997. Longitudinal data, which provides a direct comparison of identical elements over time, encompasses properties that filed RPIE forms in both 1997 and 1998. Only buildings with an actual assessed value of more than $80,000 were included in the longitudinal sample for both years. This data describes changing conditions in average rents, operating costs, etc. by comparing matched forms from the same buildings over two years. Analysis of filing dates shows that RPIE forms reflect conditions around July of the previous calendar year. Thus, cross-sectional data in this report measures conditions in effect throughout 1997, while longitudinal data measures changes in conditions that occurred from 1996 to 1997.

This year, 11,452 rent stabilized apartment buildings were analyzed in the cross-sectional study, and 9,773 stabilized properties were examined in the longitudinal study. Buildings were sampled by matching a list of properties registered with the New York State Division of Housing and Community Renewal (DHCR) with buildings that filed a 1998 RPIE statement (or 1997 and 1998 statements for the longitudinal sample).

For the second time since the RGB has been obtaining data from RPIE forms, the number of buildings in both samples decreased from the previous year, by 809 buildings in the cross-sectional and by 1362 buildings in the longitudinal sample, a decline of 7% and 12% respectively. Clearly, the increase in the assessment value threshold for the 1997 RPIE from $40,000 to $80,000 means that fewer buildings were required to file RPIE forms for that year. Additionally, the Department of Finance had reported a decline in overall RPIE filings for the previous year before the assessed value change. While both of these factors presumably contributed to the decline in the sample size, further comparison to RPIE data from forthcoming years will help to determine if this year's decrease is due mainly to the assessed value change or to noncompliance in RPIE form filing. Despite this decrease, the sample sizes for both studies are more than statistically adequate to arrive at findings which reflect the stabilized rental housing market as a whole.

Once drawn, preliminary building samples were "cleansed" by rejecting properties that met the following criteria:

- They contained fewer than 11 units. Owners of buildings with fewer than 11 apartments (without commercial units) are not required to file RPIE forms;
- Owners did not file a 1998 RPIE form for the cross-sectional study, or a 1997 and a 1998 RPIE form for the longitudinal study;
- No unit count could be found in RPIE filings;
- No "apartment rent" was recorded on the RPIE forms. In these cases, forms were improperly completed or the building was vacant;

Three additional methods were used to weed out inaccurate building information that could have distorted the final results:

- In early I&E studies,the Department of Finance used the total number of units from the RPAD (assessed value) file to classify buildings by size and location. Board researchers found that sometimes the unit counts on RPIE forms were different than those on the RPAD file. It was decided that residential counts from the RPIE form were more reliable.
- Average monthly rents for each building were compared to rent intervals for each borough, computed from the *1998 Recent Movers Survey* to control data quality since rent data from the 1996 HVS is out of date. Properties with average rents outside of the ranges were removed from all samples. This year, 186 buildings were expelled from both samples for this reason. Most (109) of these buildings were expelled for having average rents below $100 per month, although 77 buildings with average rents in excess of upper limits calculated individually for each borough were also removed.
- Buildings in which operating costs exceeded income by more than 300% were excluded from both the cross-sectional and longitudinal samples. Two properties were excluded from each sample for this reason.

As in prior studies,after compiling both samples, the Department of Finance categorized sample data reflecting particular types of buildings throughout the five boroughs (such as structures with 20-99 units built in Brooklyn before 1947). Staten Island is not included in most data comparisons between boroughs because it contains too few stabilized buildings in most size and age categories to calculate reliable statistics.

Cross-Sectional Study

Rents and Income

In 1997, rent stabilized property owners collected monthly rent averaging $654 per unit. As in prior years, units in pre-war buildings rented for less (an average of $590 per month) than those in post-war buildings ($820 per month). Stabilized rents were highest in Manhattan ($844), followed by Queens ($575),Brooklyn ($531) and the Bronx ($503).

Rents stated in RPIE filings tend to be lower than figures obtained from both the triennial New York City Housing and Vacancy Survey (HVS) and DHCR. This is primarily because RPIE averages measure rents actually collected each month,while the others deal strictly with contract rents (i.e. the amounts stated on leases). Unlike the other two indices, in measuring rents actually collected, RPIE data accounts for vacancy and collection losses. Average rents from the HVS and DCHR registration data merely reflect contract rents, which may not be collected in full due to vacancies or non-payment of rent. Additionally, RPIE information reflects rents collected over a 12-month period,while HVS figures apply to contract rents in effect during the first half of the year.

Last year, mean contract rents from the 1996 HVS were roughly 9% higher than average rents from 1996 RPIE filings. Unfortunately, a similar comparison for 1997 data cannot be undertaken until the completion of the 1999 HVS. However, the 1997 average rent from I&E filings ($654) was 7.5% lower than the mean contract rent for stabilized apartments registered with DHCR in 1997 ($707). This represents a decline of 2.5 percentage points from the 10% "gap" observed between the two indices in 1996.

In comparing RPIE and DHCR average rents,the "gap" between RPIE and DHCR rents has contracted steadily since 1991, when the average I&E rent was 15% lower than DHCR's mean registered rent. By 1994, this differential had fallen to 12%. Both 1995 and 1996 RPIE returns indicated that the gap between I&E rent and DHCR's mean stabilized rent was 10%, while in 1997, the interval contracted again to 7.5%.

Despite the anomalies between the three rent indicators, the "gap" between RPIE rents and HVS/DHCR rents is a good estimate of vacancy and collection losses incurred by building owners, and the relative change in this "gap" is one way of

estimating the change in such losses from year to year. A reduction in the gap between average rent collections and mean contract rents may indicate lower vacancy and collection losses in the stabilized housing market. Smaller "gaps" between RPIE and DHCR average rents probably indicates that building owners are collecting a greater portion of their legal rent roll due to lower vacancies,and fewer "preferential rents"[1] and non-paying tenants. This year's reduction in the RPIE-DHCR gap by more than 2 percentage points suggests that owners collected more of the rents written on leases in 1997.

A final benchmark index to use for comparison is the RGB Rent Index, which measures the overall effect of the board's annual rent increases on contract rents each year. As the adjoining table shows,the fact that average RPIE rents increased slightly faster longitudinally from 1996 to 1997 than the RGB's Rent Index, adjusted for July-July fiscal year, further suggests that stabilized building owners may still be deriving additional revenues from sources other than guideline increases. These sources may include rent increases from apartment refurbishing and building improvements, which are not accounted for in the RGB Rent Index.

The table also shows that during the recession years of the early 1990s, collected RPIE rents did not grow as quickly as contract rents or the impact of rent guidelines. This indicates that owners may have offered more preferential rents or were unable to collect the full legal amount allowed by the rent guidelines during that period. As the City's economy began to recover, rent

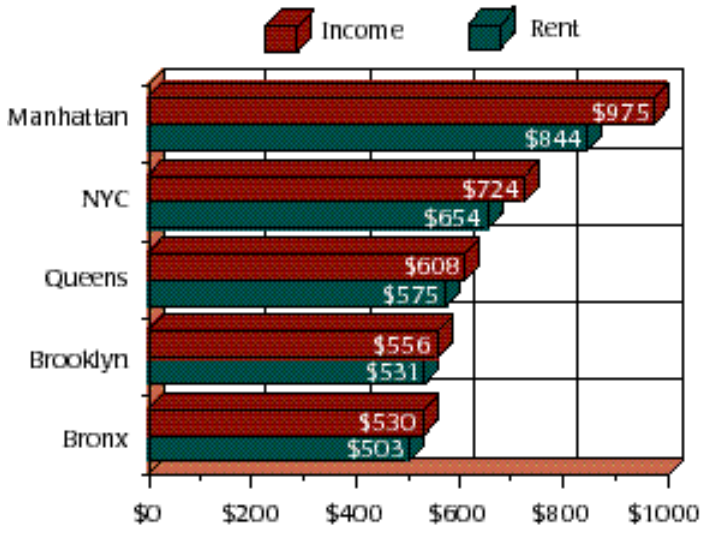
Rent Collections, DHCR Contract Rents and the RGB Rent Index Grew at Nearly Identical Rates from 1990-97

	RPIE Rents	DHCR Rents (Adjusted)	RGB "Rent" Index (Adjusted)
89-90	3.3%	6.5%	6.2%
90-91	3.4%	4.8%	4.7%
91-92	3.5%	3.5%	4.0%
92-93	3.8%	2.9%	3.3%
93-94	4.5%	2.8%	3.0%
94-95	4.3%	2.5%	2.8%
95-96	4.1%	3.6%	3.8%
96-97	5.4%	4.1%	5.3%
90-97*	37.3%	35.1%	38.1%

* Note: Percentages reflect total indexed increases from 1990 to 1997.

Stabilized Rents and Income Were Highest in Manhattan in 1997

(Average Monthly Collected Rent/Income per Dwelling Unit by Borough)



Source:NYC Department of Finance, 1998 RPIE Filings

1.Preferential rents refer to the actual rent paid which is lower than the "Legal rent," or the amount the owner is entitled to charge. Owners often offer preferential rents when the current market can not bear the legal rent.

collections grew more quickly than the guidelines or contract rents, indicating a drop in vacancy and collection losses, fewer preferential rents, and the increases in rent due to building-wide improvements and individual apartment refurbishments. The decreasing difference between the RPIE rent and the RGB Rent indices in recent years, however, suggests that gains in rent collections from the aforementioned effects may be decelerating. It is interesting to note that a longer view of the three indices that give annual figures shows a nearly identical rate of increase from 1989 to 1997. As the table shows, DHCR adjusted rents increased 35%, RPIE rents increased 37% and the RGB Rent Index increased 38% in that period.

Many owners of stabilized buildings augment 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 $724 per rent stabilized unit in 1997, with pre-war buildings earning $653 per unit and those in post-war properties earning $909 per unit. These figures encompass rent from stabilized apartments as well as the sale of services (e.g. laundry, garages/parking) and commercial income.Such proceeds constituted roughly 10% of the total income earned by building owners in 1997, the same as the rate observed last year. Manhattan owners particularly benefit from commercial income, with 13% of their total revenues coming from commercial units and services. The respective figures for the other boroughs were 5% in the Bronx and Queens, and 4% in Brooklyn. These proportions of commercial and service income are similar to the previous year, but are slightly lower in the Bronx, Brooklyn and Manhattan. The chart shows the average rent and income collected in 1997 by borough and for the City as a whole.

Operating Costs

Rent stabilized apartment buildings incur considerable expenses in the course of their operation. RPIE filings include data on eight categories of maintenance costs. In contrast to revenues, however, 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 analyzed below. Thus, the operating costs reported below are comparatively high because they include maintenance costs for commercial space.

The average monthly operating cost for stabilized units was $458 in 1997. Costs were substantially lower in units situated in pre-war buildings ($424), and much higher in the post-war sector ($548). Geographically, costs were lowest in the Bronx ($372) and highest in Manhattan ($578). The chart details average monthly expenses by cost category and building age for 1997.

In 1992, 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 forty-six 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 most precise for large (100+ units) buildings. However, these results are somewhat inconclusive since several owners of large stabilized properties refused to cooperate with the Department of Finance's assessors. Adjustment of 1997 RPIE data by the results of the 1992 audits reduces the monthly average O&M cost for stabilized units from $458 to $421[2].

Just as buildings without commercial space typically generate less revenue than stabilized properties with stores, operating expenses in these buildings were generally lower than in buildings with a mixture of uses. Average audited O&M costs for buildings without commercial units were $395 per month,$26 lower than the audit-adjusted average ($421) for all buildings in 1997. As in last year's Income & Expense Study, most of the difference in costs between the two types of properties stemmed from taxes, administration and maintenance expenses that were respectively 14%, 7%, and 5% lower on average for buildings without commercial space than for all stabilized properties.

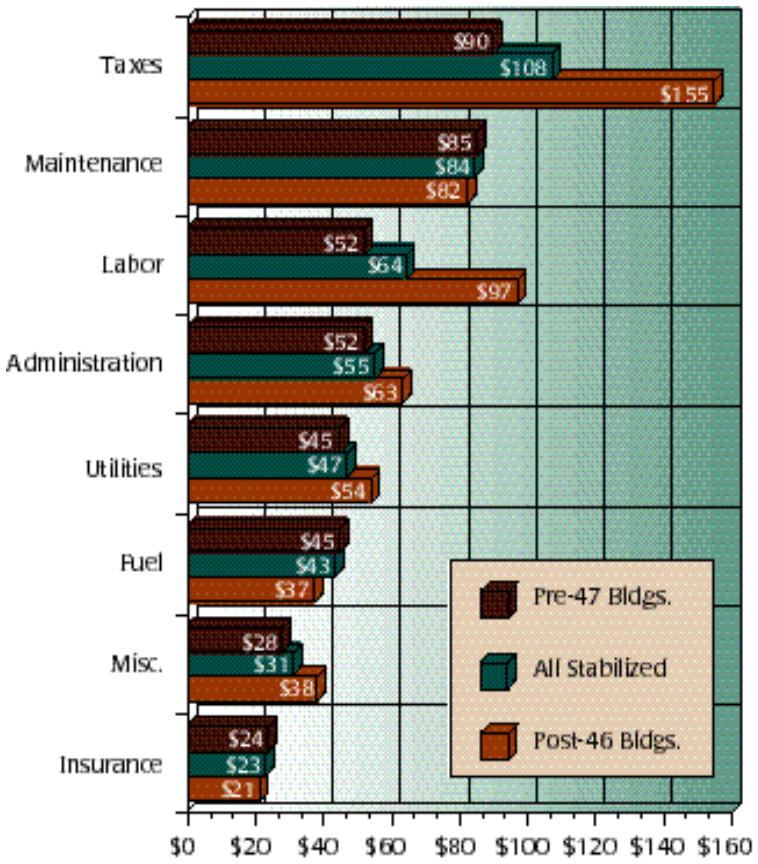
2. The average monthly operating cost is deflated by 8% to arrive at the audited figure of $421.

Components of Operating Costs

In 1997, slightly more than two-thirds of total expenses in stabilized buildings were comprised of taxes, maintenance, labor and administration costs. Older (pre-47) buildings spent proportionately more on average on maintenance, fuel and insurance costs, while consequently spending less on taxes and labor. Conversely, newer (post-46) buildings spent relatively more money on taxes and labor costs and less on maintenance, fuel, insurance and administration costs. Less variation was observed within the other three expense categories (utilities, administration and miscellaneous costs) among buildings of different age. (See Appendix 5).

Building size also affected the distribution of costs in rent stabilized buildings. As in previous years, taxes, maintenance, labor and administration costs dominated total operating costs in buildings of various sizes in 1997. Labor costs continued to be particularly associated with size, comprising much larger shares of total O&M costs in larger buildings, probably due to the concentration of large, modern (post-46) stabilized buildings in Manhattan, which tend to employ doormen. In contrast, fuel, insurance and maintenance shares decreased with larger buildings in 1997, probably due to efficiencies of scale realized by larger properties, particularly those with 100 or more units.

Taxes Are Largest Expense in 1997
(Average Monthly Expense per Dwelling Unit per Month)



Source:NYC Dept. of Finance, 1998 RPIE Filings

"Distressed" Buildings

Among the properties that filed 1997 RPIE forms, 902 buildings, or 8% of the cross-sectional sample, had O&M costs in excess of gross income. Only 43 of these buildings, or 5%, were built after 1946. The proportion of such "distressed" buildings comprised a smaller percent of the cross-sectional sample in 1997 than in the previous year (10%).

Buildings with expenses greater than revenues in 1997 suffered from both abnormally high expenses, (112% of the 1997 all-building average), and low rents and income, (respectively only 63% and 61% of the all-building average, the same proportions as the figures reported in 1996). Most of the variance in unadjusted costs between these and other stabilized buildings was found in utilities, insurance, fuel, maintenance, and "miscellaneous" categories, which in these "distressed" buildings were respectively 110%, 124%, 128%, 141% and 187% of the stabilized average. Not surprisingly, these buildings also paid less property taxes (77% of the all-building average) and had lower labor expenses (89% of the all stabilized building average) than other stabilized structures. Appendix 4 shows the distribution of “distressed” buildings by age, size and location.

Net Operating Income and Operating Cost Ratios

In most apartment buildings, revenues exceed operating costs, yielding funds that can be used for mortgage payments,improvements and,after local,state and federal taxes are paid, profit. The amount of income remaining after maintenance expenses are paid is typically referred to as "Net Operating Income" (NOI). While debt service and income taxes then determine the ultimate profitability of a property, NOI is a good indicator of its basic financial condition.

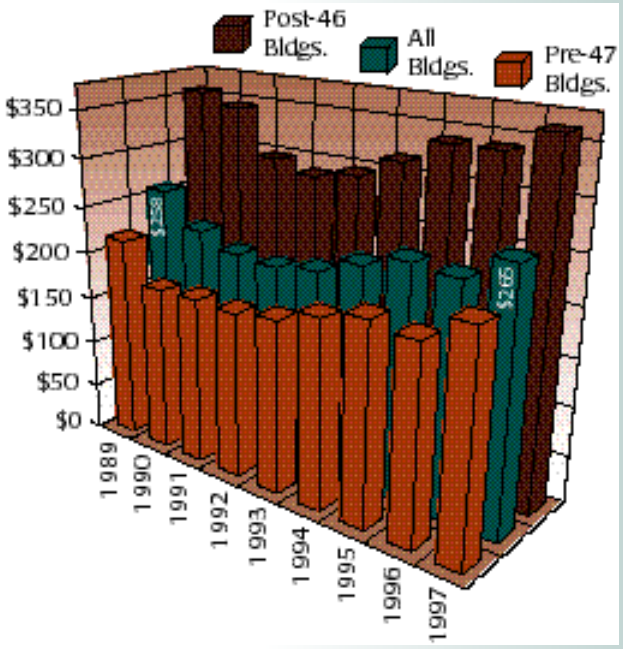
This is the third year that RGB staff computed NOI for buildings filing RPIE forms. On average, apartments in rent stabilized buildings generated $265 of net income per month in 1997, with units in the pre-war stock earning less ($229 per month) than those in post-war properties ($361 per month). NOI tended to be much higher for stabilized buildings in Manhattan ($397) than for those in the outer boroughs. Average NOI in "all-residential" properties was $216 per unit per month in 1997, 19% lower than the norm for all stabilized buildings.

What exactly do these figures tell us? As the revenue available after payment of operating costs, NOI is the money owners have for financing their buildings, making improvements, and for pre-income tax profits. NOI does not say anything about the ultimate profitability of a particular property, which depends on mortgage payments and income taxation, data that is not included in this analysis. That said, multiplying the average monthly NOI of $265 per stabilized unit by the typical size of buildings in this year's cross-sectional sample (44.3 units), yields an estimated mean annual NOI figure of roughly $141,000 for a hypothetical 'average owner' in 1997.

Traditionally, the RGB has used "cost-to-income ratios" to evaluate the profitability of New York's stabilized housing, presuming that buildings are better off by spending a lower percentage of revenue on expenses. Over the last ten years, the proportion of total income spent on audited operating costs has both risen and fallen in stabilized buildings. In 1988, the average operating cost to income ratio of 59.6%, rose steadily to a peak of 63.4% in 1992. The average cost-to-income ratio for stabilized buildings then declined consistently, dropping to 59.5% in 1995. This trend reversed in 1996, with the ratio of income spent on audited costs increasing slightly to 60.1%. As the table shows, in 1997,

After Inflation, NOI Surpasses Levels Last Seen in the Late 1980's

(Average Monthly Net Operating Income per Apartment in Constant 1997 Dollars)



Average Monthly NOI per Apartment (Constant 1997 Dollars)

	All	Post-46	Pre-47
1989	$258	$356	$217
1990	$224	$344	$175
1991	$209	$297	$177
1992	$206	$286	$175
1993	$213	$295	$181
1994	$230	$316	$197
1995	$244	$339	$208
1996	$240	$340	$202
1997	$265	$361	$229

1997 Cost-to-Income and Cost-to-Rent Ratios are Lowest in this Decade

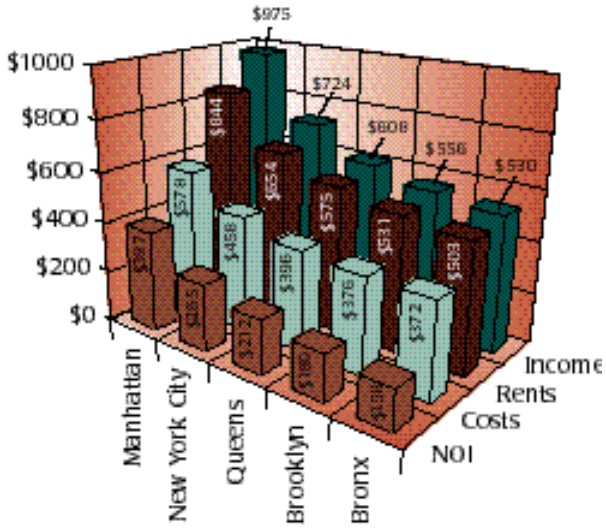
	'90	'91	'92	'93	'94	'95	'96	'97
O&M to Income	62.3%	62.9%	63.4%	62.5%	60.7%	59.5%	60.1%	58.2%
O&M to Rent	69.7%	69.6%	70.2%	69.3%	67.5%	66.2%	66.8%	64.4%

Note: Ratios use audited costs.

Source: NYC Dept. of Finance, 1998 RPIE Filings

Stabilized Rents were Highest in Manhattan During 1997

(Average Monthly Income, Rent, Operating Cost, and Net Operating Income per Dwelling Unit)



Source:NYC Dept. of Finance, 1998 RPIE Filings

the cost-to-income ratio was 58.2%, the lowest average cost-to-income ratio in ten years. As operating costs have consumed less revenue in recent years, inflation-adjusted NOI has adjusted to 103% of the 1989 average in this year's study, ten percentage points higher than the 93% of the base-year average found last year.

These NOI figures suggest that New York's stabilized housing market has emerged from the deep recession of the early 1990's and is now experiencing better financial conditions. During the stagnant economic period of the early 1990's, unemployment and collection losses rose in the City, limiting owners' ability to offset rising operating costs by raising rents. This trend started reversing around 1993,when the City's economy improved to the point where building owners could increase rents (and revenues) faster than costs, which remained stable until 1996. The 1996 RPIE data showed that rent stabilized properties experienced leaps in several cost categories, reversing the three-year trend of stable and moderate cost growth. Rent and income collections strongly outpaced costs in 1997, however, and, as will be discussed in the longitudinal section of the study, increased faster than the revenue increases seen in the previous year for the first time since 1994. The result of these conditions is a robust increase in average monthly inflation-adjusted NOI of $25 from the previous year ($240 to $265). For a detailed view of NOI trends, the chart and table show average monthly NOI by building age from 1989 to 1997 in constant 1997 dollars. In addition, the chart detailing average monthly income, rent,cost and NOI amounts for the year 1997 by borough,shows how different areas of the City compare to one another in gains and expenses.

Longitudinal Study

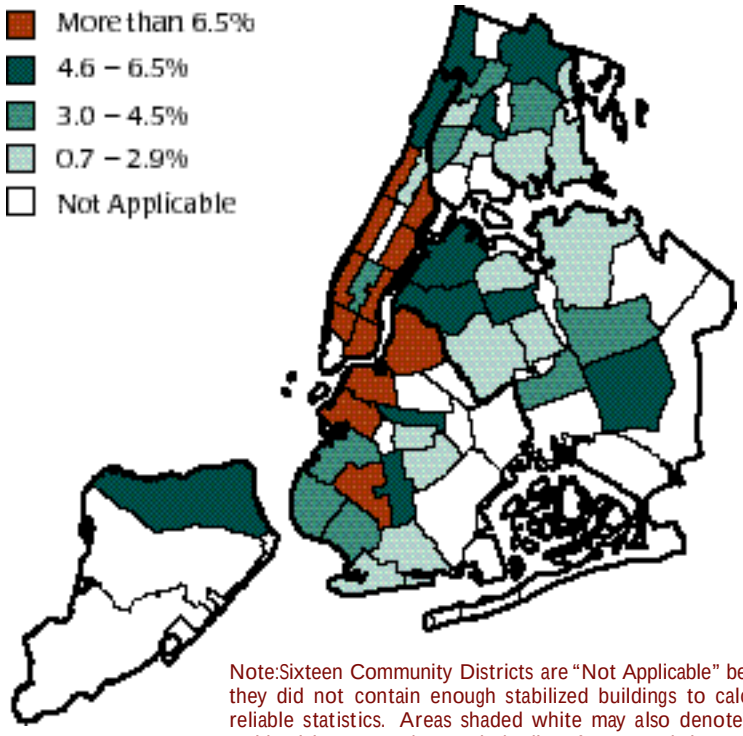
Rents and Income

As the local economy continued its trend towards recovery, average rents in stabilized buildings rose by 5.4% in 1997,a significant increase of 1.3 percentage points over the increase observed during 1996 (4.1%). At least part of this increase can be attributed to the guidelines in place for three months in 1996, and nine months in 1997. The increases allowed to owners were 5% for a one-year lease and 7% for a two-year lease. These were the highest guidelines adopted for one and two-year leases since 1990. In addition, the difference between the guideline increases in effect for much of 1996 (2% and 4%, respectively) and those in place for much of 1997 (5% and 7%) contribute to the strong rise in rent collections reported in 1997 RPIE data.

In a departure from last year, rents in older (pre-47) buildings grew more rapidly (5.8%) than those in newer (post-46) properties (4.9%). The fact that rents increased more rapidly than the previous year, when the rates were 3.9% in pre-war buildings and 4.5% in modern buildings, is another indication that gains due to declining vacancy and collection losses may be increasing again, especially in older buildings. This is confirmed by the aforementioned "gap" between the DHCR and RPIE average rents in 1997 which suggests that stabilized properties are collecting more of their legal rent roll than in previous years. Rents increased by 6.6%, 5.3%, and 4.9% for small (11-19 unit),medium (20-99 unit),and large (100+ unit) buildings respectively. Once again,

Stabilized Rents Rose Highest in Manhattan and Brooklyn in 1997

(Change in Collected Rents 1996-97)



Note:Sixteen Community Districts are "Not Applicable" because they did not contain enough stabilized buildings to calculate reliable statistics. Areas shaded white may also denote non-residential spaces,such as parks,bodies of water and airports.

Source:NYC Dept. of Finance, 1998 RPIE Filings

Rent Increases in Manhattan, 1997

Comm. District	Neighborhood	% Rent Increase
4	Chelsea/Clinton	8.5%
2	Greenwich Village	8.2%
3	Lower E. Side/Chinatown	8.1%
7	Upper West Side	7.8%
6	Stuyvesant Tn/Turtle Bay	7.2%
8	Upper East Side	6.7%
5	Midtown	3.3%
1	Financial District	—
	Core Manhattan	7.1%
11	East Harlem	10.2%
9	Morningside Hgts/Hamilton	6.7%
12	Washington Hgts/Inwood	5.8%
10	Central Harlem	1.9%
	Upper Manhattan	5.9%
	Bor ough of Manhattan	6.7%

small buildings appear to have the highest gains in rent collections,gaining the highest rent growth of all the size categories for four years in a row.

The total income collected in rent stabilized buildings, comprising apartment rents,commercial rents, and sales of services,increased by 5.2% in 1997, an increase of just under one percentage point (.9) more than the rate observed in the previous year (4.3%). Revenues rose at differing rates in pre-war buildings (5.6%) and post-war buildings (4.5%). In contrast to last year's findings, income grew more rapidly in small (6.5%) and medium-sized buildings (5.2%) than they did in the previous year. Income growth in large properties was slightly down from 4.7% in the previous year, to 4.5% in 1997. Like the patterns seen in rent collections, income gains have been the highest in small buildings and above the average citywide gain in each I&E study over the last four years.

Rents in Manhattan Neighborhoods

Rent collections in stabilized properties rose 6.7% in the borough of Manhattan as a whole from 1996 to 1997. At the neighborhood level, rents increased at highly varied rates across the borough's twelve Community Districts. Rents rose briskly in Manhattan's "Core," the area

below East 96th and West 110th Streets. Five of the Core's neighborhoods (Chelsea-Clinton, Greenwich Village, the Lower East Side, the Upper West Side and Stuyvesant Town-Turtle Bay) had increases in rents that ranged between 7.2% and 8.5%, rising above both the borough and City average rent collection rates. Rents in the Upper East Side rose at the same rate as the borough average,6.7%,while only one district in the Core, Midtown, had rent collections that increased below the borough and City rates at 3.3% (the Financial District is not included because it contains too few stabilized buildings to draw reliable figures).

In the northern portion of Manhattan, rent growth was even more diverse. Two districts showed rent collections below the borough average, Central Harlem at 1.9% and Washington Heights-Inwood at 5.8%,although rents in the latter did increase at more than the City's overall rate. Rents in the Morningside-Hamilton Heights neighborhood grew at the same rate as the borough (6.7%),while stabilized buildings in East Harlem exhibited the highest increase rate in rents in the borough of Manhattan—10.2%.

Rents in the Bronx, Brooklyn and Queens

Rents in the boroughs of Brooklyn (4.1%), the Bronx (3.9%) and Queens (3.7%) increased less rapidly than the borough of Manhattan (6.7%) from 1996 to 1997. In the 34 outer borough neighborhoods with enough stabilized buildings to calculate reliable rates, rent collections grew more rapidly than the City's overall average in seven Community Districts, while twenty-seven districts had rent gains with lower rates.

In Brooklyn, rent collection growth was comparable to that observed in Core Manhattan in four neighborhoods. Rents rose most briskly in Park Slope-Carroll Gardens (11.1%),Brooklyn Heights-Fort Greene (9.4%), Borough Park (7.4%), and Williamsburg-Greenpoint (6.7%). Three Community Districts had rents with gains higher than the borough's average: North Crown Heights-Prospect Heights (4.8%), Flatbush (4.7%), and Bensonhurst (4.5%). Two districts had moderate rent growth,Bay Ridge at 3.7% and Sunset Park at 3.3%, while four others had weaker rent growth of less than 3%.

In the Bronx, while overall rent gains were more modest than in Brooklyn or Manhattan, three neighborhoods exceeded the borough average in rent growth—East Tremont (6.4%), Riverdale-Kingsbridge (5.3%), and Baychester-Williamsbridge (4.6%). Three other areas, Kingsbridge Heights-Moshulu, Pelham Parkway and Highbridge-South Concourse, showed moderate rent growth over the period, while four Bronx neighborhoods had somewhat stagnant rent increases of less than 3%.

In the borough of Queens, five neighborhoods showed strong rent collections with increases ranging between 5.6% and 4.2%: Elmhurst-Corona, Jamaica, Sunnyside-Woodside,Astoria, and Hillcrest-Fresh Meadows. Five other Queens districts had increases in rents of 3% or less. Finally, the North Shore district in Staten Island had moderate gains in rent collections of 4.6% over the period.

As the accompanying rent collection growth map shows, across the City as a whole, twelve districts experienced highly accelerated growth in rent collections of more than 6.5%. Twenty neighborhoods had more moderate rent collections with growth rates between 3.0% and 6.5%, and thirteen districts experienced increases in rents of less than 3%. No Community District showed a decline in rent collections from 1996-97.

Operating Costs

Similar to the years in which New York City's economy was emerging from the recession of the early 1990's, expenses in stabilized buildings grew less rapidly (1.9%) than increases in both rents and revenues from 1996 to 1997. This year, however, the 1.9% increase in operating expenses was the lowest growth rate recorded for costs in the eight years the RGB has been collecting longitudinal data in the I&E study. While the I&E studies have reflected that rent and income revenues tend to rise at similar rates to one another, operating cost increases are much more variable, often the result of volatile changes in the cost of fuel.

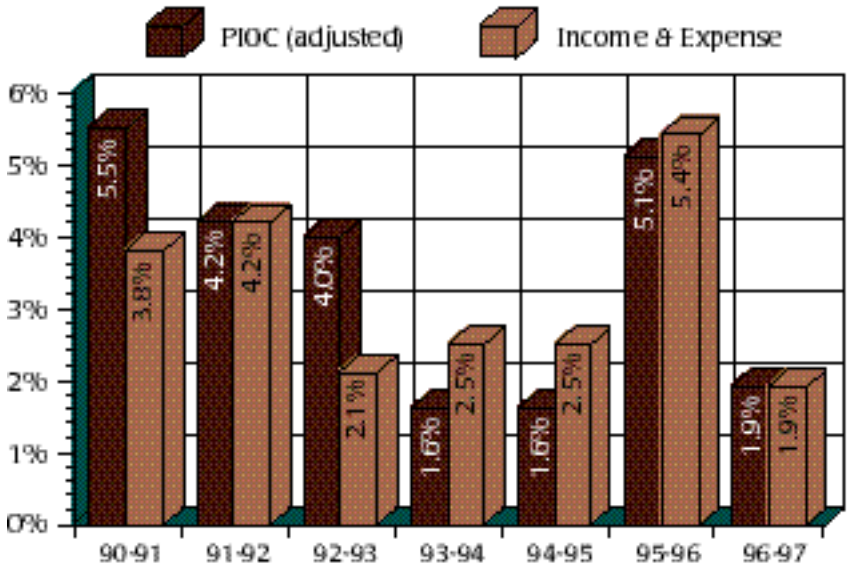
Costs rose faster in pre-war buildings (2.1%) than in modern properties (1.6%) in 1997. The steep decline from the previous year's rate (5.4%) was

attributable to actual drops in fuel and insurance costs, and lower rates of increase in maintenance, labor and administrative expenses. Only the expense categories of utilities and taxes rose more swiftly in stabilized buildings than they did in the previous year. Similar to last year, size influenced cost growth as expenses rose by 4.0%, 2.0%, and 1.1% respectively in small, medium, and large buildings. Small buildings, the fastest gainers in rents and income, contended with well above-average expenses in all but one category (utility costs) in 1997.

While overall cost growth was relatively low in 1997, some expenses contributed to the low rate of increase more than others. Fuel costs declined sharply, by 6.2%, the largest drop since 1991, and insurance rates fell by 4.0%. Other expenses contributing to the average increase included the modest gains in maintenance and labor costs, which grew respectively by 1.9% and 2.1%. These declines and modest gains were offset by property taxes, proportionately one of the largest costs faced by building owners, which grew by 3.7% in 1997, as well as miscellaneous, utility and administrative expenses which grew by 3.8%, 4.1% and 4.1% respectively.

The RPIE and the RGB's long-running in-house survey, the 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 gathers data about them. For example,there is a difference between when expenses are incurred and actually paid by owners as reported in the RPIE, versus the cost quotes obtained from vendors for specific periods as surveyed in the PIOC. In addition, the PIOC primarily measures prices on an April-to-April basis,

In 1997, Both the PIOC and the I&E Found Increases in Operating Costs of 1.9%



Note: The PIOC increase is adjusted from the April-to-April to the July-to-July fiscal year.
Source:NYC Dept. of Finance, 1998 RPIE Filings, PIOC 1990-97

while most RPIE statements (88%) filed by landlords are based on the calendar year. To compare the two, weighted averages of each must be calculated,at the price of some accuracy.

Over the past several years, growth in PIOC-measured costs has consistently differed from expense increases reported in RPIE data. Since the beginning of the decade, the PIOC has grown faster in periods of economic downturn, and the RPIE has grown faster in recovery. Additionally, since 1993, the "gap" between the two indices has been steadily narrowing. This year, as the graph on the previous page shows, the PIOC (adjusted for comparison purposes) and the RPIE showed identical overall growth in expenses, at 1.9% in both indices. Closer examination reveals that the two indices changed at fairly similar rates in most cost categories in 1997.

The PIOC, vital to the RGB as an indicator of current costs, may be most robust when measuring cost increase trends as New York's rent stabilized housing market emerges from recession. This is because the PIOC is strong at tracking costs during economic upswings, when all types of costs are generally increasing, and when accelerating revenue growth induces fewer owners to cut back on maintenance services and other elective costs. The longitudinal RPIE data, on the other hand, is a highly reliable measure of cost trends over both the short and long term because the I&E Study relies on actual empirical data supplied by a large representation of the City's stabilized owners. Unfortunately, due to filing periods and processing time, RPIE data is not available to the RGB for more than a year after the calendar reporting year has ended.

Overall,from 1990-91 to 1996-97, overall growth in the two indices seem to confirm the accuracy of one another as the PIOC registered cost growth of 26.4% in stabilized buildings compared to a 24.6% increase reported in RPIE filings. Cumulative increases however, in fuel and insurance costs do vary considerably between the two indices over the last seven years.

Operating Cost Ratios

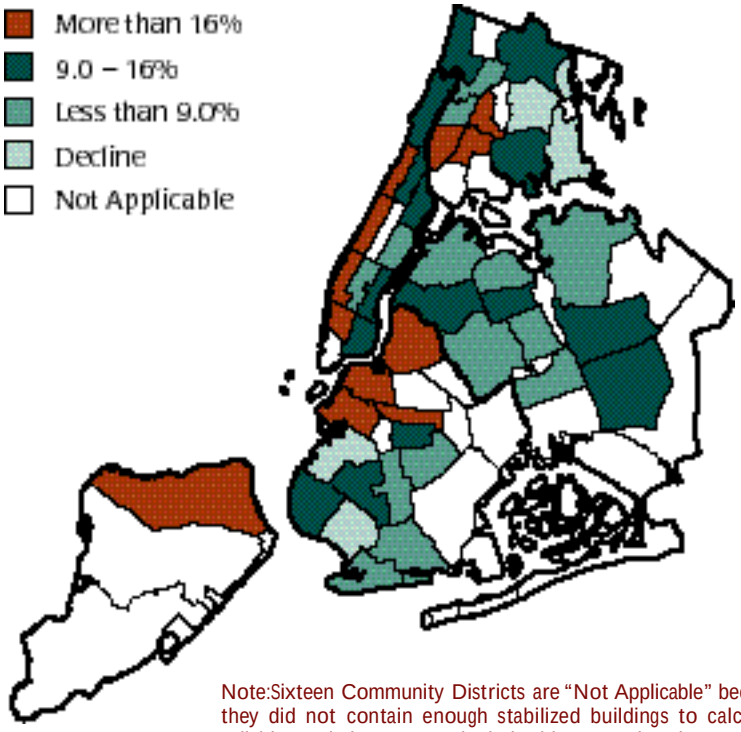
The proportion of gross income spent on unaudited expenses declined by roughly two percentage points between 1996 and 1997. A similar drop was observed in the amount of income spent on audited expenses. The proportion of rent used to pay audited costs also decreased by a similar amount. These drops in the O&M Expense-to-Income and the O&M Expense-to-Rent ratios comprise the fourth time in five years that the proportion of income or rent spent on expenses decreased. Both ratios decreased each year from 1993-95, then increased slightly in 1996, primarily because of sharply increased fuel expenses that year. The declines in the operating cost ratios of roughly 2 percentage points are also the largest drops seen in these ratios in the eight years that longitudinal data has been collected.

Net Operating Income

Since revenues grew much more rapidly than operating costs in stabilized buildings during 1997, it is not surprising that Citywide NOI increased over the year by an average of 11.4%, a vigorous upturn from 1996's figure (2.3%), when the increase in operating expenses outpaced rent and income growth. The 11.4% increase in average NOI from 1996-97 is the highest rate of NOI growth found in the eight years for which longitudinal data has been collected by the RGB.

Across the City, building age and size correlated with the amount of pre-tax earnings gained by owners. In a departure from the previous year, NOI grew faster on average in the pre-war stock (12.9%) than post-war properties (9.1%). Earnings that remained after operating and maintenance expenses were paid rose the most from 1996-97 in small (11-19 units) and medium-sized (20-99 units) buildings. These properties enjoyed brisk NOI growth above the City average, at 11.7% in small buildings and 11.8% in medium-sized structures. Large buildings with 100 or more units experienced a strong average increase in NOI of 9.5%,although this rate is below the NOI increase rate for the City as a whole. In all size and age categories, NOI growth strongly outpaced the rates recorded in the previous year.

NOI Grew fastest in Manhattan and Brooklyn's Stabilized Buildings During 1997



Note:Sixteen Community Districts are "Not Applicable" because they did not contain enough stabilized buildings to calculate reliable statistics. Areas shaded white may also denote non-residential spaces,such as parks,bodies of water and airports.

Source:NYC Dept.. of Finance, 1998 RPIE Filings

NOI Increases in Manhattan, 1997

Comm.. District.	Neighborhood	% NOI Increase
4	Chelsea/Clinton	20.2%
2	Greenwich Village	19.7%
7	Upper West Side	16.0%
6	Stuyvesant Tn/Turtle Bay	13.2%
3	Lower E. Side/Chinatown	12.7%
8	Upper East Side	8.8%
5	Midtown	4.9%
1	Financial District	—
	Core Manhattan	12.2%
9	Morningside Hgts/Hamilton	32.8%
12	Washington Hgts/Inwood	12.6%
10	Central Harlem	11.2%
11	East Harlem	9.2%
	Upper Manhattan	15.8%
	Bor ough of Manhattan	12.6%

NOI and Neighborhoods

Growth trends in pre-income tax and pre-debt service gains to owners were highly varied at the neighborhood level across the City from 1996-97. NOI rose strongly throughout most of the borough of Manhattan at an average rate of 12.6%. Six of the borough's Community Districts had NOI gains above the borough rate,with robust increases ranging from 12.7% to 32.8%. The neighborhoods with the strongest gains in NOI were primarily in the Core,notably Chelsea-Clinton (20.2%),Greenwich Village (19.7%), and the Upper West Side (16.0%). The exception was Morningside-Hamilton Heights in Upper Manhattan,where NOI rose more than twice the borough average by 32.8%. Five districts,located primarily in northern Manhattan, had NOI gains at or below the borough's average, with still strong increases ranging from 4.9% to 12.6%. The Upper East Side and Midtown districts were the only Core neighborhoods with NOI increase below the borough average (8.8% and 4.9%, respectively).

From 1996-97,the Bronx showed a hardy average increase in NOI of 11.2%. This increase was mainly due to exceptionally strong NOI growth above the borough average in five Bronx Community Districts,including Morrisania, East Tremont, Highbridge-South Concourse and Riverdale-

Longitudinal Growth Rates in All I&E Categories are Records (highest or lowest) from 1996-97

	Avg. Rent Growth	Avg. Income Growth	Avg. Cost Growth	Avg. NOI Growth
89-90	3.3%	3.7%	7.1%	-1.8%
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%	9.0%
95-96	4.1%	4.3%	5.4%	2.3%
96-97	**5.4%**	**5.2%**	**1.9%**	**11.4%**

Kingsbridge. Two Bronx districts, Pelham Parkway and Throgs Neck-Co-op City did not share in the borough gains as NOI declined over the period, while three other neighborhoods showed more moderate growth.

In Brooklyn, NOI increased at an average rate of 8.7% from 1996-97. Seven neighborhoods had sharp NOI gains above the borough average ranging from 12.3% to 29.4%. NOI increased most sharply in the Community Districts of North Crown Heights, Brooklyn Heights-Fort Greene and Williamsburg-Greenpoint. Net operating income fell in two Brooklyn neighborhoods, Sunset Park and Bensonhurst, and grew at a moderate rate in four districts.

Conditions in Queens reflected more modest overall growth, where net earnings increased an average of 7.1%. The neighborhoods of Jamaica, Elmhurst-Corona and Hillcrest-Fresh Meadows had the strongest NOI gains at 11.7%, 11.6% and 11.1% respectively. Three other Queens neighborhoods experienced NOI gains above the borough average, while four districts had below average NOI growth. No districts in Queens experienced declines in NOI from 1996-97. The North Shore of Staten Island showed NOI gains of 16.8% over the period.

In summary, the accompanying map shows that NOI growth was varied but generally strong across the city from 1996-97. Twelve Community Districts had robust NOI growth of more than 16%, and another 15 districts had strong NOI growth between 9% and 16%. Fourteen areas realized moderate NOI growth of less than 9% and only 4 neighborhoods experienced a decline in NOI over the period.

NOI - Some Conclusions

What do these figures indicate about the overall financial condition of New York's stabilized housing? It is clear that owners generally had a larger amount of inflation-adjusted income after operating and maintenance expenses were paid to use for mortgages, building improvements, or pre-income tax, pre-debt service profit than they netted in the previous year.

In a year when rent and income collections increased at the highest rates (5.4% and 5.2%) seen in the eight years of I&E longitudinal analysis, and operating expenses increased at a record low (1.9%), it follows logically that NOI would also show a strong rate of increase from 1996-97 (11.4%). The table above shows that the change in all Income and Expense categories from 1996 to 1997 are records, either the highest or lowest rate of growth in the eight years the RGB has been collecting longitudinal data.

Unlike the previous year, there were no sharp increases in any category of operating expense to dampen the NOI growth rate. In addition, the RPIE data that shows strong rent and income collections and the reduced "gap" between RPIE (collected) and DHCR (contract) rents, suggest

that owners of stabilized buildings rented more of their vacant units and collected more of the rent amounts they contracted with their tenants from 1996-97. These factors clearly contributed to the sharp increase in NOI from 1996 to 1997 and may indicate that New York City's rent stabilized buildings are beginning to realize the benefits from the mid-90's economic recovery.

"Distressed" Buildings

Roughly 7% of the buildings in this year's longitudinal sample,(714), faced costs that exceeded revenues, 2 percentage points lower than the rate of distressed buildings observed last year. Only 23 of these buildings were built after 1946. The fundamental conditions besetting these buildings did not change. Such properties are burdened by low rents, lack commercial income, and suffer high operating expenses. ❒

Appendix

1. Cross-Sectional Income and Expense Study: Estimated Average Operating & Maintenance Cost (1997) 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
Citywide	$90	$52	$45	$27	$17	$85	$52	$24	$28	$424
11-19 units	$116	$29	$54	$29	$19	$96	$55	$30	$36	$465
20-99 units	$80	$47	$45	$27	$15	$85	$51	$24	$28	$403
100+ units	$125	$106	$36	$28	$29	$97	$57	$17	$22	$519
Bronx	$52	$44	$47	$28	$15	$84	$46	$25	$24	$366
11-19 units	$54	$42	$65	$31	$17	$98	$44	$33	$32	$415
20-99 units	$47	$40	$47	$27	$14	$82	$45	$25	$23	$350
100+ units	$36	$73	$43	$31	$16	$83	$60	$19	$14	$374
Brooklyn	$72	$38	$47	$26	$16	$75	$43	$23	$25	$366
11-19 units	$70	$20	$61	$26	$13	$81	$41	$28	$33	$373
20-99 units	$65	$31	$47	$26	$14	$72	$41	$23	$24	$342
100+ units	$65	$56	$35	$25	$20	$76	$44	$19	$21	$363
Manhattan	$121	$66	$43	$29	$20	$100	$63	$25	$34	$500
11-19 units	$161	$31	$49	$30	$23	$106	$70	$32	$42	$544
20-99 units	$112	$65	$44	$28	$18	$99	$62	$25	$34	$486
100+ units	$167	$129	$34	$29	$37	$110	$63	$16	$26	$612
Queens	$84	$41	$44	$26	$15	$74	$43	$21	$24	$372
11-19 units	$78	$21	$52	$24	$12	$77	$30	$24	$23	$342
20-99 units	$78	$33	$44	$27	$12	$69	$43	$21	$25	$351
100+ units	$61	$70	$38	$25	$12	$66	$38	$19	$16	$345
Staten Island* 20+ units	-	-	-	-	-	-	-	-	-	-

* The number of pre - 47 buildings in Staten Island was too small to calculate reliable statistics.
Totals in this table may not match those in Table 3 due to rounding. Data in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs. The category "Utilities" used in the I & E report is the sum of "Water & Sewer" and "Light & Power".

Source: NYC Department of Finance, RPIE Filings.

2. Cross-Sectional Income and Expense Study: Estimated Average Operating & Maintenance Cost (1997) 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
Citywide	$155	$97	$37	$28	$26	$82	$63	$21	$38	$548
11-19 units	$182	$32	$42	$28	$38	$111	$108	$29	$53	$624
20-99 units	$100	$54	$38	$27	$20	$73	$48	$22	$30	$413
100+ units	$210	$144	$36	$29	$31	$90	$76	$19	$46	$683
Bronx	$87	$57	$36	$27	$19	$71	$43	$24	$32	$397
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$82	$45	$37	$27	$19	$69	$43	$25	$34	$380
100+ units	$86	$90	$33	$25	$20	$71	$36	$20	$25	$407
Brooklyn	$87	$60	$41	$27	$23	$71	$53	$23	$30	$415
11-19 units	-	-	-	-	-	-	-	-	-	-
20-99 units	$85	$51	$41	$28	$19	$69	$49	$22	$31	$394
100+ units	$80	$89	$40	$26	$31	$74	$58	$25	$25	$448
Manhattan	$304	$181	$36	$29	$39	$108	$94	$19	$63	$874
11-19 units	$324	$40	$45	$33	$72	$157	$221	$31	$111	$1,035
20-99 units	$192	$98	$31	$26	$26	$98	$66	$23	$36	$597
100+ units	$329	$200	$37	$30	$41	$110	$100	$19	$69	$935
Queens	$97	$63	$37	$28	$20	$72	$50	$20	$26	$413
11-19 units	$109	$41	$43	$26	$16	$76	$45	$26	$28	$410
20-99 units	$95	$50	$39	$27	$20	$71	$45	$21	$27	$394
100+ units	$93	$87	$34	$29	$18	$70	$53	$18	$22	$424
St.Island	$100	$60	$42	$28	$18	$75	$73	$22	$30	$449
20+ units	$83	$66	$42	$29	$13	$68	$66	$21	$26	$414

* The number of rent stabilized units located in buildings with fewer than 20 units in Brooklyn, the Bronx and Staten Island were too small to calculate reliable statistics.
Totals in this table may not match those in Table 3 due to rounding.Data in this table are NOT adjusted for the results of the 1992 Department of Finance audit on I&E reported operating costs.

Source:NYC Department of Finance, RPIE Filings.

3. Cross-Sectional Income and Expense Study, Estimated Average Rent and Income (1997) per Apartment per Month by Building Size and Location

	Post-46			Pre-47			All		
	Rent	Income	Costs	Rent	Income	Costs	Rent	Income	Costs
Citywide	$820	$909	$548	$590	$653	$424	$654	$724	$458
11-19 units	$613	$1,043	$624	$579	$698	$465	$582	$727	$479
20-99 units	$602	$631	$413	$560	$610	$403	$569	$615	$405
100+ units	$1,067	$1,190	$683	$803	$887	$519	$968	$1,076	$622
Bronx	$551	$592	$397	$492	$517	$366	$503	$530	$372
11-19 units	-	-	-	$471	$518	$415	$472	$536	$423
20-99 units	$537	$561	$380	$470	$489	$350	$480	$499	$355
100+ units	$576	$606	$407	$503	$517	$374	$540	$562	$391
Brooklyn	$564	$594	$415	$523	$546	$366	$531	$556	$376
11-19 units	-	-	-	$491	$525	$373	$499	$533	$378
20-99 units	$562	$582	$394	$488	$500	$342	$505	$520	$355
100+ units	$566	$582	$448	$560	$573	$363	$563	$577	$401
Manhattan	$1,423	$1,624	$874	$691	$803	$500	$844	$975	$578
11-19 units	$754	$1,920	$1,035	$666	$863	$544	$668	$882	$553
20-99 units	$926	$1,031	$597	$671	$772	$486	$688	$789	$493
100+ units	$1,537	$1,755	$935	$961	$1,087	$612	$1,309	$1,490	$807
Queens	$586	$623	$413	$560	$587	$372	$575	$608	$396
11-19 units	$552	$582	$410	$488	$503	$342	$505	$525	$360
20-99 units	$576	$597	$394	$529	$548	$351	$557	$577	$377
100+ units	$600	$629	$424	$554	$563	$345	$592	$618	$411
St.Island	$584	$665	$449	-	-	-	$584	$665	$449

City and borough totals are weighted,while figures for building size categories are unweighted. All expense data is unaudited. The number of Post-1946 buildings with 11-19 units in the Bronx and Brooklyn were too small to calculate reliable statistics as was the number of Pre-47 bldgs in Staten Island.

Source: NYC Department of Finance, RPIE Filings.

4. Cross-Sectional Distribution of "Distressed" Buildings, 1997 RPIE Filings

	Post-46 Bldgs.			Pre-47 Bldgs.			All Bldgs.		
	11-19	20-99	100+	11-19	20-99	100+	11-19	20-99	100+
Citywide	6	26	11	294	556	9	300	582	20
Bronx	-	10	-	32	142	-	32	152	-
Brooklyn	1	3	8	64	112	2	65	115	10
Manhattan	3	5	3	173	258	6	176	263	9
Queens	1	6	-	24	42	1	25	48	1
St.Island	1	2	-	1	2	-	2	4	-
Totals:									
Citywide		43			859			902	
Bronx		10			174			184	
Brooklyn		12			178			190	
Manhattan		11			437			448	
Queens		7			67			74	
St.Island		3			3			6	

Source: NYC Department of Finance, RPIE Filings.

5. Cross-Sectional Distribution of Operating Costs in 1997, by Building Size and Age

	Taxes	Maint.	Labor	Admin.	Utilities	Fuel	Misc.	Insurance	Total
Pre-47	21.3%	20.2%	12.3%	12.3%	10.7%	10.7%	6.7%	5.8%	100.0%
11-19 units	24.9%	20.7%	6.2%	11.9%	10.2%	11.7%	7.8%	6.5%	100.0%
20-99 units	19.8%	21.1%	11.7%	12.6%	10.6%	11.3%	6.9%	6.1%	100.0%
100+ units	24.0%	18.7%	20.5%	11.1%	11.1%	7.0%	4.3%	3.4%	100.0%
Post-46	28.3%	15.0%	17.7%	11.5%	9.8%	6.8%	7.0%	3.8%	100.0%
11-19 units	29.2%	17.8%	5.1%	17.4%	10.6%	6.8%	8.6%	4.6%	100.0%
20-99 units	24.2%	17.6%	13.2%	11.6%	11.4%	9.3%	7.3%	5.4%	100.0%
100+ units	30.8%	13.2%	21.1%	11.1%	8.8%	5.3%	6.8%	2.8%	100.0%
All Bldgs.	23.6%	18.5%	14.1%	12.1%	10.4%	9.5%	6.8%	5.1%	100.0%
11-19 units	25.4%	20.4%	6.1%	12.5%	10.3%	11.1%	7.9%	6.3%	100.0%
20-99 units	20.2%	20.8%	11.9%	12.5%	10.6%	11.1%	7.0%	6.0%	100.0%
100+ units	24.8%	18.1%	20.5%	11.1%	10.8%	6.8%	4.6%	3.3%	100.0%

Source:NYC Department of Finance, RPIE Filings.

6. Cross-Sectional Sample, 1997 RPIE Filings

	Post-46		Pre-47		All	
	Bldgs	DU's	Bldgs	DU's	Bldgs	DU's
Citywide	1,098	110,291	10,354	396,517	11,452	506,808
11-19 units	91	1,339	2,675	40,445	2,766	41,784
20-99 units	686	38,531	7,389	301,878	8,075	340,409
100+ units	321	70,421	290	54,194	611	124,615
Bronx	186	12,517	2,100	98,394	2,334	110,911
11-19 units	7	109	180	2,757	187	2,866
20-99 units	159	9,086	1,920	87,840	2,079	96,926
100+ units	20	3,322	48	7,797	68	11,119
Brooklyn	177	18,652	2,067	77,976	2,244	96,628
11-19 units	15	218	494	7,497	509	7,715
20-99 units	119	7,746	1,527	64,811	1,646	72,557
100+ units	43	10,688	46	5,668	89	16,356
Manhattan	378	52,198	4,916	173,410	5,294	225,608
11-19 units	30	451	1,639	24,598	1,669	25,049
20-99 units	180	9,072	3,124	114,732	3,304	123,804
100+ units	168	42,675	153	34,080	321	76,755
Queens	318	24,714	1,210	46,118	1,528	70,832
11-19 units	32	465	358	5,524	390	5,989
20-99 units	202	11,448	812	34,269	1,014	45,717
100+ units	84	12,801	40	6,325	124	19,126
St.Island	39	2,210	13	619	52	2,829
11-19 units	7	96	4	69	11	165
20-99 units	26	1,179	6	226	32	1,405
100+ units	6	935	3	324	9	1,259

Source:NYC Department of Finance, RPIE Filings.