

NEW YORK CITY RENT GUIDELINES BOARD

2026 Apartment & Loft Order #58

June 25, 2026

Order Number 58 - Apartments and Lofts, rent levels for leases commencing **October 1, 2026** through **September 30, 2027**.

NOTICE IS HEREBY GIVEN PURSUANT TO THE AUTHORITY VESTED IN THE NEW YORK CITY RENT GUIDELINES BOARD BY THE RENT STABILIZATION LAW OF 1969, as amended, and the Emergency Tenant Protection Act of 1974, as amended and implemented by Resolution No. 276 of 1974 of the New York City Council, and in accordance with the requirements of Section 1043 of the New York City Charter, that the Rent Guidelines Board (RGB) hereby **adopts** the following levels of fair rent increases over lawful rents charged and paid on **September 30, 2026**. These rent adjustments will apply to rent stabilized apartments with leases commencing on or after **October 1, 2026** and through **September 30, 2027**. Rent guidelines for loft units subject to Section 286 subdivision 7 of the Multiple Dwelling Law are also included in this order.

ADJUSTMENT FOR LEASES (APARTMENTS)

Together with such further adjustments as may be authorized by law, the annual adjustment for leases for apartments shall be:

For a **one**-year lease commencing on or after **October 1, 2026** and on or before **September 30, 2027**: **0%**

For a **two**-year lease commencing on or after **October 1, 2026** and on or before **September 30, 2027**: **0%**

These adjustments shall also apply to dwelling units in a structure subject to the partial tax exemption program under Section 421-a of the Real Property Tax Law, or in a structure subject to Section 423 of the Real Property Tax Law as a Redevelopment Project.

ADJUSTMENTS FOR LOFTS (UNITS IN THE CATEGORY OF BUILDINGS COVERED BY ARTICLE 7-C OF THE MULTIPLE DWELLING LAW)

The Rent Guidelines Board **adopts** the following levels of rent increase above the "base rent," as defined in Section 286, subdivision 4, of the Multiple Dwelling Law, for units to which these guidelines are applicable in accordance with Article 7-C of the Multiple Dwelling Law:

For **one**-year increase periods commencing on or after **October 1, 2026** and on or before **September 30, 2027**: **0%**

For **two**-year increase periods commencing on or after **October 1, 2026** and on or before **September 30, 2027**: **0%**

FRACTIONAL TERMS

For the purposes of these guidelines any lease or tenancy for a period up to and including one year shall be deemed a one-year lease or tenancy, and any lease or tenancy for a period of over one year and up to and including two years shall be deemed a two-year lease or tenancy.

ESCALATOR CLAUSES

Where a lease for a dwelling unit in effect on May 31, 1968 or where a lease in effect on June 30, 1974 for a dwelling unit which became subject to the Rent Stabilization Law of 1969, by virtue of the Emergency Tenant Protection Act of 1974 and Resolution Number 276 of the New York City Council, contained an escalator clause for the increased costs of operation and such clause is still in effect, the lawful rent on **September 30, 2026** over which the fair rent under this Order is computed shall include the increased rental, if any, due under such clause except those charges which accrued within one year of the commencement of the renewal lease. Moreover, where a lease contained an escalator clause that the owner may validly renew under the Code, unless the owner elects or has elected in writing to delete such clause, effective no later than **October 1, 2026** from the existing lease and all subsequent leases for such dwelling unit, the increased rental, if any, due under such escalator clause shall be offset against the amount of increase authorized under this Order.

SPECIAL ADJUSTMENTS UNDER PRIOR ORDERS

All rent adjustments lawfully implemented and maintained under previous apartment orders and included in the base rent in effect on **September 30, 2026** shall continue to be included in the base rent for the purpose of computing subsequent rents adjusted pursuant to this Order.

SPECIAL GUIDELINE

Under Section 26-513(b)(1) of the New York City Administrative Code, and Section 9(e) of the Emergency Tenant Protection Act of 1974, the Rent Guidelines Board is obligated to promulgate special guidelines to aid the State Division of Housing and Community Renewal in its determination of initial legal regulated rents for housing accommodations previously subject to the City Rent and Rehabilitation Law which are the subject of a tenant application for adjustment. The Rent Guidelines Board hereby **adopts** the following Special Guidelines:

For dwelling units subject to the Rent and Rehabilitation Law on **September 30, 2026**, which become vacant after **September 30, 2026**, the special guideline shall be **49%** above the maximum base rent.

DECONTROLLED UNITS

The permissible increase for decontrolled units as referenced in Order 3a, which become decontrolled after **September 30, 2026**, shall be **49%** above the maximum base rent.

CREDITS

Rentals charged and paid in excess of the levels of rent increase established by this Order shall be fully credited against the next month's rent.

STATEMENT OF BASIS AND PURPOSE

The Rent Guidelines Board is authorized to promulgate rent guidelines governing apartment units subject to the Rent Stabilization Law of 1969, as amended, and the Emergency Tenant Protection Act of 1974, as amended. The purpose of these guidelines is to implement the public policy set forth in Findings and Declaration of Emergency of the Rent Stabilization Law of 1969 (§26-501 of the N.Y.C. Administrative Code) and in the Legislative Finding contained in the Emergency Tenant Protection Act of 1974 (L.1974 c. 576, §4 [§2]).

The Rent Guidelines Board is also authorized to promulgate rent guidelines for loft units subject to Section 286 subdivision 7 of the Multiple Dwelling Law. The purpose of the loft guidelines is to implement the public policy set forth in the Legislative Findings of Article 7-C of the Multiple Dwelling Law (Section 280).

Dated: June 25, 2026

Chantella Mitchell
Chair
New York City Rent Guidelines Board

EXPLANATORY STATEMENT - APARTMENT ORDER #58

Explanatory Statement and Findings of the Rent Guidelines Board in Relation to 2026-27 Lease Increase Allowances for Apartments and Lofts under the Jurisdiction of the Rent Stabilization Law¹

Summary of Order No. 58

The Rent Guidelines Board (RGB) by Order No. 58 has set the following maximum rent increases for leases effective on or after October 1, 2026 and on or before September 30, 2027 for apartments under its jurisdiction:

For a one-year lease commencing on or after October 1, 2026 and on or before
September 30, 2027: 0%

For a two-year lease commencing on or after October 1, 2026 and on or before
September 30, 2027: 0%

Adjustments for Lofts

For Loft units to which these guidelines are applicable in accordance with Article 7-C of the Multiple Dwelling Law, the Board established the following maximum rent increases for increase periods commencing on or after October 1, 2026 and on or before September 30, 2027.

For one-year increase periods commencing on or after October 1, 2026 and on or before
September 30, 2027: 0%

For two-year increase periods commencing on or after October 1, 2026 and on or before
September 30, 2027: 0%

These guidelines apply to all leases and increase periods. Therefore, consistent with guidance from New York State Homes and Community Renewal (HCR), the guidelines apply to vacant apartment and loft units that become occupied during the term of the Order, as well as to renewal leases or periods. No more than one guideline adjustment may be added during the guideline year governed by Order No. 58.

The guidelines do not apply to hotel, rooming house, and single room occupancy units that are covered by separate Hotel Orders.

Special Guideline

Leases for units subject to rent control on September 30, 2026 that subsequently become vacant and then enter the stabilization system are not subject to the above adjustments. Such newly stabilized rents are subject to review by HCR. In order to aid HCR in this review, the

¹ This Explanatory Statement explains the actions taken by the Board members on individual points and reflects the general views of those voting in the majority. It is not meant to summarize all the viewpoints expressed.

Rent Guidelines Board has set a special guideline of 49% above the maximum base rent.

All rent adjustments lawfully implemented and maintained under previous apartment Orders and included in the base rent in effect on September 30, 2026 shall continue to be included in the base rent for the purpose of computing subsequent rents adjusted pursuant to this Order.

Background of Order No. 58

The Rent Guidelines Board is mandated by the Rent Stabilization Law of 1969 (Section 26-510(b) of the NYC Administrative Code) to establish annual guidelines for rent adjustments for housing accommodations subject to that law and to the Emergency Tenant Protection Act of 1974. In order to establish guidelines, the Board must consider, among other things:

1. the economic condition of the residential real estate industry in the affected area including such factors as the prevailing and projected (i) real estate taxes and sewer and water rates, (ii) gross operating and maintenance costs (including insurance rates, governmental fees, cost of fuel and labor costs), (iii) costs and availability of financing (including effective rates of interest), (iv) overall supply of housing accommodations and overall vacancy rates;
2. relevant data from the current and projected cost of living indices for the affected area; and
3. such other data as may be made available to it.

The Board gathered information on the above topics by means of public meetings and hearings, written submissions by the public, and written reports and memoranda prepared by the Board's staff as well as data submitted to the board by government agencies and independent organizations.

Material Considered by the Board

Order No. 58 was issued following **seven** public meetings, **four** public hearings, the Board's review of written, oral, and video submissions provided by the public, and a review of research and memoranda prepared by the Board's staff. Approximately **473** written submissions from tenants and tenant groups, **104** written submissions from owners and owner groups and **six** public official written submissions were received by the Board. In addition, **104** oral and video submissions were also received. The Board members were provided with copies of public comments received by the **June 16, 2026** deadline. All of the above listed documents were available for public inspection.

Open meetings of the Board were held following public notice on March 26, April 9, April 16, April 23, and May 21, 2026. On **May 7, 2026**, the Board adopted proposed rent guidelines for apartments, lofts, and hotels.

Public hearings were held on **June 4, June 8, June 11, and June 16, 2026**. Public hearings were held pursuant to Section 1043 of the New York City Charter and Section 26-510(h) of the New York City Administrative Code. Testimony on the proposed rent adjustments for rent stabilized apartments and lofts was heard on June 4 from 5:15 p.m. to 9:00 p.m., June 8 from

5:25 p.m. to 10:00 p.m., June 11 from 7:10 p.m. to 11:45 p.m., and June 16 from 5:10 p.m. to 10:00 p.m. Testimony from members of the public speaking at these hearings was added to the public record. The Board heard testimony from **approximately 292** apartment tenants and tenant representatives, **32** apartment owners and owner representatives, and **13** public officials.

On **June 25, 2026** the guidelines set forth in Order No. 58 were adopted.

A written transcription and/or audio recording and/or video recording was made of all proceedings.

Presentations by RGB Staff and Housing Experts Invited by Members of the Board

Each year the staff of the New York City Rent Guidelines Board is asked to prepare numerous reports containing various facts and figures relating to conditions within the residential real estate industry. The Board's analysis is supplemented by testimony from owner and tenant representatives, housing experts and by various articles and reports gathered from professional publications.

Listed below are invited speakers and the dates of the public meetings at which their testimony was presented:

<u>Meeting Date / Name</u>	<u>Affiliation</u>
March 26, 2026:	<u>Staff presentation</u> <i>2026 Income and Expense Study</i>
	<u>Guest Speakers</u>
1. Mark Willis	NYU Furman Center
2. Oksana Mironova	Community Service Society (CSS)
3. Samuel Stein	Community Service Society (CSS)
4. Emily Eisner	Fiscal Policy Institute
April 9, 2026:	<u>Staff presentations</u> <i>2026 Price Index of Operating Costs</i> <i>2026 Mortgage Survey Report</i>
	<u>Guest Speaker</u>
1. Robert Riggs	Community Preservation Corporation (CPC)
April 16, 2026:	<u>Staff presentation</u> <i>2026 Income and Affordability Study</i>
	<u>Guest Speakers</u>

1. Lucy Joffe	NYC Department of Housing Preservation and Development
2. Elyzabeth Gaumer	NYC Department of Housing Preservation and Development
3. Anthony Tatano	NYS Homes and Community Renewal
4. Schuyler Ross	Center on Poverty & Social Policy at Columbia University
5. Ryan Vinh	Center on Poverty & Social Policy at Columbia University
6. Daniel Salgado	Center on Poverty & Social Policy at Columbia University

April 23, 2026:

Staff presentation
2026 Hotel Report

	<u>Owner group testimony:</u>
1. Kenny Burgos	New York Apartment Association (NYAA)
2. Ann Korchak	Small Property Owners of New York (SPONY)
3. Jose Tur	Small Property Owners of New York (SPONY)
4. Sophia Hepheastou	Small Property Owners of New York (SPONY)
5. Basha Gerhards	Real Estate Board of New York (REBNY)

	<u>Tenant group testimony:</u>
1. Tim Collins	Collins, Dobkin & Miller LLP
2. Sumathy Kumar	Housing Justice for All
3. Elisa Martinez	Housing Conservation Coordinators
4. Julie Xu	CAAAY
5. Maansi Shah	Union of Pinnacle Tenants, CHHAYA CDC, Queens Tenant Coalition
6. Emma Rehac	Union of Pinnacle Tenants, Youth Alliance for Housing (YAH)
7. Esteban Giron	Crown Heights Tenant Union, Tenants PAC
8. Evy Viruet	Goddard Riverside Law Project

May 21, 2026:

Staff presentations
2026 Housing Supply Report
Changes to the Rent Stabilized Housing Stock in New York City
in 2025

	<u>Guest Speakers</u>
1. Dabash Negash	Mayor's Office of Equity & Racial Justice
2. Shehab Chowdhury	Mayor's Office of Equity & Racial Justice
3. Julia Duranti-Martínez	Local Initiatives Support Corp (LISC)
4. David Greenberg	Local Initiatives Support Corp (LISC)
5. Emily Eisner	Fiscal Policy Institute
6. Louisa Chafee	Independent Budget Office (IBO)
7. Sarah Parker	Independent Budget Office (IBO)
8. Sarah Internicola	Independent Budget Office (IBO)

Selected Excerpts from Oral and Written Testimony from Tenants and Tenant Groups²

Comments from tenants and tenant groups included:

“Looking at the O&M ratio from the income side and considering the factors which fueled owner overcompensation during the recession which began in 2008, when nearly every other investment in the nation was in decline, rent stabilized housing in New York City witnessed a significant increase in net operating income – rising from 35.7% of each rent dollar collected in 2008 to 39.4% in 2014. That rise was clearly fueled by excessive and unjustified RGB approved rent increases - a deliberate “march to the market” at a time when tenants were in dire need of effective protections. Notwithstanding far more reasonable rent adjustments over the past twelve years, net operating income actually continued to rise to 41.8% in 2016 dropping back only to 38.3% as of 2024. This is clear and unequivocal evidence that owners have continued to do very well – riding on the substantial gains made during the very hard years of the Great Recession and continuing through the economic downturn of 2020/21.”

"The role of the Rent Guidelines Board is to implement the policy of rent stabilization as it was designed: to stabilize the lives of tenants in New York City. For years, tenants have fought for rent freezes at the Rent Guidelines Board and for reforms to rent stabilization at the state level to ensure that rent stabilization serves its true purpose. The 2019 Housing Stability and Tenant Protection Act solved the real crisis in rent stabilization —by closing the loopholes which led to mass displacement across the city and a staggering loss of affordable housing. Tenants keep this city running; we are the bus drivers, nurses, teachers, artists, and parents who make New York what it is. The Rent Guidelines Board must take action to keep us in our homes and in our city. In the context of so much uncertainty, where the cost of groceries inflates as gas prices rise, where the cost of healthcare balloons as our social safety net frays, tenants should have the certainty that their rents will remain the same not just next year but the year after. That is why we urge the Rent Guidelines Board to enact a rent freeze on one- and two-year leases in 2026. A rent freeze is a contract between New York City and New Yorkers, that says the tenants of this city belong here and deserve to stay here.”

“I want to speak directly to one of the arguments we hear every year: rent increases are necessary cause rent- stabilized landlords are in financial distress. We must be honest & nuanced about the data. Most rent stabilized buildings are not in financial distress. What we are also seeing, is the consequence of years of overleveraging — especially what happened in the yrs leading up to the Great Recession & pre-2019 rent reforms. Owners took on excessive debt, betting they could cash out by pushing tenants out and deregulating apartments. Tenants should not be forced to pay for that failed gamble. The same tenants whose homes, stability & communities were treated as investment opportunities deserve our advocacy, protection, & to stay in their homes. At the same time, I want to complicate the narrative. There are buildings that need help. Some owners do need tools to make real repairs & preserve affordable housing. That is why I have been pushing for smarter preservation policy—incl. reforming how we use tools like Article XI, where the City provides tens of millions of dollars in tax exemptions each year. If we are going to give public benefits, those deals must be tied to real public outcomes: safe homes, stable tenants, and major building repairs. This year, I will be pushing for a 10-yr reauthorization of J51 to fund fundamental repairs. I wish this Board

² Sources: Submissions by tenant groups and testimony by tenants.

would consider different treatment that considers tenant income & entertain more nuanced conversation about pre-1974 rent- stabilized buildings versus newer buildings w/ tax exemptions & higher rents. I wish we could talk separately about small, owner-occupied rent-stabilized buildings. Those would be productive conversations. But in the absence of that nuance, we must be clear about the choice before us. I ask this Board to recognize the severity of this crisis, reject the argument that tenants should bear the burden of speculative decisions and failed preservation policy & vote to protect rent- stabilized tenants.”

“I am a tenant in a rent stabilized apartment in New York City. “I am a tenant in a rent stabilized apartment in New York City. I am writing to urge the Rent Guidelines Board to vote for a rent freeze for all rent stabilized units. I am writing to urge the Rent Guidelines Board to vote for a rent freeze for all rent stabilized units. I currently spend 40% of my income on rent. That figure is not unusual in this city; it is the norm for countless working New Yorkers and is probably on the lower end. A rent increase of any size, even a modest one, has a direct and immediate impact on my ability to pay for food, healthcare, transportation, and other basic necessities. New York City is already one of the least affordable cities in the country. Rents in the unregulated market have surged to levels that have pushed out long-term residents, displaced families, and hollowed out entire neighborhoods. Rent stabilized housing is one of the last remaining tools that keeps working- and middle- class tenants in the city we call home. Rent- stabilized housing is one of the last remaining tools that keeps working- and middle- class tenants in the city we call home. Weakening that protection, even incrementally, accelerates a crisis that is already severe. The purpose of the Rent Guidelines Board is to protect tenants and maintain housing stability. I urge you to fulfill that mandate by voting for a rent freeze this year. Tenants are not asking for relief we don't need, we are asking for stability we cannot afford to lose.”

“I live in a rent stabilized apartment. My partner and I are both educators. For the last decade, my partner has been an elementary special educator in our neighborhood school. Currently we are at the top end of our budget. With a lease renewal at 3%, we won't be able to afford our rent in a year or maybe two tops. Additionally, we'd like to start a family. We are having difficult conversations about whether we can continue to afford to live in our neighborhood or afford to start a family, even without a rent increase. As two people who work full time, and one of whom works for the city, this is criminal. We love our neighbors and our community. We'd like to start a family, stay in our home, and continue to work in our community and for the city. If rent continues to increase at the rate currently set, this will not be possible. I ask you to consider a rent freeze while the city government figures out how to make this city more affordable for New Yorkers. All New Yorkers deserve homes that they can afford and the current housing situation in this city is shameful. There is no reason for anyone in this city to be without a comfortable home. This is a human made problem that you have the power to change. Use it to make housing affordable and accessible for EVERYONE. Housing is a human right. And it this board's responsibility to do what you can to make that true.”

Selected Excerpts from Oral and Written Testimony from Owners and Owner Groups³

Comments from owners and owner groups included:

³ Sources: Submissions by owner groups and testimony by owners

“I am a small landlord, 83 years old. My husband, now deceased, worked his whole life to buy and maintain 2 properties in Hamilton Heights (30 units & 17 units). We have already very low rents that barely cover all the expenses of building. Rising oil prices and insurance costs along with the new interest rate makes it almost impossible to cover costs. The highest rent I have is ONE apartment that pays a preferential rate of \$2384 for a 2 bedroom. The lowest is a one bedroom for \$429 and a 2 bedroom for \$537. The operating cost of each apartment is \$1100. It was hard enough when DiBlasio froze the rent for 3 years. My interest rate on my mortgage was only 3.65%, but now it’s 6.12%. My mortgage is \$36,400 a month! Skyrocketing oil prices –\$14,000 to fill the tank My property taxes for both buildings is \$154,525 and maintenance of this 1912 building is never ending. I have 8 tenants that are behind 3 or more months on their rent. I don’t know if I can hold on. I might have to file for bankruptcy because how long can I breathe through a straw underwater?”

“Bronx Fully Rent-Stabilized Pre-War Case Study 2025. Property A-Tremont, 21 residential [units], 1924, approx. 16,000 sq. ft., 20 [units] occupied, 2025 Approx. Monthly Rent Collected: \$23,806.50. Annual Rent Collected: \$285,678. Legal Rent Rent Roll: \$29,138.65. Preferential Rent Rent Roll (actual rent roll): \$26,342.73.”

Total Annual Operating Costs – Tremont [Property A]

Expense	Annual Costs
Property Tax (Gross)	\$22,877
Property Insurance	\$28,156
Heating Gas	\$46,648
Water/Sewer	\$27,986
Mgmt. Fee (8% of rent)	\$22,854
Super	\$10,400
On-Call Repairs & Labor	\$19,282
Electric Common Areas	\$4,442
Supplies	\$2,000
Building Maintenance	\$21,200
Property Mgmt. Software	\$400
Extermination	\$2,156
Legal Fees	\$10,257
Loan Payments	\$99,983
Total Operating Costs	\$308,241

“The New York City Council continues to pass regulatory mandates without considering building income or geographic realities. Because there are no carve-outs for older rent stabilized portfolios, these policies hit our NOI directly: The Fairness in Apartment Rental Act (Fare Act): Landlords are now required to cover broker fees, a direct hit to the NOI with no mechanism to recoup costs. Because there are no carve-outs for older rent- stabilized portfolios, these policies hit our NOI directly: The Fairness in Apartment Rental Act (Fare Act): Landlords are now required to cover broker fees, a direct hit to the NOI with no mechanism to recoup costs. Cooling/AC Mandate: We do not know if the electrical infrastructure of a 100-year-old building can handle the electrical supply required for

comprehensive AC installation. XRF Lead Testing: Lowered lead remediation thresholds require thousands of dollars in costly testing and immediate remediation efforts. Gas Appliance/Stove Law: There are only about 1,100 licensed master plumbers in New York City. Clogging this limited resource to install stoves has caused major delays and skyrocketing costs. Facade Mandate: Imposes massive capital improvement mandates on pre-war buildings that simply do not have the capital reserves to comply.”

“Everyone is all for lower rents for those with less money and higher rents for those with money, but where does anyone get off advocating that a small property owner, under penalty of a tax or a fine, should be forced to rent their property at a rate determined by law that results in the owner losing money? Apartments of rent stabilized apt buildings are being hurt because "legal" rents are not enough to cover expenses, including increasing insurance premiums, increasing utility bills, increasing water bills, and increasing real estate taxes, despite income being effectively FROZEN by law, and because, once an apartment is rented out, an owner is forced, by law, to continue renting to that person INDEFINITELY, no matter how horrible that person is toward the owner or fellow tenants, unless the tenant is PAID OFF to vacate... Many small owners, fed up with being nickel and dimed each year as they lose more money each year, are being forced to sell their buildings to real estate vultures (developers and "investment trusts") who have many ways of removing rent stabilized tenants from buildings, after which they create un-regulated and un-restricted "market rate" housing, for which the city provides tax abatements and other incentives to do so. Apartments of rent- stabilized apt buildings are being hurt because "legal" rents are not enough to cover expenses, including increasing insurance premiums, increasing utility bills, increasing water bills, and increasing real estate taxes, despite income being effectively FROZEN by law, and because, once an apartment is rented out, an owner is forced, by law, to continue renting to that person INDEFINITELY, no matter how horrible that person is toward the owner or fellow tenants, unless the tenant is PAID OFF to vacate... Many small owners, fed up with being nickel and dimed each year as they lose more money each year, are being forced to sell their buildings to real estate vultures (developers and "investment trusts") who have many ways of removing rent- stabilized tenants from buildings, after which they create un-regulated and un-restricted "market rate" housing, for which the city provides tax abatements and other incentives to do so. The city is clearly working against owners of affordable housing in a multitude of ways. It is no good for owners or for renters to have laws that serve only the interests of owners or only the interests of renters. There need to be sensible laws that help both groups, rather than one extreme law or another that keeps both groups at war with each other. There also needs to be property tax reduction on buildings with rent stabilized tenants, in exchange for rent freezes for those tenants. There also needs to be property tax reduction on buildings with rent- stabilized tenants, in exchange for rent freezes for those tenants. That way, owners can keep their buildings and tenants can keep their apts. WIN-WIN.”

“I respectfully ask that you consider the impact of a rent freeze on small property owners like my family. We own a six-unit building with rent stabilized apartments, including a rent-controlled unit. We own a six-unit building with rent- stabilized apartments, including a rent-controlled unit. We are not a large real estate corporation with investors, attorneys, and extensive resources. We are local owners who work hard to provide safe, well-maintained housing and who take pride in treating our tenants with respect and care. Our tenants enjoy living here, and we value the sense of community we have built over the years. However, the costs of operating our building continue to rise. Property taxes, insurance, electricity, heating

oil, repairs, maintenance, and labor costs increase year after year. Meanwhile, allowable rent increases have often failed to keep pace with these expenses. We understand the challenges tenants face, but small landlords face challenges as well. A rent freeze may provide temporary relief for tenants, but it places additional financial strain on small property owners who are already struggling to keep up with rising costs. Without reasonable rent adjustments, many small landlords will eventually be forced to sell their properties. Too often, those properties are purchased by large real estate companies, reducing the number of independent owners who have a personal stake in their buildings and neighborhoods. We are not asking for excessive increases. We are simply asking for fair and reasonable adjustments that allow small property owners to maintain their buildings, serve their tenants, and remain part of the communities we have helped create. Please do not overlook the voices of small landlords. We are an important part of New York City's housing community, and we need policies that recognize the realities we face every day.”

“Since 2019 I have been in the red on managing and maintaining the properties. A few years back, I was hoping to leave the properties to my children and retire but I am using my retirement money to keep up with expenses and I cannot retire. For the past 10 years, the real estate taxes went up 60%, insurance increased by 125% and so on. Even the RGB stated that for the last 10 years our expenses increased by 48.6%. The HSTPA does not allow any vacancy increases unless improvements are made to the apartment, but you need to understand that every time an apartment becomes vacant, we lose 1 to 2 months of rent, the apartment has to be cleaned and painted also we are required to pay broker fees for re-rental. It takes at least 2 years to evict a non-paying tenant. I have a case that is reaching a 5-year mark and no rent being paid. The HSTPA has also made it impossible to invest money into our properties. My last MCI filed with the state would take 782 months to recoup the money and well over 100 years with the interest on the loan. I have not given raises to the supers since 2018. I am running out of money and banks do not want to give any money out when refinancing rent stabilized properties. The increase provided by RGB is the only lifeline left for our properties.”

Selected Excerpts from Oral and Written Testimony from Public Officials⁴

Comments from public officials included:

“I want to speak directly to one of the arguments we hear every year: that rent increases are necessary because rent stabilized landlords are in financial distress. We have to be honest and nuanced about the data. Most rent stabilized buildings are not in financial distress. What we are also seeing is the consequences of years of overleveraging, especially what happened in the years leading up to the Great Recession and before the 2019 rent reforms. Owners who gambled took on excessive debt, betting they could cash out by pushing tenants out and deregulating apartments. Tenants should not be forced to pay for that failed gamble. The same tenants whose home stability and communities were treated as investment opportunities deserve our advocacy. They deserve protection; they deserve to stay in their homes. At the same time, I do want to complicate the narrative. There are those that need help. Some owners do need tools that make real repairs and preserve affordable housing. And that is why I have been at the forefront on the Council pushing for smarter preservation policy, including reforms to how we use tools like Article 11 —tens of millions of dollars in tax exemptions spent

⁴ Sources: Submissions by public officials.

by the City of New York every year. Where are those dollars going, and what scopes of work are being implemented to keep tenants safe? J-51 is going to be reauthorized, God willing, by the end of this year for 10 years to also fund fundamental repairs. I wish that this board could consider different treatment of tenant income. I wish the board would entertain more nuanced conversation about pre-1974 rent stabilized buildings versus newer buildings with tax exemptions and higher rents. I wish we could talk separately about small, owner-occupied rent stabilized buildings. I wish we could talk separately about small, owner-occupied rent-stabilized buildings. Those would be productive conversations. But in the absence of that nuance, we must be clear about the choice before us. I ask this Board to recognize the severity of this crisis, reject the argument that tenants should bear the burden of speculative decisions and failed preservation policy & vote to protect rent-stabilized tenants.”

“I'm here with a simple message on behalf of Brooklyn tenants: Freeze the rent. While New Yorkers have been struggling more than ever to put food on the table, Mayor Adams raised rents by 12.6% throughout his term—the highest rate increase since the Bloomberg administration. For the past four years, rents have gone up faster than inflation, further squeezing the pockets of New Yorkers when the city should have stepped up to provide relief. We're all here today because Brooklyn tenants are struggling. It feels impossible to find an affordable home, or even to afford the home you already have. More than half of New York City households are rent-burdened, meaning they are paying over 30% of their income toward rent; about 33% are paying more than 50% of their income to rent. We're talking about hundreds of thousands of Brooklynites, including regulated tenants, who are forced to choose between paying rent on time and affording basic essentials. Evictions are up. Shelters are on the brink. None of this is sustainable. It shouldn't come as a surprise that the families leaving the city at the fastest rate are people of color making between \$32,000 and \$65,000 a year. To top it all off, President Trump's policies aren't helping. We have unnecessary wars that are making costs even higher for families, alongside federal cuts that are threatening programs that create affordable housing and help keep families in their homes. His economic agenda has resulted in more inflation, more income inequality, higher unemployment, and reduced access to public benefits. In fact, after so many increases, what we really should be talking about is a rent rollback. However, on a technical level, it seems like the board is only considering an increase of 0% to 4%. Therefore, I call on the Rent Guidelines Board to choose 0% for both one- and two-year leases. Freezing rent-regulated units is one of the most important tools we have to fight rampant gentrification and displacement in our cities. Our communities are counting on you.”

“I've been a lifelong tenant. I have never owned a home—never have. I'm a senior. But I also represent both sides. I want to thank the board, all of you sitting in here. It's a very tough job. I'd like to thank you very much from the bottom of my heart for sitting here and listening to both sides of the aisle. What I really want to propose is fairness on both sides. We need landlords, and we need tenants, because tenants support the landlord, and landlords invest in building their houses. In reality, you can't have rent raises without considering that there are also costs involved. Just two days ago, the water commission board increased water rates by 6%. Last year, it was less than 3.5%. Those costs have to be borne. At the same time, I understand the tenants. Like myself, I've been a lifelong tenant and have never owned a home. I know what it's like to rent, and I also know what it's like to have no money at one point. But there is a balance to strike. I thank the board for thinking about fairness on both sides. Whatever decision you make, our hope is that you just look at both sides of the issue—both the landlords with their operating costs, and the tenants who need to have stable rentals.

Thank you again. That's all I have to say and thank you for listening. Thank you to everyone here. We need balance, and we really need fairness on both sides. You can't have one without the other. Think about this, folks: we are not enemies. We have to live together as New Yorkers. We need both sides.”

“Our first priority must be to ensure our tenants are able to keep a roof over their heads. Rent stabilized tenants in The Bronx simply cannot afford to pay exorbitant rent increases, especially when faced with higher costs on everything else. Rent- stabilized tenants in The Bronx simply cannot afford to pay exorbitant rent increases, especially when faced with higher costs on everything else. The proposed rent hikes of between 0% and 2% for one-year leases and between 0% and 4% for two-year leases reflect a necessary balance between the rising costs on landlords and the strained ability of tenants to absorb higher rents. During this unprecedented housing crisis, our tenants deserve a City that takes their concerns seriously and enables them to stay in their homes, while also preventing property owners from having insufficient financial resources to maintain their buildings in a good state of repair. I have heard too many stories from too many tenants about their financial struggles, the substandard quality of their housing, and the harassment that they are facing. Every one of them deserves the same access to quality and affordable housing that tenants of other boroughs are able to obtain. After the approved increases over the past few years, additional large increases would put thousands of rent-burdened households at risk of eviction and displacement. I urge the Rent Guidelines Board to protect vulnerable New Yorkers as you consider this proposed rent increase. As we continue to pursue strategies to tackle the housing crisis and reduce housing costs, we cannot and should not support any rent increase that will punish our tenants and have lasting consequences for our city.”

FINDINGS OF THE RENT GUIDELINES BOARD

Rent Guidelines Board Research

The Rent Guidelines Board based its determination on its consideration of the oral and written testimony noted above, as well as upon its consideration of statistical information prepared by the RGB staff set forth in these findings and the following reports:

1. *2026 Income and Expense Study*, March 2026 (based on income and expense data provided by the Finance Department, the *Income and Expense Study* measures rents, operating costs and net operating income in rent stabilized buildings);
2. *2026 Mortgage Survey Report*, April 2026 (an evaluation of recent underwriting practices, financial availability and terms, lending criteria, building sales data);
3. *2026 Income and Affordability Study*, April 2026 (including employment trends, housing court actions, changes in eligibility requirements and public benefit levels in New York City);
4. *2026 Price Index of Operating Costs*, April 2026 (measuring the price change for a market basket of goods and services which are used in the operation and maintenance

of stabilized hotels);

5. *2026 Housing Supply Report*, May 2026 (including information new housing construction measured by certificates of occupancy in new buildings and units authorized by new building permits, building violations data, tax abatement and exemption programs, and cooperative and condominium conversion and construction activities in New York City); and
6. *Changes to the Rent Stabilized Housing Stock in NYC in 2025*, May 2026 (quantifying events that lead to additions to and subtractions from the rent stabilized housing stock).

The six reports listed above may be found in their entirety on the RGB's website, nyc.gov/rgb, and are also available at the RGB offices, One Centre St., Suite 2210, New York, NY 10007 upon request.

2026 Income and Expense Study

Between 2023 and 2024, Net Operating Income (NOI) increased 6.2% for buildings containing rent stabilized units. After adjusting for inflation, NOI rose 2.2%. The growth in NOI Citywide was greatest in Staten Island, rising 15.1%, while in Core Manhattan, it rose 10.0%, Upper Manhattan, by 9.1%, Queens by 6.8%, and Brooklyn by 4.4%. By contrast, NOI fell 0.1% in the Bronx. NOI growth between 2023 and 2024, adjusted for inflation, grew by 6.1% in Core Manhattan and 0.9% in the remainder of the City.

2026 Price Index of Operating Costs for Rent Stabilized Apartment Units in New York City

This year, the PIOC for all rent stabilized apartments increased by 5.3%. Increases occurred in all seven PIOC components. Taxes, which carry the highest weight in this year's Index, increased by 2.6%. The largest proportional increase was seen in Fuel (11.0%), followed by Insurance Costs (10.5%). More moderate increases were seen in Maintenance (6.0%), Utilities (5.6%), Administrative Costs (4.8%), and Labor Costs (3.0%). Each of these components, except for Fuel and Maintenance, increased at a slower pace than the previous year, including Taxes, which declined by 1.3 percentage points.

The growth in the Consumer Price Index (CPI), which measures inflation in a wide range of consumer goods and services, was lower than the PIOC, rising by 3.3% during this same time period. Excluding the cost of shelter, the CPI rose by 2.7% in the PIOC time period.⁵ See the table below for changes in costs and prices for buildings that contain rent stabilized apartments between 2025 and 2026.

The "Core" PIOC, which excludes changes in fuel oil, natural gas, and steam costs used for heating buildings, is useful for analyzing long-term inflationary trends. The Core PIOC rose by 4.8% this year and was lower than the overall PIOC due to the exclusion of costs in the Fuel

⁵ The average CPI for All Urban Consumers, New York-Northeastern New Jersey for the year from March 2025 to February 2026 (347.5) compared to the average for the year from March 2024 to February 2025 (336.4) rose by 3.3%. This is the latest available CPI data and is roughly analogous to the "PIOC year." The CPI includes the cost of shelter (i.e. primarily rent of primary residence and owner's equivalent rent of primary residence), which accounts for approximately 41% of the overall CPI. In the most recent "PIOC year," the CPI for "all items less shelter" (59% of the overall weight of the total CPI) rose by 2.7%.

component, which increased by 11.0%. The PIOC for apartments heated by gas increased by 5.3%, and those heated by oil increased by 5.5%. The PIOC for pre-1974 apartments rose by 5.3%, less than that for post- 1973 apartments, which increased by 5.9%. The PIOC for hotels increased by 4.4%, and the Loft PIOC increased by 6.5%.

Table 1

2025-26 Percentage Changes in Components of the Price Index of Operating Costs for Rent Stabilized Apartment Houses in New York City⁶			
Component	Expenditure Weights	2025-26 Percentage Change	2025-26 Weighted Percentage Change
Taxes	27.92%	2.63%	0.73%
Labor Costs	11.86%	2.95%	0.35%
Fuel Oil	7.85%	11.03%	0.87%
Utilities	10.87%	5.58%	0.61%
Maintenance	18.49%	6.03%	1.11%
Administrative Costs	13.51%	4.80%	0.65%
Insurance Costs	9.49%	10.54%	1.00%
All Items	100%	-	5.32%

Source: 2026 Price Index of Operating Costs.

On April 16, 2026, the staff of the Rent Guidelines Board released a memo to Board members with additional information concerning the 2026 Price Index of Operating Costs. The memo follows:

[START OF MEMO]

Question 1: Can a summary of the annual change in the Insurance Costs component for the previous 10 years be provided?

PIOC Year	PIOC Insurance Costs Component Change		
	Pre-1974	Post-1973	Total
2017	8.4%	0.2%	8.0%
2018	3.5%	1.0%	3.3%
2019	7.4%	-5.8%	6.0%
2020	18.2%	1.8%	16.5%
2021	20.0%	6.9%	18.8%
2022	11.9%	5.9%	10.9%
2023	13.0%	12.2%	12.9%
2024	21.8%	19.5%	21.7%
2025	20.7%	9.1%	18.7%
2026	11.6%	5.4%	10.5%

Source: 2017-2026 Price Indices of Operating Costs

⁶ Totals may not add due to weighting and rounding.

Question 2: Were the returned PIOC owner surveys proportionally representative, by borough, to the survey sample?

The sample frame for the Owner Survey portion of the PIOC included more than 45,000 buildings that contain rent stabilized units registered with New York State Homes and Community Renewal (HCR). RGB staff used a random sampling scheme to choose 15,000 addresses from this pool for the Owner Survey. As illustrated in the table below, the 15,000 buildings chosen for the 2026 PIOC survey sample were nearly proportional to the borough breakdown of the 2024 HCR building file (excluding co-ops and condos). The table below also illustrates the borough breakdown of the survey responses. A total of 431 responses were received, from which 416 insurance policies were utilized. While the utilized insurance policies in both Brooklyn and Staten Island were proportional to the total HCR registration file in 2024, responses in both the Bronx and Manhattan were underrepresented, and Queens was overrepresented. See the table below for a borough breakdown of buildings in the total 2024 HCR registration file (excluding co-ops and condos), the survey sample, and the responses for which insurance costs were utilized.

Borough	2024 HCR File (without co-ops and condos)		2026 PIOC Survey Sample		2026 PIOC Valid Insurance Responses	
	Number of Buildings	Proportion of Buildings	Number of Buildings	Proportion of Buildings	Number of Buildings	Proportion of Buildings
Bronx	7,400	15.9%	2,385	15.9%	41	9.9%
Brooklyn	16,494	35.5%	5,295	35.3%	156	37.5%
Manhattan	13,015	28.0%	4,182	27.9%	86	20.7%
Queens	9,132	19.7%	2,993	20.0%	131	31.5%
Staten Island	419	0.9%	145	1.0%	2	0.5%
NYC Total	46,460	100.0%	15,000	100.0%	416	100.0%

[END OF MEMO]

Local Law 63/Income & Expense Review

The sample size for the Income and Expense (I&E) Study is 17,764 properties containing 805,312 units. This is the 34th year that staff has been able to obtain longitudinal data in addition to the primary, “moment-in-time” RPIE data set. The RGB staff found the following average monthly (per unit) operating and maintenance (O&M) costs in 2025 Real Property Income and Expense (RPIE) statements for the year 2024:

Table 2

2024 Average Monthly Operating and Maintenance Costs Per Unit			
	Pre '74	Post '73	All Stabilized
Total	\$1,192	\$1,249	\$1,203

Source: 2026 *Income and Expense Study*, from 2025 Real Property Income and Expense filings for 2024, NYC Department of Finance.

In 1992, the DOF and RGB staff tested RPIE expense data for accuracy. Initial examinations found that most “miscellaneous” costs were administrative or maintenance costs, while 15% were not valid business expenses. Further audits on the revenues and expenses of 46 rent stabilized properties revealed that O&M costs stated in RPIE filings were generally inflated by about 8%.

Until four years ago, the annual I&E Study reported both unaudited O&M expenses, and well as audited expenses (with O&M costs adjusted downwards as based on the results of the 1992 audit). However, since the original audit was conducted over thirty years ago and included a limited number of properties, RGB staff three years ago began using an alternate methodology to adjust O&M expenses. The RPIE data provided to the RGB by the DOF includes records that have had income and expenses adjusted by the DOF when they consider these figures to be outside of what is reasonable as part of their assessment valuations, including adjustments to expense ratios and vacancy rates. Staff also requested a subset of this data that includes only those properties where no adjustments have been deemed necessary. To calculate an adjustment in costs, staff calculated the difference between the weighted average operating costs among buildings that did not have any DOF assessment adjustments and compared it to the weighted average operating costs found in the main data set. RGB staff believes it is a more accurate adjustment because it uses current expense data. Average costs among this year’s main data set were 3.07% higher than among the non-adjusted building data set, down from a difference of 4.25% last year. Therefore, this year’s new cost adjustment reduces expenses by 3.07%. Adjustment of the 2024 RPIE O&M cost (\$1,203) by the results of this year’s cost adjustment results in an average monthly O&M cost of \$1,166. As a result, the following relationship between operating costs and residential rental income was suggested by the Local Law 63 data:

Table 2(a)

2024 Operating Cost to Rent/Income Ratio with Adjusted Costs					
	Adjusted O&M Costs ⁷	Rent	O&M to Rent Ratio	Income	O&M to Income Ratio
All stabilized	\$1,166	\$1,681	0.694	\$1,890	0.617

Source: 2026 *Income and Expense Study*, from 2025 Real Property Income and Expense filings for 2024 NYC Department of Finance.

⁷ Overall O&M expenses were adjusted as described above. The unadjusted O&M to Rent ratio would be 0.716. The unadjusted O&M to Income ratio would be 0.632.

On April 14, 2026, the staff of the Rent Guidelines Board released a memo to Board members with additional information concerning the *2026 Income and Expense Study*. The memo follows:

[START OF MEMO]

Following the presentation of the *2026 Income & Expense Study*, board members posed several questions regarding the study. Staff responses are provided below:

Q1: A Board member asked for a comparison of expenses among 50%+ stabilized, 80%+ stabilized and 100% stabilized buildings.

See the following table for the Average Monthly Collected Rent and Expenses per Dwelling Unit per Month in 2024 by proportion of stabilized units in a building:

Average Monthly Collected Rent, Income and Expenses by Category per Dwelling Unit per Month by Stabilized Proportion in 2024

	All Buildings	50%+ Stabilized	80%+ Stabilized	100% Stabilized
Collected Rent	\$1,681	\$1,529	\$1,488	\$1,408
Collected Income	\$1,890	\$1,739	\$1,695	\$1,586
Total Expenses	\$1,203	\$1,121	\$1,089	\$1,039
Taxes	\$316	\$272	\$256	\$236
Maintenance	\$209	\$193	\$189	\$188
Administration	\$153	\$144	\$140	\$132
Labor	\$134	\$126	\$121	\$103
Utilities	\$123	\$124	\$124	\$125
Insurance	\$107	\$109	\$109	\$109
Fuel	\$89	\$87	\$86	\$89
Miscellaneous	\$72	\$66	\$63	\$57

Q2: A Board member asked for income and expense figures among Community Districts that saw a substantial change between last year and this year's Income and Expense Study.

The following table shows the requested comparison for all Community Districts in the I&E Study.

**Change in Rent, Income, Costs and NOI by Community
District from 2023 to 2024**

CD	Neighborhood	Rent Change	Income Change	Costs Change	NOI Change
102	Greenwich Village/Soho	5.4%	5.3%	3.5%	8.1%
103	Lower East Side/Chinatown	5.3%	5.3%	3.0%	9.4%
104	Chelsea/Clinton	7.1%	6.7%	4.1%	10.8%
105	Midtown	7.6%	7.5%	2.5%	17.4%
106	Stuyvesant Town/Turtle Bay	6.2%	5.8%	2.0%	12.2%
107	Upper West Side	5.6%	5.5%	1.6%	13.0%
108	Upper East Side	5.6%	5.3%	2.2%	10.4%
109	Morningside Hts./Hamilton Hts.	6.2%	5.5%	3.4%	11.3%
110	Central Harlem	3.8%	3.8%	4.6%	1.9%
111	East Harlem	4.9%	5.4%	4.1%	8.0%
112	Washington Hts./Inwood	4.4%	3.9%	1.9%	10.6%
201	Mott Haven/Port Morris	2.4%	4.2%	6.9%	-2.6%
202	Hunts Point/Longwood	5.9%	4.3%	10.3%	-13.1%
203	Morrisania/Melrose/Claremont	5.1%	5.7%	6.3%	3.5%
204	Highbridge/S. Concourse	3.5%	4.0%	5.8%	-1.3%
205	University Heights/Fordham	3.4%	3.5%	4.9%	-1.4%
206	E. Tremont/Belmont	4.6%	4.4%	4.4%	4.4%
207	Kingsbridge Hts./Mosholu/Norwood	3.7%	3.8%	3.5%	5.0%
208	Riverdale/Kingsbridge	3.0%	2.9%	4.0%	0.2%
209	Soundview/Parkchester	4.1%	4.4%	4.1%	5.4%
210	Throgs Neck/Co-op City	4.5%	3.7%	4.9%	0.5%
211	Pelham Parkway	4.5%	3.8%	1.7%	9.4%
212	Williamsbridge/Baychester	4.3%	4.1%	4.1%	4.2%
301	Williamsburg/Greenpoint	6.6%	6.8%	6.0%	7.6%
302	Brooklyn Hts./Fort Greene	6.2%	5.6%	5.2%	6.0%
303	Bedford Stuyvesant	5.1%	4.9%	5.3%	4.3%
304	Bushwick	3.8%	4.6%	3.0%	6.2%
305	East New York/Starett City	6.0%	5.8%	3.6%	12.2%
306	Park Slope/Carroll Gardens	5.5%	6.5%	3.8%	10.0%
307	Sunset Park	5.1%	4.6%	4.8%	4.3%
308	North Crown Hts./Prospect Hts.	4.3%	3.7%	4.0%	3.3%
309	South Crown Hts.	4.3%	3.6%	4.0%	2.9%

CD	Neighborhood	Rent Change	Income Change	Costs Change	NOI Change
310	Bay Ridge/Dyker Hts.	3.6%	3.9%	2.6%	6.8%
311	Bensonhurst	2.8%	2.8%	3.7%	0.6%
312	Borough Park	4.5%	4.6%	4.1%	5.5%
313	Coney Island	4.3%	4.8%	5.7%	3.2%
314	Flatbush/Midwood	4.0%	3.9%	5.3%	0.8%
315	Sheepshead Bay/Gravesend	3.5%	3.6%	3.3%	3.9%
316	Brownsville/Ocean Hill	-0.1%	4.1%	0.3%	13.3%
317	East Flatbush	4.4%	4.7%	4.0%	6.1%
318	Flatlands/Canarsie	5.1%	5.1%	1.9%	12.5%
401	Astoria	4.1%	4.1%	2.5%	6.7%
402	Sunnyside/Woodside	3.5%	3.6%	3.5%	3.9%
403	Jackson Hts.	2.1%	2.3%	1.3%	4.9%
404	Elmhurst/Corona	2.1%	4.5%	2.0%	10.0%
405	Middle Village/Ridgewood	4.3%	3.3%	2.5%	4.4%
406	Forest Hills/Rego Park	4.7%	4.7%	5.7%	2.4%
407	Flushing/Whitestone	4.9%	4.7%	4.7%	4.3%
408	Hillcrest/Fresh Meadows	4.4%	4.6%	3.1%	7.5%
409	Kew Gardens/Woodhaven	4.9%	4.2%	5.6%	0.7%
412	Jamaica	4.7%	5.0%	2.6%	14.0%
414	Rockaways	4.2%	5.3%	6.6%	2.6%
501	North Shore	7.6%	7.7%	6.7%	9.9%

Q3: A Board member asked for Net Operating Income (NOI) that is adjusted for inflation when housing costs are excluded.

When housing costs are excluded, the inflation rate is reduced to 2.57%, down from 3.79% that includes housing costs. The following chart shows the nominal change in NOI, inflation-adjusted change (including housing costs) in NOI and the inflation-adjusted change (excluding housing costs) in NOI.

Change in NOI Citywide, Core Manhattan, and the City Excluding Core Manhattan from 2023 to 2024

	Nominal Change in NOI	Inflation-adjusted Change in NOI (including housing costs)	Inflation-adjusted Change in NOI (excluding housing costs)
Citywide	6.2%	2.2%	3.4%
Core Manhattan	10.0%	6.1%	7.3%
City excluding Core Manh.	4.7%	0.9%	2.1%

Q4: A Board member asked for the change in the number of buildings considered distressed compared to the total number of buildings analyzed in both last year and this year's I&E Study.

- As per the 2026 I&E Study, 1,628 buildings were considered distressed, out of a total of 17,764 buildings in the study. This indicates a distressed rate of 9.2%.
- As per the 2025 I&E Study, 1,563 buildings were considered distressed, out of a total of 16,722 buildings in the study. This indicates a distressed rate of 9.3%.

Q5: At the March 26, 2026 meeting, a guest speaker inquired whether the Real Property Income & Expense (RPIE) data utilized in the Income & Expense Study is adjusted data, rather than raw data.

Upon receiving a request for information, the Department of Finance confirmed that the RPIE data provided to the RGB utilizes actual, raw numbers to generate the aggregated data provided to the RGB. As in prior years, buildings in which operating costs exceeded income by more than 300% as well as buildings above the 99th percentile or below the 1st percentile are excluded. See Methodology section of the *I&E Study* (page 22).

[END OF MEMO]

Forecasts of Operating and Maintenance Price Increases for 2026-27

In order to decide upon the allowable rent increases for two-year leases, the RGB considers price changes for operating costs likely to occur over the next year. In making its forecasts the Board relies on expert assessments of likely price trends for the individual components, the history of changes in prices for the individual components and general economic trends. The Board's projections for 2026-27 are set forth in Table 3, which shows the Board's forecasts for price increases for the various categories of operating and maintenance costs.

Table 3

Year-to-Year Percentage Changes in Components of the Price Index of Operating Costs: Actual 2025-26 and Projected 2026-27		
	Price Index 2025-26	Projected Price Index 2026-27
Taxes	2.6%	4.7%
Labor Costs	3.0%	3.9%
Fuel Oil	11.0%	-7.5%
Utilities	5.6%	-1.7%
Maintenance	6.0%	4.6%
Administrative Costs	4.8%	4.8%
Insurance Costs	10.5%	16.9%
Total (Weighted)	5.3%	4.1%

Source: 2026 Price Index of Operating Costs.

Overall, the PIOC is expected to grow by 4.1% from 2026 to 2027. Costs are predicted to rise in five components, with the largest growth (16.9%) projected to be in Insurance Costs. Taxes, the component that carries the most weight in the Index, is projected to increase by 4.7%. Other projected increases include Administrative Costs (4.8%), Maintenance (4.6%), and Labor Costs (3.9%). In contrast, both Fuel and Utilities costs are projected to decline, by 7.5% and 1.7%, respectively. Table 3 shows projected changes in PIOC components for 2027. The Core PIOC is projected to rise by 5.1%, 1.0 percentage points higher than the overall projected PIOC for rent stabilized apartments.

Consideration of Other Factors

Before determining the guideline, the Board considered other factors affecting the rent stabilized housing stock and the economics of rental housing.

Effective Rates of Interest

The Board considered current mortgage interest rates and the availability of financing and refinancing. It reviewed the staff's *2026 Mortgage Survey Report* of lending institutions. Table 4 gives the reported rate and points for the past nine years as reported by the mortgage survey.

Table 4

2026 Mortgage Survey ⁸ Average Interest Rates and Points for New Financing of Permanent Mortgage Loans 2018-2026									
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Avg. Rates	4.8%	4.7%	4.0%	3.8%	3.9%	6.0%	7.0%	6.7%	6.1%
Avg. Points	0.44	0.38	0.22	0.38	0.32	0.29	0.37	0.30	0.32

Source: 2018–2026 Annual Mortgage Surveys, RGB.

⁸ Institutions were asked to provide information on their "typical" loan to rent stabilized buildings. Data for each variable in any particular year and from year to year may be based upon responses from a different number of institutions.

On April 22, 2026, the staff of the Rent Guidelines Board released a memo to Board members with additional information concerning the 2026 Mortgage Survey Report. The memo follows:

[START OF MEMO]

Following the presentation of the 2026 Mortgage Survey Report, a board member inquired about additional information regarding building sales data.

The table below presents data on the number of buildings with stabilized units sold in 2024 and 2025, categorized by the proportion of stabilized units within each building, whether the building is pre-1974 or post-1973, and whether the building is located outside of Manhattan. It also includes the average price per unit in 2025 and the price change from 2024.

	Number of Buildings Sold in 2024	Number of Buildings Sold in 2025	2025 Avg. Price per Unit	Inflation- adjusted change from 2024
50%+ Pre-74 Citywide	349	495	\$146,038	-9.4%
80%+ Pre-74 Citywide	262	383	\$130,714	-8.3%
100% Pre-74 Citywide	139	180	\$167,243	-3.1%
50%+ Post-73 Citywide	31	40	\$456,250	19.4%
80%+ Post-73 Citywide	31	38	\$456,701	19.6%
100% Post-73 Citywide	15	22	\$591,250	*
50%+ excl. Manhattan	311	443	\$161,680	-10.1%
80%+ excl. Manhattan	260	371	\$160,067	-11.0%
100% excl. Manhattan	142	184	\$191,434	15.9%

*Too few buildings to calculate change in price

Source: NYC Department of Finance

[END OF MEMO]

Condition of the Rent Stabilized Housing Stock

In 2025, there was a 15.3% increase from 2024 in the number of permits issued for new housing units, rising to 17,673. There was also an increase of 14.3% in the number of units completed in new buildings, to 38,691, in addition to a net gain of 5,879 units via alterations. The number of units newly receiving 421-a benefits increased by 35.5% from 2024 levels. Rehabilitation of housing units under the J-51 tax abatement and exemption program decreased by 55.0% in 2025. The number of Class B and Class C violations in buildings containing rent stabilized units fell by 8% between 2024 and 2025, including a decrease of 9% in buildings built prior to 1974 that are at least 80% rent stabilized. Housing Court litigations

initiated by, or naming, the NYC Department of Housing Preservation and Development declined by 10.1% from the prior year, including a 13.6% decline in buildings containing rent stabilized units. As of 2023, a tight housing market also remains in New York City (NYC), with a Citywide net rental vacancy rate of 1.41% and 9.2% of all rental housing considered overcrowded.

The Board reviewed the number of units that are exiting the rental market due to cooperative and condominium conversions. Table 5 presents the count of conversions since 2017.

Table 5

Number of Cooperative / Condominium Plans ⁹ Accepted for Filing, 2017-2025									
	2017	2018	2019	2020	2021	2022	2023	2024	2025
New Construction	224	233	227	186	183	130	158	198	137
Conversion Non-Eviction	18	11	11	12	4	3	2	7	7
Conversion Eviction	0	0	0	0	0	0	0	0	0
Rehabilitation	33	42	43	37	33	42	34	55	58
Total	275	286	281	235	220	205	194	260	202

Source: New York State Attorney General's Office, Real Estate Financing.

At the May 21, 2026 Housing Supply Report presentation, three questions were asked for which an immediate answer could not be provided. The memo follows:

[START OF MEMO]

Question 1: Can you provide the proportion of new construction versus preservation, by affordability level, for affordable housing starts reported by the NYC Department of Housing Preservation and Development?

As noted in the 2026 Housing Supply Report, of all the 29,735 affordable housing starts in 2025, 45.6% were new construction, and 54.4% were preservations. By affordability level, 26.0% of the starts in 2025 were designated for extremely low-income households, 25.4% at very low-income households, 27.7% at low-income households, 4.6% at moderate-income households, and 16.2% at middle-income or higher households.¹⁰

By affordability level, of the 7,745 units started in 2025 for extremely low-income households, 34% were new construction and 66% were preservation. Of the 7,553 units started for very low-

⁹ "Accepted" refers only to those co-op and condo plans that require offering plans. Those that do not and receive a "no-action" letter from the NYS Attorney General's office, are not included in this data. Within the 2023 data there are 20 residential plans (with 73 residential units) that have been accepted for filing but have outstanding deficiencies. The information entered for these plans was entered upon processing of the initial submission of the offering plan, so some of the data may be outdated and/or incomplete.

¹⁰2026 Housing Supply Report, NYC Rent Guidelines Board.

income households, 29% were new construction and 71% were preservation. Of the 8,242 units started for low-income households, 46% were new construction and 54% were preservation. Of the 1,368 units started for moderate-income households, 37% were new construction and 63% were preservation. Of the 4,827 units started for middle-income or higher households, 92% were new construction and 8% were preservation.¹¹

By project type, of the 13,549 units of new construction started in 2025, 19.2% were designated for extremely low-income households; 15.9% at very low-income households; 28.2% at low-income households; 3.7% at moderate-income households; and 32.9% at middle-income or higher households. Of the 16,186 preservation units started in 2025, 31.8% were designated for extremely low-income households; 33.3% at very low-income households; 27.3% at low-income households; 5.3% at moderate-income households; and 2.3% at middle-income or higher households.¹²

Question 2: Can you provide the number of open violations related to either false certifications by the owner, or failure to provide access by the tenant?

As reported in the 2026 Housing Supply Report, 24.1% of the Class B and Class C violations issued to buildings that contain rent stabilized units in 2024 remained open as of May 1, 2026, as did 35.9% of the violations issued in 2025. As of June 1, 2026, each of these proportions decreased slightly, with 23.2% of the 2024 violations, and 33.8% of the 2025 violations, remaining open. The HPD violation data published each day on NYC OpenData also includes the current status of the violations. In 2025, in buildings that contain rent stabilized units, just over half of the open violations (53.1%) have a recorded status of “Notice of Violation Sent Out,” indicating that the violation was sent to the owner of record. The second most common status of open violations (at 13.4%) is “Not Complied With,” indicating that a reinspection of the violation found that the condition still exists as of the status date. Third most common (at 10.9%) is a failure to gain access to the tenant’s apartment to inspect the reported violation. False certifications account for 1.3% of the open violations.¹³

Similar to open violations in 2025, in 2024 the most common reason for an open violation is “Notice of Violation Sent Out,” accounting for 46.3% of all open violations (in buildings that contain rent stabilized units). However, the second most common status of open violations in 2024, at 17.5%, is a failure to gain access to the tenant’s apartment to inspect the reported violation. The third most common status, at 14.5%, is “Not Complied With.” False certifications account for 0.7% of the open violations.

Additional data on false certifications can be obtained from HPD’s annual report to the NYC Council on the Certification of Correction Process for Class C violations.¹⁴ Pursuant to Local Law 117 of 2019, no later than March 31 annually, HPD must present the findings of the audits of certifications of corrections performed in the previous year. HPD must audit no fewer than 15% of all certifications of correction of Class C violations filed with the agency. The audit is an

¹¹NYC Open Data, Affordable Housing Production by Building: <https://data.cityofnewyork.us/Housing-Development/Affordable-HousingProduction-by-Building/hg8x-zxpr>. Data current through March 20, 2026.

¹²See footnote 11.

¹³All data is from the NYC OpenData portal: https://data.cityofnewyork.us/Housing-Development/Housing-Maintenance-Code-Violations/vwx-fdw5/about_data. The determination of a building’s rent stabilization status is based on the Borough-Block-Lots (BBLs) of buildings registered with NYS Homes and Community Renewal (HCR) as of April 1, 2024. Note that it is not possible, with publicly available data, to determine if the status of the open violations has changed over time. These figures provide the status as of June 1, 2026.

¹⁴<https://www.nyc.gov/assets/hpd/downloads/pdfs/services/certification-of-corrections-cy25.pdf>.

inspection to ensure that the violating conditions cited in the notice of violation have been corrected.

HPD reports that in 2025:

- 279,136 Class C violations were issued in 2025, a 6% decrease from 2024
- The certification rate slightly decreased from 43% in 2024, to 42% in 2025
- HPD attempted reinspections for 63% of Class C certifications received, well over the mandated 15% reinspection requirement
- The reinspection completion rate was 75% for attempted reinspections
- The false certification rate was 32% in 2025, nearly equal to 2024

By violation type, HPD found that:

- When factoring in the number of reinspections completed by HPD for pests compared to other violation types, pest violations were found to be falsely certified at a higher rate, 50%, compared to the overall 32% rate. HPD attributes this high false certification rate to the nature of pest violation correction. Even though an owner may properly treat such a condition and therefore validly certify that steps were taken to address this condition, pest conditions may take many treatments over a longer period of time to properly remediate and often require a more comprehensive pest management plan requiring consistent action and maintenance from both property owners and tenants. A total of 26% of the total number of false certifications are for pest violations.
- While self-closing door violations are greater in number and make up a larger percentage (49%) of the total number of false certifications, these violations were found to be falsely certified at a slightly lower rate, 30%, compared to the overall percentage of 32%.
- Violations concerning the proper notice and access to heating systems were found to be falsely certified at a higher rate than average, 42%, compared to the overall 32% false certification rate.
- Window guard violations are falsely certified at approximately the average overall rate, with 31% found to be falsely certified upon reinspection.
- Mold, heat/hot water, and lead-based paint violations are among the violation categories with the lowest rate of false certification, at 14%, 13%, and 2% of reinspections, respectively. This has implications especially for the dismissal of lead-based paint violations, which currently cannot be deemed complied without a certification reinspection, even though the numbers indicate that 98% of the time the condition is properly and validly corrected.

Question 3: How many Class B and Class C violations issued in 2019 remain open, and what is the change in Class B and Class C violations between 2019 and 2025?

As of late May, 2026, 9.7% of the Class B/C violations issued in 2019 to buildings that contain rent stabilized units remain open.¹⁵ Similar to open violations in 2025, in buildings that contain rent stabilized units the most common reason for the open violation is “Notice of Violation Sent Out,” accounting for 33.7% of all open violations. However, while false certifications were rare in open violations from 2024 and 2025 (see Question 2), the second most common reason for

¹⁵The same NYS Homes and Community Renewal annual registration file (from 2024) was used to identify buildings that contain rent stabilized units in both 2019 and 2025. Therefore, any buildings that completely left rent stabilization between 2020 and 2024 would not be quantified in the 2019 data.

open violations issued in 2019 (23.7%) is false certifications. “Not Complied With” is the third most common reason for open violations, at 18.2%.¹⁶

In buildings that contain rent stabilized units, the number of Class B and Class C violations issued in 2019 (337,708) increased by 44.2% in 2025 (to 486,820).¹⁷ The violation orders that experienced the greatest increase were related to self-closing doors (Order 530,¹⁸ the enforcement and inspection of which were increased by HPD in 2022), and orders to repair or replace any broken or defective items in an apartment (Orders 501¹⁹ and 502²⁰).

[END OF MEMO]

Consumer Price Index

The Board reviewed the Consumer Price Index. Table 7 shows the percentage change for the NY-Northeastern NJ Metropolitan area since 2019.

Table 6

Percentage Changes in the Consumer Price Index for the New York City - Northeastern New Jersey Metropolitan Area, 2019-2026 (For "All Urban Consumers")								
	2019	2020	2021	2022	2023	2024	2025	2026
1st Quarter Avg. ²¹	1.5%	2.3%	1.5%	5.5%	5.5%	3.1%	4.0%	3.4%
Yearly Avg.	1.7%	1.7%	3.3%	6.1%	3.8%	3.8%	3.9%	--

Source: U.S. Bureau of Labor Statistics.

Calculation of the Current Operating and Maintenance Expense to Income Ratio

Each year the Board estimates the current average proportion of the rent roll which owners spend on operating and maintenance costs. This figure is used to ensure that the rent increases granted by the Board compensate owners for the increases in operating and maintenance expenses. This is commonly referred to as the O&M to income ratio.

With current longitudinal income and expense data, staff has constructed an index, using 1989 as a base year. This index is labeled as Table 7. Except for the last three years, this index measures past changes in building income and operating expenses as reported in annual

¹⁶See Endnote 13.

¹⁷To ensure a more parallel comparison between 2019 and 2025, buildings built after 2019 were excluded from the number of violations issued in 2025.

¹⁸Order 530: § 27-2005, 27-2007, 27-2041.1 HMC, §238, § 309; § 107 (2) (C) MDL AND 28 RCNY §25-171: REPLACE OR REPAIR THE SELF-CLOSING DOORS THAT IS MISSING OR DEFECTIVE

¹⁹Order 501: § 27-2005 HMC: PROPERLY REPAIR OR REPLACE THE BROKEN OR DEFECTIVE....

²⁰Order 502: § 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE....

²¹ First Quarter Average refers to the change of the CPI average of the first three months of one year to the average of the first three months of the following year.

income and expense statements. The second- and third-to-latest years in the table reflect actual PIOC increases and projected rent changes. The last year in the table - projecting into the future - include staff projections for both expenses and rents.

In order to calculate the change in income for the latest three years, staff uses the RGB Rent Index. The RGB Index calculates the change in rent based on the guidelines passed by the Board, as well as the change in rent upon vacancy. The RGB Index is calculated using the adjustments authorized in applicable Apartment and Loft Orders and the change in rents upon vacancy (most recently, 0.0%). Then, in order to represent the same 12-month time period as the change in costs, measured change in income is adjusted to match the same period as measured change in costs. Therefore, the change in rent incorporates seven months of the previous Rent Index (7/12 or 58.3%), plus five months of the most recent Rent Index, (5/12 or 41.7%).

However, this index is not without limitations. First, as noted, for the latest two years of the index, it will continue to rely upon the price index and staff rent and cost projections. Second, while this table looks at the overall relationship between costs and income, it does not measure the specific impact of any change in rent regulation on that relationship.

Table 7

Calculation of Operating and Maintenance Cost Ratio for Rent Stabilized Buildings from 1989 to 2027			
Year ²²	Average Monthly O & M Per d.u. ²³	Average Monthly Income Per d.u.	Average O & M to Income Ratio
1989	\$370 (\$340)	\$567	.65 (.60)
1990	\$382 (\$351)	\$564	.68 (.62)
1991	\$382 (\$351)	\$559	.68 (.63)
1992	\$395 (\$363)	\$576	.69 (.63)
1993	\$409 (\$376)	\$601	.68 (.63)
1994	\$415 (\$381)	\$628	.66 (.61)
1995	\$425 (\$391)	\$657	.65 (.59)
1996	\$444 (\$408)	\$679	.65 (.60)
1997	\$458 (\$421)	\$724	.63 (.58)
1998	\$459 (\$422)	\$755	.61 (.56)
1999	\$464 (\$426)	\$778	.60 (.55)
2000	\$503 (\$462)	\$822	.61 (.56)
2001	\$531 (\$488)	\$868	.61 (.56)
2002	\$570 (\$524)	\$912	.63 (.57)
2003	\$618 (\$567)	\$912	.68 (.62)
2004	\$654 (\$601)	\$969	.67 (.62)
2005	\$679 (\$624)	\$961	.71 (.65)
2006	\$695 (\$638)	\$1,009	.69 (.63)
2007	\$738 (\$678)	\$1,088	.68 (.62)
2008	\$790 (\$726)	\$1,129	.70 (.64)
2009	\$781 (\$717)	\$1,142	.68 (.63)
2010	\$790 (\$726)	\$1,171	.67 (.62)
2011	\$812 (\$746)	\$1,208	.68 (.63)
2012	\$841 (\$772)	\$1,277	.66 (.60)
2013	\$884 (\$812)	\$1,337	.66 (.61)
2014	\$946 (\$869)	\$1,434	.66 (.61)
2015	\$960 (\$882)	\$1,487	.64 (.59)
2016	\$985 (\$905)	\$1,552	.63 (.58)
2017	\$984 (\$904)	\$1,524	.65 (.59)
2018	\$1,034 (\$950)	\$1,568	.66 (.61)
2019	\$1,070 (\$983)	\$1,626	.66 (.61)
2020	\$1,035 (\$951)	\$1,580	.66 (.60)
2021	\$1,091 (\$1,037)	\$1,667	.65 (.62)
2022	\$1,164 (\$1,113)	\$1,769	.66 (.63)
2023	\$1,160 (\$1,111)	\$1,786	.65 (.62)
2024	\$1,203 (\$1,166)	\$1,890	.65 (.62)
2025 ²⁴	\$1,279 (\$1,240)	\$1,941	.66 (.64)
2026 ²⁵	\$1,347 (\$1,305)	\$2,002	.67 (.65)
2027 ²⁶	\$1,402 (\$1,359)	\$2,032	.69 (.67)

Source: RGB Income and Expense Studies, 1989-2026; Price Index of Operating Costs, 2023 – 2026
RGB Rent Index for 2023 – 2026.

²² The O&M and income data from 2008 to 2011 has been revised from that reported in previous explanatory statements to reflect actual, rather than estimated, expense and income data.

²³ Operating and expense data listed through 2020 is based upon unaudited filings with the Department of Finance. Audits of 46 buildings conducted in 1992 suggest that expenses may be overstated by 8% on average. Beginning with 2021 data, expense adjustments were calculated by taking the difference between the weighted average operating costs among buildings that did not have any DOF assessment adjustments and compared it to the weighted average operating costs found in the Finance data set. Average costs among the main data set were 4.94 percentage points larger than among the non-adjusted building data set in 2021, 4.41 in 2022, and 4.25 in 2023. In 2024, the most recent data available, the average costs among the main data set were 3.07 percentage points larger than among the non-adjusted building data set. Therefore, the cost adjustment for years 2024-2027 reduces expenses by 3.07%. See the Local Law 63/Income & Expense Review section above for additional information. Figures in parentheses are adjusted to reflect these findings.

²⁴ Estimated expense figure includes 2025 expense updated by the PIOC for the period from 3/1/24 through 2/28/25 (6.3%). Income includes the income for 2025 updated by staff estimate based upon guidelines and choice of lease terms for a period from 3/1/24 through 2/28/25 (2.70% --- i.e., the 10/1/23 to 9/30/24 rent projection (2.08%) times (.583), plus the 10/1/24 to 9/30/25 rent projection (3.56%) times (.417)).

²⁵ Estimated expense figure includes 2026 expense updated by the PIOC for the period from 3/1/25 through 2/29/26 (5.3%). Income includes the income for 2026 updated by staff estimate based upon guidelines and choice of lease terms for a period from 3/1/25 through 2/28/26 (3.15% --- i.e., the 10/1/24 to 9/30/25 rent projection (3.56%) times (.583), plus the 10/1/25 to 9/30/26 rent projection (2.59%) times (.417)).

²⁶ Estimated expense figure includes 2026 expense estimate updated by the 2027 PIOC projection for the period from 3/1/26 through 2/28/27 (4.1%). Income includes the income estimate for 2027 updated by staff estimate based upon guidelines and choice of lease terms for a period from 3/1/25 through 2/28/26 (1.51% - i.e., the 10/1/25 to 9/30/26 rent projection (2.59%) times (.583), plus the 10/1/26 to 9/30/27 rent projection (0.00%) times (.417)).

Changes in Housing Affordability

Per the 2026 *Income and Affordability (I&A) Study*, indicators of employment include an average of 23,800 jobs added by NYC businesses in 2025, a 0.5% increase, but the smallest proportional increase in employment since 2009 (excluding the pandemic year of 2020). The average annual unemployment rate for NYC residents rose to 5.2% in 2025, up from 5.0% in 2024. By borough, the rate ranged from 4.5% to 6.8%, highest in the Bronx and lowest in Staten Island.

Wages and household income are also reported in the *I&A Study*. In the most recent time period studied (the fourth quarter of 2024 through the third quarter of 2025) there was an increase in average inflation-adjusted wages earned within NYC, which increased by 2.3%, while nominal wages increased by 6.1%. Median renter income is also reported by the annual *American Community Survey (ACS)*. In 2024, in inflation-adjusted terms the median renter income rose by 1.8%. By borough, renter income in real terms increased in each borough but the Bronx in 2024, rising by the greatest proportion in Manhattan (6.9%), and declining by 5.3% in the Bronx. Citywide, median renter income rose by 5.7% nominally. Specifically for renter households, household income decreased by 1.7% in real terms for the lowest quintile from 2023 to 2024, as well as by 1.5% for the second quintile. However, “real” income increased for each of the highest three quintiles of renter households, increasing by 1.2% in the third quintile, 2.6% in the fourth quintile, and 2.4% in the highest quintile.

Measuring inflation, the Consumer Price Index (CPI) rose by 3.4% in the NYC metropolitan area during 2025, a decrease of 0.4 percentage points from 2024. The overall CPI increase was accelerated by an increase of 4.7% in the rent index portion of the CPI and dampened by the increase in the CPI for “all costs less shelter,” which increased by 2.7% in 2025. The overall CPI increase was accelerated by an increase of 4.7% in the rent index portion of the CPI and dampened by the increase in the CPI for “all costs less shelter,” which increased by 2.7% in 2025.

The *I&A Study* also examines the cost and affordability of rental housing. Data from the 2024 ACS shows that 51.6% of NYC renter households pay 30% or more of their income toward rent, including 28.8% that pay 50% or more. The median gross rent-to-income ratio was 30.9% in 2024, a decrease of 0.2 percentage points. By borough, the median gross rent-to-income ratio ranged from 28.3% in Manhattan to 37.3% in the Bronx. Citywide, in inflation-adjusted terms, there was an increase in median contract rent of 0.6%, and a decrease of 0.2% in median gross rent. By borough, median gross rents in real terms increased in both the Bronx and Brooklyn in 2024, but fell in Manhattan, Queens, and Staten Island.

Other affordability indicators include data from Housing Court. Non-payment filings in Housing Court decreased by 1.3%, and non-payment cases scheduled to be heard decreased by 12.1% in 2025. Evictions increased in 2025 for the fourth consecutive year. 62% of the units with evictions in 2025 were in buildings containing rent stabilized units (though not necessarily rent stabilized units), an increase of 0.9 percentage points from 2024. While evictions rose by 9.7% overall, they rose by 11.8% in buildings that contain rent stabilized units and 6.5% in buildings that do not. By borough, approximately 38.2% of evictions in buildings containing

rent stabilized units were in the Bronx, 24.0% in Brooklyn, 20.7% in Manhattan, 15.9% in Queens, and 1.2% in Staten Island.”

The *I&A Study* also reports on both sheltered homelessness and recipients of cash assistance and other public benefits. Including asylum-seekers, the average daily number of individuals in NYC Department of Homeless Services shelters decreased by 1.7% in 2025, but levels remain considerably higher than in 2022 (preceding the impact of asylum-seekers). Excluding asylum-seekers, the shelter census increased by 2.1% in 2025. Cash assistance caseloads rose by 7.4% in 2025, while the number of SNAP (food stamp) recipients declined by 0.4%, and Medicaid enrollees declined by 5.0%.²⁷

On April 24, 2026, the staff of the Rent Guidelines Board released a memo to Board members with additional information concerning the *2026 Income & Affordability Study*. The memo follows:

[START OF MEMO]

At the April 16, 2026 *Income & Affordability Study* (I&A) presentation, five questions were asked for which an immediate answer could not be provided. Answers follow.

Question 1: Are the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) and cash assistance benefits indexed to inflation?

SNAP program benefits have historically been indexed to the change in cost of specific food items in the Consumer Price Index. Maximum monthly allotments have been tied to the cost of purchasing a nutritionally adequate low-cost diet, as measured by USDA's Thrifty Food Plan (TFP). Each June, maximum allotments were adjusted for food price inflation using the Consumer Price Index for the food items that make up the TFP. The maximum monthly allotments were updated each October to reflect this change.²⁸ For instance, in October 2025, the maximum benefits were increased by approximately 2% from October 2024 levels.²⁹ Future increases will be based on the overall CPI, regardless of the price of the food component of the CPI.³⁰

Note that in 2021, the TFP was updated, resulting in a 21% increase in food stamp benefits.³¹

Cash assistance benefits are not indexed to inflation. Historic information on benefit levels was difficult to obtain, but according to the New York City Bar, maximum cash assistance benefits were last increased in 2012.³² Another report, published in 2024, states that “Cash assistance benefits in New York can buy 34% less than they did 30 years ago. If benefit amounts in 1996 (\$557 for a family of 3) had kept up with inflation, that amount today would be \$1,115, not \$789.”

³³

²⁷ See the *2026 Income and Affordability Study* for the sources of all data presented in this section.

²⁸ <https://www.congress.gov/crs-product/IF12664>.

²⁹ <https://www.fns.usda.gov/snap/fy-2025-cola> and <https://www.fns.usda.gov/snap/allotment/cola/fy26>.

³⁰ <https://www.cbo.gov/system/files/2025-08/61367-SNAP.pdf>.

³¹ <https://www.fns.usda.gov/cnpp/thrifty-food-plan-2021>.

³² <https://www.nycbar.org/blogs/increase-public-assistance-benefits-needs-allowance-cash-assistance/>.

³³ <https://familypolicynyc.org/explainer/shifting-cash/>.

Question 2: Are there any projections on future SNAP, Cash Assistance, or Medicaid needs?

Recent projections for benefit programs center primarily around changes to the SNAP program. Per the NYC Human Resources Agency, the agency which administers SNAP, “On November 1, 2025, HRA was required to implement the Supplemental Nutrition Assistance Program (SNAP) eligibility requirements for Able Bodied Adults Without Dependents (ABAWD). ABAWD identified individuals will be required to comply with the ABAWD requirements beginning March 1, 2026.” Under Federal law, SNAP clients who are considered Able-Bodied Adults Without Dependents (ABAWDs) need to meet certain work requirements. Generally, adults aged 18 to 64 who: do not live with a child under age 14 in the household; or are not pregnant or caring for a person who cannot care for themselves; or do not have any mental or physical barriers to employment.”³⁴

In September 2025, the Adams administration estimated that 221,000 households would lose SNAP in NYC as a result of these new work requirements.³⁵ A July 2025 article in the New York Times quoted the former commissioner of the New York City Department of Social Services estimating a loss of 130,000 households on SNAP.³⁶ A more recent New York Times article, from March 2026, cites an estimate of 180,000 households losing SNAP, without citing the source of the estimate.³⁷

Changes to the Medicaid program will go into effect on January 1, 2027. Per the NYS Department of Health: “Starting January 1, 2027, some people who have Medicaid coverage will need to show they are working, going to school, helping out in the community, or participating in job training to keep their health coverage. This is a new federal rule from the government called Work Requirements for Medicaid Coverage. If this rule affects you, you'll need to do 80 hours of approved activities each month. You can do these things to meet the requirements: earn income of \$580 per month; OR A) Work at least 80 hours per month at a job where you get paid; B) Go to school at least half-time; C) Join a job training or work program; D) Volunteer or help out in your community; A combination of any of the above activities (A-D). There are exemptions from these requirements for New Yorkers who meet a wide variety of criteria, such as being younger than 19 or older than 64; being disabled; in a SNAP household, and subject to SNAP work requirements; enrolled in TANF and meeting TANF work requirements; or diagnosed with a physical or mental health condition that makes it hard to work.”

In August 2025, Governor Hochul estimated that statewide “Over two million New Yorkers could lose their current insurance coverage. This includes approximately 730,000 lawfully present non-citizens who could lose their Essential Plan (EP) coverage, as over half of the budget for the EP, approximately \$7.5 billion in federal funding, is being eliminated. Additionally, a further 1.3 million New Yorkers will lose Medicaid coverage due to new eligibility and verification hurdles. Out of these 2 million people, 1.5 million New Yorkers are expected to become uninsured. As a result,

³⁴ <https://www.nyc.gov/site/hra/help/snap-benefits-food-program.page>.

³⁵ <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=7517346&GUID=E5A025C7-CE1E-4001-A4B6-1B3FFDE78A67&Options=&Search=>.

³⁶ Maslin Nir, S. (2025, July 11). 300,000 New Yorkers Could Lose Food-Stamp Benefits After Trump's Cuts. *The New York Times*. <https://www.nytimes.com/2025/07/11/nyregion/nyc-snap-food-stamps-trump.html>. Note that it is not entirely clear if this figure refers to people or households, but most likely it is households.

³⁷ Haag, M. (2026, March 6). 180,000 New Yorkers May Lose Food Stamp Benefits Under New Work Rules. *The New York Times*. <https://www.nytimes.com/2026/03/06/nyregion/snap-food-stamps-work-requirements.html>. Note that it is not entirely clear if this figure refers to people or households, but most likely it is households.

uncompensated care costs to hospitals and providers are projected to rise to over \$3 billion annually.”³⁸

It does not appear that any recent changes have been implemented for the Cash Assistance Program.

Question 3: Can more detailed wage information be provided, such as wages by quintile, or wages just for residents of New York City?

Current wage data is not released in a format that would allow for additional details beyond what is already provided in the *I&A Study*. However, data from the *2024 American Community Survey* includes data on wages.

For all NYC full-time workers, the median wage in 2024 (\$71,199) increased by 3.6% in nominal terms from 2023 (\$68,733) but decreased by 0.2% in inflation-adjusted terms. The average wage in 2024 (\$105,643) increased by 2.4% in nominal terms from 2023 (\$103,199) but decreased by 1.4% in inflation-adjusted terms.³⁹

For all NYC full-time workers in renter households, the median wage in 2024 (\$64,976) increased by 6.2% in nominal terms from 2023 (\$61,171) and increased by 2.3% in inflation-adjusted terms. The average wage in 2024 for workers in renter households (\$94,033) increased by 4.3% in nominal terms from 2023 (\$90,179) and increased by 0.5% in inflation-adjusted terms.⁴⁰

Compared to full-time workers in owner households in 2024, average wages were 25% lower for renters, and median wages were 22% lower.

Wages for full-time workers in renter households can also be compared by quintile. Each quintile represents the average wage within approximately 20% of households. Examining the change from 2023 to 2024 (the two most recent years of data), in nominal terms average wages in each quintile increased from 2023 to 2024, increasing by 5.3% in the lowest quintile, 6.8% in the second quintile, 6.5% in the third quintile, 6.1% in the fourth quintile, and 5.9% in the highest quintile. Each quintile also increased in inflation-adjusted terms between 2023 and 2024, rising by 1.5% in the lowest quintile, 2.9% in the second quintile, 2.6% in the third quintile, 2.2% in the fourth quintile, and 2.0% in the highest quintile.

Question 4: Is there any information about debt for NYC residents?

³⁸ <https://www.governor.ny.gov/news/governor-hochul-joins-us-representative-ritchie-torres-warn-crippling-effects-republicans-big>.

³⁹ Data is directly from tables published on the Census Bureau’s website from the 2023 and 2024 American Community Surveys. <http://data.census.gov>.

⁴⁰ Note that the estimates of wages for renters were tabulated from Public Use Microdata Samples (PUMS), while the median and average wages for all NYC residents was from tables tabulated directly from the Census Bureau and published on their website. PUMS data includes approximately two-thirds of the cases used to create estimates on data.census.gov and contains additional edits and modifications like “top-coding” of continuous variables with outlying values. These modifications increase the margin of error and make the data slightly less reliable than data published directly from the Census Bureau.

As noted during the presentation, there is some information about debt and emergency savings via a Statewide survey from the Community Service Society in 2025. Following is the text from the *2026 Income and Affordability Study*:

In early fall 2025, the Community Service Society (CSS) conducted the “Annual Survey of Housing and Economic Security.” The survey gathered responses from 4,000 New York State (NYS) residents, half of whom were residents of NYC, and 10% of whom were rent stabilized or rent controlled tenants in NYC.⁶² Among the survey’s findings, 36% of NYS residents reported they “could not make ends meet or were barely getting by.” By income group, 20% of “higher-income” households (those earning more than 400% of the Federal Poverty Line (FPL)) reported financial difficulties, as well as 39% of “moderate-income” households (those earning between 201% and 400% of the FPL), and 60% of “lower-income” households (those earning 200% or less of the FPL). In addition, 25% of NYS households reported having no emergency savings, including 9% of “higher-income” households, 26% of “moderate-income” households, and 53% of “lower-income” households. Each of these individual proportions was similar to the proportions of each income group that reported that they would have difficulty paying for a \$400 emergency expense. Approximately a quarter to one-third of respondents in each income group also reported relying on short-term debt (such as credit cards or loans from family) to pay for everyday expenses.

CSS also released data for 403 rent stabilized tenants that participated in the Statewide survey. This data showed that 27% of rent stabilized tenants reported currently owing back rent; 49% said they “could not make ends meet or were barely managing to get by;” and 64% reported having an insufficient amount of emergency savings. For those rent stabilized tenants making 200% or less of the FPL, 66% said they could not make ends meet or were barely managing to get by,” and 83% reported having an insufficient amount of emergency savings.⁴¹

In August 2024, the NYC Comptroller’s Office release a report on credit card and auto debt for NYC residents from the first quarter of 2015 or the first quarter of 2016 through the first quarter of 2024.⁴² To obtain the data, the agency partnered with the Federal Reserve Bank of New York to focus on New York City specific credit data from the New York Fed’s Consumer Credit Panel, which is based on anonymized, individual credit report data from Equifax. You can read the full report on their website: <https://comptroller.nyc.gov/reports/household-debt-trends-among-nyc-residents/>.

Question 5: Can historical data on rent-to-income ratios be provided?

Following are tables with median gross-rent-to-income ratios from the 1996-2023 *NYC Housing and Vacancy Surveys (HVS)*, and the 2005-2024 *American Community Survey (ACS)*. The data from the *HVS* can be reported for both all renters and rent stabilized tenants. Data from the *ACS* can only be provided for all renters.

⁴¹ See page 18 of the 2026 Income and Affordability Study. <https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2026/04/2026-IA.pdf>.

⁴² “Spotlight: Household Debt Trends Among NYC Residents,” Office of the New York City Comptroller. August 13, 2024. <https://comptroller.nyc.gov/reports/household-debt-trends-among-nyc-residents/>.

Median Gross Rent-to-Income Ratios, NYC Housing and Vacancy Survey (1996-2023)

Year	All Renters	Rent Stabilized	Rent Stabilized Excluding Households with Rent Assistance*
1996	30.0%	30.2%	N/A
1999	29.2%	30.1%	N/A
2002	28.6%	28.3%	N/A
2005	31.2%	31.9%	30.4%
2008	31.5%	31.7%	30.3%
2011	33.8%	34.6%	32.7%
2014	33.8%	36.4%	33.5%
2017	33.7%	36.0%	33.5%
2021	34.3%	36.2%	32.2%
2023	29.5%	30.5%	28.8%

Source: 1996-2023 NYC Housing and Vacancy Surveys

*For tenants receiving rent assistance, such as Section 8 or CityFHEPS, “out-of-pocket” rent is generally no more than 30% of their income. However, the HVS calculates the rent-to-income ratio by dividing the contract or gross rent of the apartment (i.e., the amount the owner receives from both the tenant and the rental assistance program) by the respondent’s monthly income, resulting in artificially high rent-to-income ratios, often exceeding 100%. For instance, in 2023 (per the HVS) approximately 198,000 renter households received rent assistance, including 104,000 rent stabilized households. Of those households for which a gross rent-to-income ratio can be computed, approximately 70% who receive rent assistance are recorded by the HVS as paying more than 30% of their income towards gross rent, two-thirds pay more than 40%, and almost one-third pay 100% or more. Note that gross rent includes contract rent (the amount of rent paid to the owner of the unit), as well as additional tenant payments for electricity, gas, heat, and/or water and sewer charges.

Median Gross Rent-to-Income Ratios, American Community Survey (2005-2024)

Year	All Renters
2005	31.0%
2006	30.5%
2007	29.9%
2008	30.1%
2009	30.6%
2010	31.9%
2011	32.5%
2012	32.2%
2013	32.2%
2014	32.7%
2015	32.0%
2016	31.9%
2017	31.7%
2018	31.4%
2019	30.1%
2020	N/A
2021	32.2%
2022	31.2%
2023	31.1%
2024	30.9%

Source: 2005-2024 American Community Surveys

[END OF MEMO]

On April 29, 2026, the staff of the Rent Guidelines Board distributed a memo to Board members with data regarding lease terms for long-term rent stabilized tenants. The memo follows:

[START OF MEMO]

At the April 23, 2026 meeting of the Board, data for lease terms of long-term rent stabilized tenants was requested.

To determine what type of leases are predominant among long-term tenants, the analysis considered lease terms over the past 10 years (2016-2025). Note that we cannot determine the actual number of tenants who have been in place for at least 10 years, but the large size of the

sample (encompassing more than 200,000 units) should be representative of long-term tenants as a whole. However, this figure should not be interpreted as an estimate of the actual number of long-term tenants.⁴³

Note that the 200,000+ units in the analysis include only those tenants with their most recent lease terms beginning between May 2023 and April 2025, for whom lease terms could be determined in all of the HCR registration files over a ten-year period, and where the name of the primary tenant was exactly equal in each of the ten years.

To determine the lease term, the starting date of the lease was subtracted from the end date. Records with a term not equal to either one or two years (potentially because of typos in the start or end dates) were eliminated from the analysis. Because each of the ten files was analyzed independently from one another, it is possible a small number of records were included where the lease dates are conflicting (e.g. a lease that is recorded in one file to run from 5/1/2023 through 4/30/2025 (a two-year lease), but then the next year recorded as 5/1/2024-4/30/2025 (a one-year lease that overlaps with the previously recorded two-year lease)).

Records were removed from the analysis when the primary tenant name did not match exactly in all of the ten years (note that owners can register up to three tenant names and this analysis utilized only the first tenant name). A name mismatch may indicate a tenancy change, but may also be indicative of simple typos (e.g., John Smith in 2024 and Jon Smith in 2025). Without manually checking each record with a name mismatch, it could not be determined if there was a tenancy change, and therefore the record was not analyzed. In addition, where identified, records with organization names in the tenant field were manually removed from the analysis, even if the names matched in all ten years.

Of this sample of long-term tenants over the 10-year period, 48% of tenants always chose either a one-year or a two-year lease, and 52% of tenants chose both one- and two-year leases. For the 48% of tenants who always chose either a one-year or two-year lease, 22% always chose a one-year lease and 78% always chose a two-year lease. As a proportion of the total 200,000+ long-term tenants in this analysis, 10% always chose a one-year lease and 38% always chose a two-year lease.

Within the most recent HCR registration file (the 2025 preliminary file, which includes guidelines from RGB Orders #54, #55, and #56), 44% of all tenants chose a one-year lease and 56% of all tenants chose a two-year lease (a total of approximately 870,000 tenants). Tenants with vacancy leases overwhelmingly chose one-year leases (82%) and for tenants in place, 41% chose one-year leases and 59% chose two-year leases.

For the 200,000 long-term tenants in the 2025 HCR registration file, 28% were currently in one-year leases, and 72% were currently in two-year leases. For the remaining 600,000 units in the registration file signing renewal leases, 45% chose one-year renewal leases, and 55% chose two-year renewal leases.

⁴³The sample includes only those records that meet the parameters outlined in the following paragraphs. HCR registration data is reported by owners and may contain errors that impact the accuracy of the analysis. However, because the analysis encompasses more than 200,000 units, general trends can be inferred, even if the actual number of long-term tenants cannot.

[END OF MEMO]

On June 5, 2026, the staff of the Rent Guidelines Board released a memo to Board members with additional data on emergency grants for rent arrears (known more commonly as one-shot deals) from the NYC Human Resources Administration (HRA). The memo follows:

[START OF MEMO]

At the April 16, 2026 meeting of the Board, additional data on emergency grants for rent arrears (known more commonly as one-shot deals) from the NYC Human Resources Administration (HRA) was requested.

The following questions were asked of HRA, with data specifically for rent stabilized tenants (if available) and by borough:

1. The total number of applications HRA has received for one-shot deals from 2020 to the present?
2. The total dollar amount HRA has approved in one-shot deals and the average rental amount approved?
3. The total number of applications that HRA rejected and the reasons why (ex: 50% due to lack of future ability to pay, 30% due to lack of documentation, etc.)?
4. Were there recent changes in HRA rules that allow residents to apply for a one-shot deal before they are sued in court?

In response to these questions, HRA provided data, by borough, for the number of rent arrears cases and the total payment amounts from Fiscal Year (FY) 2020-FY2025 for tenants of all types. They advise that they can't limit their data on the rent arrears paid by HRA to just those in rent stabilized units, and are unable to provide the number of applications for rent arrears or the rejection reasons specific for rent arrears requests. They also advised that it has been, and remains, HRA standard agency practice to allow tenants to apply for a one-shot deal prior to being sued in court.⁴⁴

The tables on the following pages provide the number of rent arrears cases and total dollar payments for Fiscal Years 2020 through 2025, and the change in both metrics from year-to-year.

⁴⁴HRA did not provide a specific timeframe for the ability of tenants to apply for one-shot deals prior to being sued in court, but an internet search found this has been the case since at least 2007.

Borough	FY20 (July 1, 2019-June 30, 2020)			
	Rent Arrears Cases	Payments	Annual Change in Cases	Annual Change in Payments
Bronx	21,323	\$94,946,510	--	--
Brooklyn	15,259	\$68,370,626	--	--
Manhattan	9,375	\$39,201,417	--	--
Queens	4,521	\$20,730,619	--	--
Staten Island	1,692	\$6,258,681	--	--
Total	52,170	\$229,507,853	--	--
Borough	FY21 (July 1, 2020-June 30, 2021)			
	Rent Arrears Cases	Payments	Annual Change in Cases	Annual Change in Payments
Bronx	15,818	\$86,738,229	-25.8%	-8.6%
Brooklyn	12,084	\$60,982,598	-20.8%	-10.8%
Manhattan	7,316	\$37,053,319	-22.0%	-5.5%
Queens	3,999	\$21,241,400	-11.5%	2.5%
Staten Island	1,254	\$5,535,855	-25.9%	-11.5%
Total	40,471	\$211,551,401	-22.4%	-7.8%

Borough	FY22 (July 1, 2021-June 30, 2022)			
	Rent Arrears Cases	Payments	Annual Change in Cases	Annual Change in Payments
Bronx	9,011	\$42,213,132	-43.0%	-51.3%
Brooklyn	6,543	\$28,764,930	-45.9%	-52.8%
Manhattan	4,261	\$17,942,829	-41.8%	-51.6%
Queens	2,386	\$10,112,218	-40.3%	-52.4%
Staten Island	881	\$3,421,120	-29.7%	-38.2%
Total	23,082	\$102,454,229	-43.0%	-51.6%

Borough	FY23 (July 1, 2022-June 30, 2023)			
	Rent Arrears Cases	Payments	Annual Change in Cases	Annual Change in Payments
Bronx	17,364	\$130,842,083	92.7%	210.0%
Brooklyn	12,363	\$88,457,913	89.0%	207.5%
Manhattan	7,447	\$51,657,026	74.8%	187.9%
Queens	4,460	\$30,464,856	86.9%	201.3%
Staten Island	1,281	\$8,019,600	45.4%	134.4%
Total	42,915	\$309,441,478	85.9%	202.0%

Borough	FY24 (July 1, 2023-June 30, 2024)			
	Rent Arrears Cases	Payments	Annual Change in Cases	Annual Change in Payments
Bronx	22,668	\$216,829,595	30.5%	65.7%
Brooklyn	16,218	\$157,894,896	31.2%	78.5%
Manhattan	10,325	\$96,787,892	38.6%	87.4%
Queens	5,521	\$53,997,928	23.8%	77.2%
Staten Island	1,774	\$15,261,434	38.5%	90.3%
Total	56,506	\$540,771,745	31.7%	74.8%

Borough	FY25 (July 1, 2024-June 30, 2025)			
	Rent Arrears Cases	Payments	Annual Change in Cases	Annual Change in Payments
Bronx	21,069	\$230,995,805	-7.1%	6.5%
Brooklyn	14,933	\$158,346,218	-7.9%	0.3%
Manhattan	8,841	\$88,714,505	-14.4%	-8.3%
Queens	5,863	\$63,042,339	6.2%	16.7%
Staten Island	1,579	\$14,675,309	-11.0%	-3.8%
Total	52,285	\$555,774,176	-7.5%	2.8%

[END OF MEMO]

ADDITIONAL DATA AND TESTIMONY CONSIDERED BY THE RENT GUIDELINES BOARD:

NYC Department of Housing Preservation and Development (HPD):

“The 2023 NYCHVS showed an acute housing shortage across every rent level. Of the limited number of units that were vacant and available for rent, the typical asking rent was \$3,000 a month, which is considered affordable for families earning \$120,000 or more. Yet the median income of renter households was just \$70,000. Households earning \$70,000, on the other hand, can only afford rents at or below \$1,750. However, the net rental vacancy rate for units at that level was less than 1 percent. Importantly, that remained unchanged across both our 2021 and 2023 surveys. There is simply not enough low- and moderate-cost housing available for anyone and even less for the renter households in the bottom half of the income distribution. In the last 30 years, rents in New York City have increased dramatically...the median rent increased from \$1,000 to \$1,650 per month even after adjusting for inflation...In the last 30 years, New York City has experienced a net loss of ~600,000 low-cost units (that is defined here as units with rents below \$1,500 after adjusting for inflation). And about 75% of these were in rent stabilized buildings built before 1974. This graph shows the net decrease among units renting below \$1,500 per month, the 2023 median rent stabilized rent. It also shows a net gain of units renting for \$1,500 per month and above, with the biggest gain among units renting for \$5,000 or more.”

“The rent stabilized housing stock is quite diverse, and the distress we’re witnessing has varied causes. We need to be thoughtful when considering the best uses of our blunt, as-of-right tools and the best uses for our more narrowly tailored responses. Most owners need relief from rising expenses. As we saw from the TCIE data, the largest expense categories are property taxes, maintenance, insurance, and certain utilities. As part of the upcoming housing plan, the first of the new Mamdani Administration, we will tackle each of these in turn, looking to offer concrete strategies to lower each of these costs for rent stabilized and affordable buildings. If we can reduce rising costs, this will help most buildings. There are some rent stabilized buildings that are in distress and for which reducing costs will not be enough. These buildings need bigger interventions. The City can, and will, provide this support and will increase our investment in preservation to move more buildings through our pipeline more quickly. However, we should address higher levels of distress with more nuanced tools that are designed to specifically meet their needs and requires them to open their books to ensure appropriate public accountability”

The Center on Poverty & Social Policy at Columbia University:

“Rent stabilized tenants experience elevated rates of financial hardship, with around 1 in 4 struggling to pay the full amount of rent and monthly bills. The vast majority (81%) of rent stabilized tenants have made some changes to their spending due to rising costs of living, with cuts to spending on basic necessities like food (62%) driving much of this change.”

The Community Preservation Corporation:

“Expenses and revenue are two sides of the same coin.

- Pre-pandemic: monthly collections were reliably above 95% (less than 5% collections losses). Pre-2020, occupancy and collections moved in lockstep – if a building was occupied at 95%, it had a collections rate of 95%. This allowed lenders to underwrite to 95% (sometimes even 97%) collections.
- 2020-2022: During the pandemic, buildings remained occupied but started experiencing collections losses. CPC saw widespread collections problems and it was not uncommon for collections to drop into the low 70%’s.
- 2023-2025: Collections have slowly improved and typical collections in our construction portfolio today have rebounded to around 92%. However, buildings in our portfolio still have ongoing collections losses. Today, 95% occupancy no longer guarantees 95% collection.”

Buildings with Different Fuel and Utility Arrangements

The Board was also informed of the circumstances of buildings with different fuel and utility arrangements including buildings that are master metered for electricity and that are heated with gas versus oil (see Table 8). Under some of the Board's Orders in the past, separate adjustments have been established for buildings in certain of these categories where there

were indications of drastically different changes in costs in comparison to the generally prevailing fuel and utility arrangements. This year the Board did not make a distinction between guidelines for buildings with different fuel and utility arrangements under Order 58.

Table 8

Changes in Price Index of Operating Costs for Apartments in Buildings with Various Heating Arrangements, 2025-26	
Index Type	2025-26 Price Index Change
All Dwelling Units	5.3%
Pre-1974	5.3%
Post-1973	5.9%
Oil Used for Heating	5.5%
Gas Used for Heating	5.3%

Source: 2026 Price Index of Operating Costs.

Adjustments for Units in the Category of Buildings Covered by Article 7-C of The Multiple Dwelling Law (Lofts)

Section 286, subdivision 7 of the Multiple Dwelling Law states that the Rent Guidelines Board "shall annually establish guidelines for rent adjustments for the category of buildings covered by this article." In addition, the law specifically requires that the Board "consider the necessity of a separate category for such buildings, and a separately determined guideline for rent adjustments for those units in which heat is not required to be provided by the owner and may establish such separate category and guideline."

The increase in the Loft PIOC this year was 6.5%, lower than the increase of 9.6% in 2025. Increases in costs were seen in all eight components that make up this index. Fuel saw the highest proportional increase, rising by 11.5%, followed by a rise in Insurance Costs of 10.5%. The remaining six components all rose by lesser proportions, including Maintenance (6.0%), Administrative Costs-Other (5.4%), Utilities (4.4%), Labor Costs (2.9%), Administration Costs-Legal (3.4%) and Taxes (2.6%). Note that historically Administrative Costs in the Loft Index has been split into two components — Administrative Costs-Legal and Administrative Costs-Other. Therefore, the Loft PIOC has eight components.

This year's guidelines for lofts are for a one-year period 0% and for a two-year period 0%.

Table 9

Changes in the Price Index of Operating Costs for Lofts from 2025-26	
	Loft Price Index Change
All Buildings	6.5%

Source: 2026 Price Index of Operating Costs.

Special Guidelines for Vacancy Decontrolled Units Entering the Stabilized Stock

Pursuant to Section 26-513(b) of the New York City Administrative Code, as amended, the Rent Guidelines Board establishes a special guideline in order to aid NYS Homes and Community Renewal in determining fair market rents for housing accommodations that enter the stabilization system. This year, the Board set the guidelines at **49%** above the maximum base rent.

The Board concluded that for units formerly subject to rent control **49%** above the maximum base rent was a desirable minimum increase.

INCREASE FOR UNITS RECEIVING PARTIAL TAX EXEMPTION PURSUANT TO SECTION 421-A AND 423 OF THE REAL PROPERTY TAX LAW

The guideline percentages for 421-a and 423 buildings were set at the same levels as for leases in other categories of stabilized apartments.

This Order does not prohibit the inclusion of the lease provision for an annual or other periodic rent increase over the initial rent at an average rate of not more than 2.2 per cent per annum where the dwelling unit is receiving partial tax exemption pursuant to Section 421-a of the Real Property Tax Law. The cumulative but not compound charge of up to 2.2 per cent per annum as provided by Section 421-a or the rate provided by Section 423 is in addition to the amount permitted by this Order.

Votes

The votes of the Board on the adopted motion pertaining to the provisions of Order #58 were as follows:

	<u>Yes</u>	<u>No</u>	<u>Abstentions</u>
Guidelines for Apartment Order #58	7	1	-

Dated: June 25, 2026
Filed with the City Clerk: June 30, 2026

Chantella Mitchell
Chair
NYC Rent Guidelines Board

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NEW YORK CITY RENT GUIDELINES BOARD

2026 Hotel Order #56

June 25, 2026

Order Number 56 - Hotels, Rooming Houses, Single Room Occupancy Buildings and Lodging Houses. Rent levels to be effective for leases commencing **October 1, 2026** through **September 30, 2027**.

NOTICE IS HEREBY GIVEN PURSUANT TO THE AUTHORITY VESTED IN THE NEW YORK CITY RENT GUIDELINES BOARD BY THE RENT STABILIZATION LAW OF 1969, as amended, and the Emergency Tenant Protection Act of 1974, as amended and implemented by Resolution No. 276 of 1974 of the New York City Council, and in accordance with the requirements of Section 1043 of the New York City Charter, that the Rent Guidelines Board hereby **adopts** the following levels of fair rent increases over lawful rents charged and paid on **September 30, 2026**.

APPLICABILITY

This order shall apply to units in buildings subject to the Hotel Section of the Rent Stabilization Law (Sections 26-504(c) and 26-506 of the N.Y.C. Administrative Code), as amended, or the Emergency Tenant Protection Act of 1974 (L.1974, c. 576 §4 [§5(a)(7)]). With respect to any tenant who has no lease or rental agreement, the level of rent increase established herein shall be effective as of one year from the date of the tenant's commencing occupancy, or as of one year from the date of the last rent adjustment charged to the tenant, or as of **October 1, 2026**, whichever is later. This anniversary date will also serve as the effective date for all subsequent Rent Guidelines Board Hotel Orders, unless the Board shall specifically provide otherwise in the Order. Where a lease or rental agreement is in effect, this Order shall govern the rent increase applicable on or after **October 1, 2026** upon expiration of such lease or rental agreement, but in no event prior to one year from the commencement date of the expiring lease, unless the parties have contracted to be bound by the effective date of this Order.

RENT GUIDELINES FOR HOTELS, ROOMING HOUSES, SINGLE ROOM OCCUPANCY BUILDINGS AND LODGING HOUSES

Pursuant to its mandate to promulgate rent adjustments for hotel units subject to the Rent Stabilization Law of 1969, as amended (§26-510(e) of the N.Y.C Administrative Code), the Rent Guidelines Board hereby **adopts** the following rent adjustments:

The allowable level of rent adjustment over the lawful rent actually charged and paid on **September 30, 2026** shall be:

1) Residential Class A (apartment) hotels -	0%
2) Lodging houses -	0%
3) Rooming houses (Class B buildings containing less than 30 units) -	0%
4) Class B hotels -	0%
5) Single Room Occupancy buildings (MDL section 248 SRO's) -	0%

ADDITIONAL CHARGES

It is expressly understood that the rents collectible under the terms of this Order are intended to compensate in full for all services provided without extra charge on the statutory date for the particular hotel dwelling unit or at the commencement of the tenancy if subsequent thereto. No additional charges may be made to a tenant for such services, however such charges may be called or identified.

STATEMENT OF BASIS AND PURPOSE

The Rent Guidelines Board is authorized to promulgate rent guidelines governing hotel units subject to the Rent Stabilization Law of 1969, as amended, and the Emergency Tenant Protection Act of 1974, as amended. The purpose of these guidelines is to implement the public policy set forth in Findings and Declaration of Emergency of the Rent Stabilization Law of 1969 (§26-501 of the N.Y.C. Administrative Code) and in the Legislative Finding contained in the Emergency Tenant Protection Act of 1974 (L.1974 c. 576, §4 [§2]).

Dated: June 25, 2026

Chantella Mitchell
Chair
New York City Rent Guidelines Board

EXPLANATORY STATEMENT - HOTEL ORDER #56

Explanatory Statement and Findings of the Rent Guidelines Board in Relation to 2026-27 Lease Increase Allowances for Hotels under the Jurisdiction of the Rent Stabilization Law

Explanatory Statement and Findings of the Rent Guidelines Board Concerning Increase Allowances for Hotel Units Under the Jurisdiction of the Rent Stabilization Law, Pursuant to Hotel Order Number 56, Effective October 1, 2026 through and including September 30, 2027.⁴⁵

Pursuant to the authority vested in it by the Rent Stabilization Law of 1969 and the Emergency Tenant Protection Act of 1974, implemented by Resolution Number 276 of 1974 of the New York City Council, and extended by the Housing Stability and Tenant Protection Act of 2019, it is the responsibility of the Rent Guidelines Board to establish guidelines for hotel increases. Hotel Order Number 56, adopted on June 25, 2026, applies to stabilized hotel units occupied by non-transient tenants.

Hotel Order Number 56 provides for an allowable increase of **0%** over the lawful rent actually charged and paid on September 30, 2026 for rooming houses, lodging houses, Class B hotels, single room occupancy buildings, and Class A residential hotels. The Order does not limit rental levels for commercial space, non-rent stabilized residential units, or transient units in hotel stabilized buildings during the guideline period. The Order also provides that for any dwelling unit in a hotel stabilized building which is voluntarily vacated by the tenant thereof, the rent charged for a new tenancy may not exceed the rent charged on September 30, 2026.

DEFINITIONS

For the purpose of determining the appropriate classification of a hotel stabilized unit, the Board has set its definitions as follows:

- Residential hotels are “apartment hotels” which are designated as Class A multiple dwellings on the Certificate of Occupancy.
- Rooming houses are Class B multiple dwellings having fewer than thirty sleeping rooms as defined in Section 4(13) of the Multiple Dwelling Law.
- A single room occupancy building is a Class A multiple dwelling which is either used in whole or in part for single room occupancy or as a furnished room house, pursuant to Section 248 of the Multiple Dwelling Law.
- A Class B hotel is a hotel, which carries a Class B Certificate of Occupancy and contains units subject to rent stabilization.
- Lodging houses are those buildings designated as lodging houses on the Certificate of Occupancy.

⁴⁵ This Explanatory Statement explains the actions taken by the Board on individual points and reflects the general views of those voting in the majority. It is not meant to summarize all viewpoints expressed.

BACKGROUND

The Board issued Order No. 56 following **seven** public meetings, and **four** public hearings, as well as the Board's review of written, oral and video submissions provided by the public and a review of research and memoranda prepared by the Board's staff.

Public meetings of the Board were held on March 26, April 9, 16, and 23, and May 21, 2026, following public notices. On May 7, the Board adopted proposed rent guidelines for hotels, apartments, and lofts.

Four public hearings were held on June 4 from 5:15 p.m. to 9:00 p.m., June 8 from 5:25 p.m. to 10:00 p.m., June 11 from 7:10 p.m. to 11:45 p.m., and June 16 from 5:10 p.m. to 10:00 p.m. The Board heard testimony from 1 SRO tenant, 1 rooming house owner and no public officials. In addition, the Board received 1 written submission from a tenant representative. On June 25, 2026, the Board adopted guidelines set forth in Hotel Order Number 56.

Selected Oral and Written Testimony from Tenants and Tenant Groups:

- “Unfortunately, the conditions that warranted last year's 0% vote remain unchanged: SRO tenants continue to struggle while buildings designated for residential use by rent-stabilized tenants are increasingly used for other purposes, which generate significant profits in these buildings. This is further coupled by the recent inflation crisis, which heavily impacts people on fixed incomes. Considering that a disproportionate amount of people on fixed income live in SROs, these SRO tenants are heavily impacted by high inflation and everyday cost of living. As a result, a 0% vote is even more justified. We hope our testimony today will compel the Board to vote for a 0% rent increase for tenants of SROs again this year.”
- “The picture painted in the 2026 Income and Affordability Study is alarming for low-income New Yorkers generally. Unsurprisingly, the report indicates that in 2025 there was an increase in caseloads for cash assistance up 7.4%, with Supplemental Nutrition Assistance Program (SNAP) declining by .4%. The unemployment rates have increased to 5.2% since 2022. More worrisome, is the increase in caseloads following the end of the eviction moratorium since 2021, and the City's inability to guarantee the transformative Right to Counsel to all low-income tenants in eviction defense. Comparing numbers for 2021 and 2025, we see a 288% difference in non-payment filings, and a 364% in non-payment calendared cases. This economic hardship is coupled with a 4.0% inflation rate in the NYC metro area, higher than the national average of 3.3%. Low-income households are disproportionately affected by inflation with a drop in "real" wages by 4.3%.”
- “SRO tenants pay such a large portion of their income despite the fact that SROs are barely habitable. Most SRO tenants live in single rooms and have to use communal bathrooms located in the shared areas of the building. Lack of access to any kitchen facilities is a common feature of SRO life. The bedroom units are often tiny, with the legal minimum being as small as 80 square feet per person.”
- “The low vacancy rates in New York City suggest that building owners have little trouble renting out their units to permanent tenants. SRO landlords, however, have found more profitable uses of their properties that allow them to reap higher profits while depleting the

availability of this affordable housing stock. These uses include contracts with Department of Homeless Services, Human Resources Administration/HASA, net leasing to NYC Colleges, and renting to tourists, both legally and illegally. A report released in 2010 by the Manhattan Borough President's Office showed 1,336 SRO units were lost between 1996 and 2010 in Community District 7 (Upper West Side) alone.”

– “Many SRO buildings earn the vast majority of their income from sources other than renting to permanent rent-stabilized tenants. Rental income from permanent tenants pales in comparison to income from lucrative contracts with City agencies to house the homeless, illegally-operated tourist hotels and the student dormitory operations that are present in many SROs. In the instances where there are no such operations, rental income could be increased by simply returning to the market all the warehoused units that currently sit vacant.”

– “I live in one of those apartments that's called single room occupancy. If you don't know what that is, basically I room with other people. I rent a bed. And in these buildings, the conditions are really terrible. There are water leaks, pest issues everywhere. And the landlord actually just doesn't take any responsibility and ignores any repairs needed. In winter there's no heat and I have to call many times before someone will come and check out the problem. In the past, uh, rent for me, in these SROs, a bed costs \$15 to \$20 per night. And two years ago, the rent went up \$25 per night, per bed. And just like that, my rent increased by \$150 a month. And I am at an age I should retire, but I still have to work in restaurants because rent is just really expensive in New York and this is a huge burden on me. The cost of living keeps going up. If rent goes up again then my my housing will become even more insecure. So, this is why I'm asking for a rent freeze. This will ease the financial burden for immigrant tenants like me.”

Selected Oral and Written Testimony from Owners and Owner Groups:

– “We have not had a rent increase in 17 years. In that time, my insurance has gone from \$8,000 to \$23,000. The taxes gone from \$6,000 to \$24,000 and there are many other increases in fuel and all of that. I'm at the point where now rents range in that building from \$357 a month to \$518 and both of them in between somewhere. It's untenable at this point. If I have to sell, somebody's going to buy it, turn it into a townhouse, and 12 people will lose their home. So, I think in fairness, we should get an increase to make up for all the time we haven't had an increase. The reason the insurance is so high is insurance company says, "Oh, rooming houses only contain sort of unseedy people and you know, there's more danger of fire and all that." Everyone in my building works. Three of them make very large amounts of money and I don't resent that. But I'm saying they're capable and all the others are also capable of some sort of increase. Most small landlords are hurting very badly. So, I would hope that the board would take all of this into consideration.”

Selected Oral and Written Testimony from Public Officials:

– None submitted.

MATERIAL CONSIDERED BY THE BOARD

In addition to oral and written testimony presented at its public meetings and hearings, the Board's decision is based upon material gathered from the *2026 Price Index of Operating Costs* and *2026 Hotel Report*, prepared by the staff of the Rent Guidelines Board, reports and testimony submitted by owner and tenant groups relating to the hotel sector, and reports submitted by public agencies. The Board heard and received written testimony from invited guest speakers on April 23, 2026. Guest speakers representing hotel tenants included Evy Viruet from the Goddard Riverside Law Project.

FINDINGS OF THE RENT GUIDELINES BOARD

Rent Guidelines Board Research

The Rent Guidelines Board based its determination on its consideration of the oral and written testimony noted above, as well as upon its consideration of statistical information prepared by the RGB staff set forth in these findings and the following reports:

1. *2026 Mortgage Survey Report*, April 2026 (an evaluation of recent underwriting practices, financial availability and terms, and lending criteria);
2. *2026 Income and Affordability Study*, April 2026 (including employment trends, housing court actions, changes in eligibility requirements and public benefit levels in New York City);
3. *2026 Price Index of Operating Costs*, April 2026 (measuring the price change for a market basket of goods and services which are used in the operation and maintenance of stabilized hotels);
4. *2026 Hotel Report*, May 2026 (including data on rent stabilized hotels derived from NYS Homes and Community Renewal registration files, illegal hotel violations, and the number of Certifications of No Harassment);
5. *2026 Housing Supply Report*, May 2026 (including information new housing construction measured by certificates of occupancy in new buildings and units authorized by new building permits, tax abatement and exemption programs, and cooperative and condominium conversion and construction activities in New York City); and
6. *Changes to the Rent Stabilized Housing Stock in NYC in 2025*, May 2026 (quantifying events that lead to additions to and subtractions from the rent stabilized housing stock).

The six reports listed above may be found in their entirety on the RGB's website, www.nyc.gov/rgb, and are also available at the RGB offices, 1 Centre St., Suite 2210, New York, NY upon request.

Price Index of Operating Costs for Rent Stabilized Hotel Units

The Hotel Price Index includes separate indices for each of three categories of hotels that contain rent stabilized units (due to their dissimilar operating cost profiles), and a general index

for Hotels that includes all three. The three categories of hotels are: 1) “Traditional” Hotels — Class A multiple dwellings that have amenities such as a front desk, maid or linen services; 2) Rooming Houses — Class B multiple dwellings other than a hotel with thirty or fewer sleeping rooms; and 3) Single Room Occupancy (SROs) hotels — Class A multiple dwellings that are either used in whole or in part for single room occupancy or as a furnished room house.

The Hotel Price Index for all hotels that contain rent stabilized units increased by 4.4% this year, compared to the rise of 7.3% in last year’s PIOC. There were increases in all seven Hotel PIOC components. The Insurance Costs component had the highest proportional increase, rising by 10.5%, followed by Fuel which rose by 9.6%. More moderate increases were seen in Maintenance (6.2%), Utilities (6.0%) Administrative Costs (3.5%), and Labor Costs (3.3%). The change in Taxes, which make up 35% of the Hotel Index, was nearly flat, rising just 0.1%. See the table on the following page for changes in costs and prices for all hotels that contain rent stabilized units from 2025-2026.

Among the different categories of Hotels, the index for “Traditional” Hotels increased by 3.5%, Rooming Houses by 5.6%, and SROs by 5.4%.

**Percent Change in the Components of the Price Index of Operating Costs
April 2025 to March 2026, By Hotel Type and All Hotels**

Item Description	All Hotels	“Traditional” Hotel	Rooming House	SRO
TAXES	0.1%	-0.1%	2.1%	-0.3%
LABOR COSTS	3.3%	3.5%	3.5%	3.4%
FUEL	9.6%	9.9%	8.8%	9.4%
UTILITIES	6.0%	5.0%	7.5%	5.8%
MAINTENANCE	6.2%	6.8%	4.7%	5.9%
ADMINISTRATIVE COSTS	3.5%	3.2%	4.6%	4.1%
INSURANCE COSTS	10.5%	10.5%	10.5%	10.5%
ALL ITEMS	4.4%	3.5%	5.6%	5.4%

Source: 2026 Price Index of Operating Costs

Changes in Housing Affordability

Income and Affordability (I&A) Study indicators of employment include an average of 23,800 jobs added by NYC businesses in 2025, a 0.5% increase, but the smallest proportional increase in employment since 2009 (excluding the pandemic year of 2020). The average annual unemployment rate for NYC residents rose to 5.2% in 2025, up from 5.0% in 2024. By borough, the rate ranged from 4.5% to 6.8%, highest in the Bronx and lowest in Staten Island.

Wages and household income are also reported in the *I&A Study*. In the most recent time period studied (the fourth quarter of 2024 through the third quarter of 2025) there was an increase in average inflation-adjusted wages earned within NYC, which increased by 2.3%, while nominal wages increased by 6.1%. Median renter income is also reported by the annual *American Community Survey (ACS)*. In 2024, in inflation-adjusted terms the median renter

income rose by 1.8%. By borough, renter income in real terms increased in each borough but the Bronx in 2024, rising by the greatest proportion in Manhattan (6.9%), and declining by 5.3% in the Bronx. Citywide, median renter income rose by 5.7% nominally. Specifically for renter households, household income decreased by 1.7% in real terms for the lowest quintile from 2023 to 2024, as well as by 1.5% for the second quintile. However, “real” income increased for each of the highest three quintiles of renter households, increasing by 1.2% in the third quintile, 2.6% in the fourth quintile, and 2.4% in the highest quintile.

Measuring inflation, the Consumer Price Index (CPI) rose by 3.4% in the NYC metropolitan area during 2025, a decrease of 0.4 percentage points from 2024. The overall CPI increase was accelerated by an increase of 4.7% in the rent index portion of the CPI, and dampened by the increase in the CPI for “all costs less shelter,” which increased by 2.7% in 2025.

The *I&A Study* also examines the cost and affordability of rental housing. Data from the 2024 ACS shows that 51.6% of NYC renter households pay 30% or more of their income toward rent, including 28.8% that pay 50% or more. The median gross rent-to-income ratio was 30.9% in 2024, a decrease of 0.2 percentage points. By borough, the median gross rent-to-income ratio ranged from 28.3% in Manhattan to 37.3% in the Bronx. Citywide, in inflation-adjusted terms, there was an increase in median contract rent of 0.6%, and a decrease of 0.2% in median gross rent. By borough, median gross rents in real terms increased in both the Bronx and Brooklyn in 2024, but fell in Manhattan, Queens, and Staten Island.

Other affordability indicators include data from Housing Court. Non-payment filings in Housing Court decreased by 1.3%, and non-payment cases scheduled to be heard decreased by 12.1% in 2025. However, The number of residential evictions (15,105) rose by 9.7%, including an increase of 11.8% for units in buildings that contain rent stabilized units and 6.5% in buildings that do not. By borough, approximately 38.2% of evictions in buildings containing rent stabilized units were in the Bronx, 24.0% in Brooklyn, 20.7% in Manhattan, 15.9% in Queens, and 1.2% in Staten Island.

The *I&A Study* also reports on both sheltered homelessness and recipients of cash assistance and other public benefits. Including asylum-seekers, the average daily number of individuals in NYC Department of Homeless Services shelters decreased by 1.7% in 2025, but levels remain considerably higher than in 2022 (preceding the impact of asylum-seekers). Excluding asylum-seekers, the shelter census increased by 2.1% in 2025. Cash assistance caseloads rose by 7.4% in 2025, while the number of SNAP (food stamp) recipients declined by 0.4%, and Medicaid enrollees declined by 5.0%.⁴⁶

⁴⁶ See the 2026 *Income and Affordability Study* for the sources of all data presented in this section.

Consumer Price Index

The Board reviewed the Consumer Price Index. The table that follows shows the percentage change for the NY-Northeastern NJ Metropolitan area since 2018.

Percentage Changes in the Consumer Price Index for the New York City - Northeastern New Jersey Metropolitan Area, 2018-2026 (For "All Urban Consumers")									
	2018	2019	2020	2021	2022	2023	2024	2025	2026
1st Quarter Avg. ⁴⁷	1.6%	1.5%	2.3%	1.5%	5.5%	5.5%	3.1%	4.0%	3.4%
Yearly Avg.	1.9%	1.7%	1.7%	3.3%	6.1%	3.8%	3.8%	3.4%	N/A

Source: U.S. Bureau of Labor Statistics.

Effective Rates of Interest

The Board took into account current mortgage interest rates and the availability of financing and refinancing. It reviewed the staff's *2026 Mortgage Survey Report* of lending institutions. The table **below** gives the reported rate and points for the past ten years as reported by the *Mortgage Survey*.

2026 Mortgage Survey ⁴⁸ Average Interest Rates and Points for New and Refinanced Permanent Mortgage Loans 2017-2026										
New Financing of Permanent Mortgage Loans, Interest Rate and Points										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Avg. Rates	4.3%	4.8%	4.7%	4.0%	3.8%	3.9%	6.0%	7.0%	6.7%	6.1%
Avg. Points	0.44	0.44	0.38	0.22	0.38	0.32	0.29	0.37	0.30	0.32

Source: 2017–2026 *Annual Mortgage Surveys*, RGB.

NYS Homes and Community Renewal (HCR) Registration Data for Rent Stabilized Hotels

An analysis of 2024/2025 HCR registration data identified registration records for 127 hotels and 240 rooming houses (a total of 367 buildings). These 367 buildings contained 9,640 hotel units and 2,683 rooming house units (a total of 12,323 units). Approximately 43% of these units (5,269) were registered as “rent stabilized,” with most units including corresponding rent data. The balance of the units (7,054) were registered as either vacant or exempt. For

⁴⁷ 1st Quarter Average refers to the change of the CPI average of the first three months of one year to the average of the first three months of the following year.

⁴⁸ Institutions were asked to provide information on their "typical" loan to rent stabilized buildings. Data for each variable in any particular year and from year to year may be based upon responses from a different number of institutions.

those registered rent stabilized units where rent data is reported, the median legal rent is \$1,267 for hotels and \$867 for rooming houses (with an overall median of \$1,202). The average legal rent is \$1,272 for hotels and \$1,109 for rooming houses (with an overall average of \$1,234). The median “rent received” (the legal rent, except in cases where there is a preferential rent provided or an actual rent that exceeds the legal rent) is \$1,244 for hotels and \$857 for rooming houses (with an overall median of \$1,100). The average “rent received” is \$1,282 for hotels and \$1,090 for rooming houses (with an overall average of \$1,237). In addition, a longitudinal analysis of the change in rent in the same set of registered rent stabilized units in both 2024 and 2025 shows that the median legal rent increased by 1.4% in hotels, was unchanged in rooming houses, and rose by 0.5% overall. The average legal rent in the longitudinal sample rose by 0.4% in hotels, 1.7% in rooming houses, and 0.6% overall. Note that this longitudinal analysis shows that approximately 29% of units registered increases in legal rent between 2024 and 2025, despite the fact that no rent increases for hotels and rooming houses were granted during this period. However, available data are not sufficient to determine whether these increases were taken legally. For the “rent received” by owners in the longitudinal sample, the median increased by 8.2% in hotels, 3.2% in rooming houses, and 12.1% overall. The average “rent received” in the longitudinal sample rose by 11.8% in hotels, 6.0% in rooming houses, and 10.7% overall.⁴⁹

SRO Housing and Airbnb Rentals

Single Room Occupancy (SRO) owners may convert SRO housing to other uses after obtaining a “Certification of No Harassment” (CONH) from the NYC Department of Housing Preservation and Development (HPD). In 2025, the number of buildings granted CONHs by HPD decreased. HPD granted 52 CONHs in 2025, down from 70 granted CONHs in 2024, a decrease of 25.7%. A total of 60 applications for CONHs were received in 2025, approximately the same number as the prior year.⁵⁰

Efforts are also underway to ensure that units meant to provide permanent housing are not used as illegal short-term rentals. As of May 1, 2011, a law was passed clarifying that Class A multiple dwellings were only to be used for occupancy of 30 consecutive days or more,⁵¹ while additional legislation in 2012⁵² and 2016⁵³ strengthened the law and authorized fines of up to \$7,500.

On January 3, 2021, New York City’s Booking Service data reporting law took effect.⁵⁴ All transactions for listings that have five or more nights booked per quarter are required to be reported to the Mayor’s Office of Special Enforcement (OSE) if the listings offer entire home rentals or home rentals to three or more individuals at the same time. Listings for units in “Class B multiple dwellings” — which are lawfully used for short-term rental — are exempt from the reporting requirements. The reports are required to be submitted quarterly to OSE and include information that allows OSE to ascertain if the listings are legal. In January 2022, New York City enacted Local Law 18 (also known as the Short-Term Rental Registration Law) to

⁴⁹ 2024 and 2025 NYS Homes and Community Development apartment registration files.

⁵⁰ NYC Department of Housing Preservation and Development.

⁵¹ Press Release, Mayor’s Office. “Mayor Bloomberg Announces Results of City’s Efforts to Curb Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities.” April 27, 2012.

⁵² Local Law No. 45 of 2012 (Council Int No. 404-Aof 2010).

⁵³ “Cuomo Signs Bill That Deals Huge Blow to Airbnb.” New York Post. October 21, 2016.

⁵⁴ <https://www.nyc.gov/site/speciaenforcement/reporting-law/reporting-law.page>.

help curb the use of permanent housing for short-term rentals.⁵⁵ The law, which took effect on March 6, 2023 and was enforced as of September 2023, requires anyone wishing to operate as a host of a short-term rental (a rental of less than 30 days) to register with OSE and receive a registration number. Registration numbers cannot be issued by OSE unless the unit is verified to be legal for residential occupancy and the permanent residence of the applicant, and the applicant discloses online listings and agrees to follow all applicable laws. The law also prohibits the registration of rent regulated units. In addition, it allows building owners to certify that short-term rentals “are prohibited by lease or other occupancy agreement” and add their buildings to OSE’s prohibited building list, thereby preventing OSE from issuing a registration to an individual tenant of such a building. In addition, upon receipt of registration applications from renters, OSE will notify the owner of record of the dwelling unit/building. The law also requires that booking services (such as Airbnb, VRBO, Booking.com, and other similar platforms) verify that listings are properly registered with OSE before they can take a fee.

As of April 1, 2026, approximately 14,000 buildings were added to the prohibited buildings list,⁵⁶ after applying to be on it. In addition, 8,876 applications for registration have been received by OSE. Of these applications, 3,564 (or 40.2%) were granted (with 320 since either expired, terminated by the registrant, or revoked). An additional 4,850 (or 54.6%) of the applications were denied. One reason for denial is that the unit that is identified in the application is subject to some form of rent regulation (such as rent stabilization, rent control, or regulatory agreements, as was the case with approximately 608, or 12.5% of all denials. Almost 70% of all denials (approximately 3,351) were denied after the applicant had at least 90 days to correct deficiencies that prevented OSE from granting a registration, but did not make the required corrections. A total of 462 applications (5.2%) have either not yet been reviewed, or are being reviewed for a second time after corrections were made by the applicant.⁵⁷

Local Law 18 included a range of new fines for a variety of offenses related to the registration law that can lead to fines of up to \$5,000, although many start at only \$100 for a first offense. These violations include conducting unregistered short-term rentals; failing to conspicuously post and maintain, within a dwelling unit, a copy of the short-term rental registration certificate for such unit; failing to include a short-term rental registration number in an advertisement or other offer for short-term rental of a dwelling unit; and failing to maintain a record of each short-term rental, for at least seven years after such short-term rental occurred. To date, OSE has only used these penalties when filing a lawsuit, or filing to revoke a registration.⁵⁸

OSE has also continued its traditional inspections, which include issuance of summonses for violations of the city’s building and construction codes. In 2025, 1,909 violations were issued by inspectors assigned to OSE in response to investigations of illegal short-term rental of units (including apartments, private homes, and SROs), an increase of 31.5% from 2024.⁵⁹ Of the 1,909 violations issued in 2025, 697 (36.5% of the total) were for dwelling units in Brooklyn, with 653 violations in Manhattan (34.2% of the total); 449 violations in Queens (23.5% of the total); 63 violations in Staten Island (3.3% of the total); and 47 in the Bronx (2.5% of the total).

⁵⁵ <https://www.nyc.gov/site/speciaenforcement/registration-law/registration.page>.

⁵⁶ Buildings which apply to be on the Prohibited Buildings List are automatically approved by OSE, and as of April 1, 2026, 14,086 buildings submitted applications to be on this list. In addition, other entirely rent regulated buildings were proactively added to this list, including Mitchell-Lama buildings, buildings reported by HPD to OSE as being rent regulated, and NYCHA buildings.

⁵⁷ Per data from the Mayor’s Office of Special Enforcement, current as of April 1, 2026.

⁵⁸ <https://www.nyc.gov/assets/speciaenforcement/downloads/pdfs/FINAL-RULES-GOVERNING-REGISTRATION-AND-REQUIREMENTS-FOR-SHORT-TERM-RENTALS.pdf>.

⁵⁹ Office of the Criminal Justice Coordinator, Mayor’s Office of Special Enforcement.

Between May 2011 and December 2025, approximately 29,000 violations have been issued by OSE as part of its efforts to address illegal short-term rentals. Note that violations issued by OSE for the illegal short-term rental of units (as described above) are primarily for units intended to be used for permanent housing. For instance, in 2024, 58% of the 1,452 violations were issued to units in multiple dwellings, while 36% were issued to units in one- and two-family homes, and just 6% issued in commercial and manufacturing locations. Within multiple dwellings, the vast majority (645 of 842 violations, or 77%) were issued to corporate entities, with the balance issued to individuals. Of the 1,452 violations issued in 2024, one-quarter were issued to buildings containing rent stabilized units. Buildings containing rent stabilized units also comprised one-quarter of the 403 buildings that received violations in 2024. A total of 10,213 residential units were in the buildings that received violations, of which three-quarters (7,715) were in buildings containing rent stabilized units.⁶⁰

OTHER RELEVANT INFORMATION

The NYS Division of Housing and Community Renewal released a memo to the Board dated April 15, 2026 in which they outline information from their registration database relating to Hotels/SROs/Rooming Houses. The following is an excerpt from that memo (Pages 2-3):

[START OF MEMO]

6. What is the total number of SRO/Hotel units registered with the DHCR in 2025? How many of these units are rent stabilized? How many are temporarily and permanently exempt? How many are registered as transient? How many as vacant?

Rent Stabilized Units	9,777
Vacant Units	1,655
Temporary Exempts Units	6,499
Permanent Exempt Units	73
Total Number of Units	18,004

7. What is the total number of SRO/Hotel units registered with the DHCR on an annual basis from 2009-2025?

- In 2009 the total number of units registered was 24,893;
- In 2010 the total number of units registered was 25,779;
- In 2011 the total number of units registered was 25,164;
- In 2012 the total number of units registered was 24,588;
- In 2013 the total number of units registered was 23,493;
- In 2014 the total number of units registered was 23,547;
- In 2015 the total number of units registered was 23,310;
- In 2016 the total number of units registered was 22,017;
- In 2017 the total number of units registered was 21,841;

⁶⁰ The 2024 Annual Report issued by the Mayor's Office of Special Enforcement provides a list of violations, as well as the corresponding BIN number. This BIN number was matched to a list of Multiple Dwelling Registrations (as published by HPD on Open Data), from which the corresponding Borough, Block, and Lot (BBL) was matched to 2025 NYS Homes and Community Renewal annual registration data. Individual violations data for 2025 is not yet available.

- In 2018 the total number of units registered was 22,128;
- In 2019 the total number of units registered was 21,094;
- In 2020 the total number of units registered was 20,417;
- In 2021 the total number of units registered was 18,088;
- In 2022 the total number of units registered was 18,781;
- In 2023 the total number of units registered was 18,251;
- In 2024 the total number of units registered was 18,576 and
- In 2025 the total number of units registered was 18,004.

Please note that this data has been updated as of 3/31/2026.

Please be aware that owners continue to file late registration. The numbers from past years reflect that change.

8. What is the average and median rent for rent stabilized SRO/Hotel units in 2025?

- The average rent stabilized rent for SRO/Hotel units in 2025 is \$1,462; the median rent is \$1,336.

[END OF MEMO]

VOTE

The vote of the Rent Guidelines Board on the adopted motion pertaining to the provisions of Order Number 56 was as follows:

	<u>Yes</u>	<u>No</u>	<u>Abstentions</u>
Guidelines for Hotels	8	0	-

Dated: June 25, 2026

Filed with the City Clerk: June 30, 2026

Chantella Mitchell
Chair
NYC Rent Guidelines Board

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