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## 2005 Housing Supply Report

## what's new

$\checkmark$ Permits for 25,208 new dwelling units were issued in NYC in 2004, the most since 1972 and an 18.8\% increase over the prior year.
$\checkmark$ The number of new housing units completed in 2004 increased $33.2 \%$ over the prior year, to 17,028 , the most since 1976.
$\checkmark$ The citywide vacancy rate was 2.94\% in 2002.
$\checkmark$ City-sponsored residential construction spurred 10,201 new housing starts, approximately half new construction and half rehabilitations.
$\checkmark$ The city-owned in rem housing stock continued to decline, falling $41.2 \%$ during FY 2004.
$\checkmark$ The number of housing units newly receiving $421-\mathrm{a}$ exemptions increased 78.2\% in 2004, to 6,738 .
$\checkmark$ The number of housing units newly receiving J-5I abatements and exemptions increased $58.8 \%$ in 2004, to 117,503.
$\checkmark$ The Attorney General's office reported a $41.3 \%$ increase in the number of co-op or condo plans approved in 2004, to 308 plans containing 8,014 units.
$\checkmark$ Demolitions, as reported by the New York City Department of Buildings, were also up in 2004, increasing by $22.0 \%$ to reach 2,745 buildings.

## Introduction

Over the past year there was an $18.8 \%$ increase in the number of permits issued for new dwelling units, rising to 25,208 , the most since 1972 . The number of completed housing units grew as well, rising 33.2\% after falling more than $20 \%$ last year. This growth in development has been prompted by the tight housing market, with a citywide rental vacancy rate of $2.94 \%$. Overcrowding remains a problem, with $11.1 \%$ of all rental housing considered overcrowded. There was also a $41.3 \%$ increase in the number of cooperative and condominium plans approved for conversion or new construction, while the number of city-owned vacant and occupied buildings continued to fall through various disposition programs, declining more than 33\% during the 2004 fiscal year. During 2004, housing starts under the 421-a Affordable Housing Program increased more than $800 \%$, although completions under the program fell just over $50 \%$. The City also saw an increase in demolitions during 2004, rising 22.0\%. And rehabilitation of residential units under the J-51 tax abatement and exemption program during 2004 increased for the second year in a row, rising 58.8\%.

## New York City's Housing Inventory

In contrast to the rest of the country, most New Yorkers do not own the homes in which they live. According to results from the 2002 Housing and Vacancy Survey (HVS), ${ }^{1}$ the percent of rental units relative to all dwellings in New York City was $65.0 \%$ in 2002 , twice as many rental units as the nation as a whole. ${ }^{2}$ New York City in 2002 had a total of 3,208,587 housing units, the largest housing stock since the first HVS was conducted in 1965 . $^{3}$

New York City's housing is dominated by the size of its rental housing stock and unlike most cities, the bulk of rental units are rent regulated. Of the 2,084,769 occupied and vacant rental units reported in the most recent HVS, a little less than a third (31.9\%) were unregulated, or "free market." The majority are either pre-war (pre-47) rent stabilized (37.1\%) or post-war (post46 ) rent stabilized (11.5\%), and the rest are rent controlled (2.8\%) or part of various other ${ }^{4}$ types of regulated apartment programs (16.6\%). (See pie chart on following page)

The HVS also indicated that New York City's housing market remains tight, finding a citywide vacancy rate of $2.94 \%$ in 2002, below the $5 \%$ threshold required for rent regulation to continue under state law. Queens had the lowest vacancy rate in the city, at $1.78 \%$, while Manhattan had the highest, $3.86 \%$. Of the other boroughs, Staten Island's rate was $2.43 \%$, the Bronx's was $3.29 \%$, and Brooklyn's was 2.73\%. ${ }^{5}$

Vacancy rates also vary by rent regulation status. The tightest market was found among post-war stabilized units, with a vacancy rate of $1.84 \%$ in 2002. Pre-war stabilized units also maintained a low vacancy rate, at $2.79 \%$, while

## Number of Renter and Owner Units

New York City's Housing Stock Is Predominantly Renter-Occupied


Source: U.S. Bureau of the Census, 2002 New York City Housing and Vacancy Survey.
Note:Above figures exclude vacant units that are not available for sale or rent.
private, non-regulated units were vacant at a $4.11 \%$ rate.
The frequency of crowding also varies by rent regulation status. Overall, $11.1 \%$ of all rental housing in NYC is overcrowded (defined as more than one person per room, on average) and $3.9 \%$ is severely overcrowded (defined as an average of more than 1.5 persons per room). Pre-war stabilized housing is most crowded, with $14.1 \%$ of units overcrowded and $5.5 \%$ severely overcrowded, while $10.8 \%$ of post-war units are overcrowded, and $4.7 \%$ of units are severely overcrowded. Private, non-regulated housing is slightly less overcrowded, at $9.8 \%$, with $3.1 \%$ severely overcrowded.

## Changes in the Housing Inventory

## New Additions

Housing supply grows in a variety of ways: new construction, substantial rehabilitation of deteriorated buildings, and conversions from non-residential buildings into residential use. The number of permits authorized for new construction is a measure of how many new dwelling units will be completed and ready for occupancy, typically within three years, depending
on the type of housing structure.
Continuing the strongest multi-year upward trend since the early 1970's, in 2004 the City saw another increase in the number of permits issued for new residential units in single- and multi-family buildings. In 2004, permits were issued for 25,208 units of new housing, an increase of $18.8 \%$ over the 21,218 units in 2003 (see graph on following page). While still below the 1960's average of 37,000 new units per year, more permits were issued for residential units in 2004 than in any year since 1972 , when 36,061 were issued. Permits issued Citywide in 2004 increased, despite decreases in permits issued in both Manhattan and Staten Island. Proportionally, the Bronx increased the most, up $67.8 \%$, to 4,924 ; Queens increased by $55.8 \%$, to 6,853 ; and Brooklyn increased $12.7 \%$, to 6,825 . Staten Island permits fell by the greatest proportion, down $21.1 \%$, to 2,051, and Manhattan permits also decreased, down to 4,555 , a $12.9 \%$ decrease. (See Appendix 1 and the map on page 4)

While permits issued increased between 2003 and 2004, the number of permits issued in early 2005 has increased at an even greater pace. The number of permits issued in New York City increased from 3,982 in the first
quarter of 2004 to 6,053 during the same period of 2005, a $52.0 \%$ increase. The number of permits in the Bronx, Brooklyn and Manhattan all increased significantly, up $54.6 \%, 43.3 \%$, and $326.3 \%$ respectively, while permits issued in Queens dropped by $11.9 \%$ and Staten Island fell by $25.9 \%$. ${ }^{6}$

Permit data can also be analyzed by the reported size of the buildings applying for permits. In 2004, a total of 5,604 buildings applied for permits (containing a total of 25,208 housing units). Citywide, $18.1 \%$ of these buildings were single-family, $45.9 \%$ were twofamily, $27.3 \%$ were three- or four-family structures, and $8.7 \%$ were five-family or greater buildings. The average five-family or greater building contained 29 units of housing for the City as a whole, and 63 units in Manhattan. As the chart on the following page illustrates, almost all building permits in Manhattan were for the largest buildings, while in Staten Island virtually all permits were for either one- or two-family buildings. Building size was more evenly distributed in the Bronx, Brooklyn, and Queens. (See Appendix 2)

This report also examines the number of units completed in the City each year, illustrating what
housing actually enters the market in a particular year. ${ }^{7}$ In 2004, 17,028 new housing units were completed, a $33.2 \%$ increase over $2003 .{ }^{8}$ This number of new units is the most since 1976, with increases occurring in every borough but Brooklyn. Manhattan saw its number of new housing units grow more sharply than any other borough in 2004, up $94.2 \%$, to 7,376. Staten Island saw a $29.0 \%$ increase, to 3,340 ; the Bronx increased by $20.2 \%$ to 1,771 ; Queens increased by $15.2 \%$ to 2,701 ; and the number of new units in Brooklyn decreased $28.5 \%$ in 2004, to 1,840. (See Appendix 3 for historical breakdown)

Housing is also created through publicly funded sources, including programs sponsored by the NYC Department of Housing Preservation and Development (HPD). HPD's Office of Development operates a number of programs that develop affordable housing for low- and moderate-income New Yorkers. Programs include the Cornerstone program, which is HPD's multi-family new construction housing initiative, financed principally through private sources; the ANCHOR program, which is a revitalization program that creates both commercial retail and housing on

## Units Issued New Housing Permits, 1988-2004, in Thousands

Continued Growth in Number of Permits Issued for New Construction of Residential Units


Residential Building Permits, 2004

## Permits by Building Size:

Most New Buildings in Manhattan are Five Family or More, in Staten Island One and Two Family Homes Predominate


Total Number of Permits Issued in 2004 and Percentage Change From 2003 by Borough:
Nineteen Percent Increase in Number of Permits Issued for New Housing Units in New York City


Source: U.S. Bureau of the Census, Manufacturing and Construction Division - Building Permits Branch.
vacant City-owned land; and the New Housing Opportunities Program, which issues taxable bonds to provide long-term fixed-rate permanent financing for middle-income rental projects.

Inclusive of all HPD-sponsored programs, the agency reported 10,201 total housing starts ${ }^{9}$ in FY 2004. Beginning in FY 2004, HPD began including starts by the Housing Development Corporation (HDC) in its total number of starts. Because this was not done prior to FY 2004, this year's figures cannot be compared to any other year. Of the 10,201 total starts this year, 5,033 were rehabilitation starts by either HPD or HDC, 3,112 were new construction starts by HPD, and 2,056 were new construction starts by HDC. ${ }^{10}$ HPD and HDC collectively expect to start an additional 15,711 units of new construction and rehabilitation in FY 2005, and 12,977 in FY 2006. During the first four months of FY 2005 there were 3,206 starts by HPD and HDC, a $162.6 \%$ rise over the corresponding period of the previous year. Most of this increase was in rehabilitations, which rose by more than 1,800 units over the time period.

In December 2002, Mayor Michael Bloomberg announced a $\$ 3$ billion, five-year plan for constructing and rehabilitating 65,000 apartments throughout the City. ${ }^{11}$ Since the plan was announced, approximately 26,000 of the 65,000 new units have already entered the project development stage, and more than 18,000 are under construction. Construction will begin on another 7,418 by June 2005, with development of another 13,000 in the following year. ${ }^{12}$ Estimates are that $55 \%$ of the new and preserved units will be affordable to lowincome households, $22 \%$ will be aimed at moderateincome households, and the remaining $23 \%$ will be affordable to middle-income households. ${ }^{13}$

## Tax Incentive Programs

The City helps promote development of new housing by offering various tax incentive programs. One such program for new renter- and owner-occupied multifamily properties containing three or more rental units is the 421-a tax incentive program. The program allows for a reduction in the taxable assessed value of eligible properties. That is, owners are exempt from paying additional real estate taxes due to the increased value of the property resulting from the improvements made.

Eligible projects must be new construction of multiple dwellings on lots that were vacant, predominantly vacant, or improved with a non-conforming use three or more years before the new construction commences. Rental apartments built with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Thus, 421-a tenants share the same tenancy protection as stabilized tenants, and initial rents approved by HPD are then confined to increases established by the Rent Guidelines Board.

A variety of factors are used to establish the level and period of 421-a benefits, including geographic location; preservation of units for low- and moderate-income families; construction periods; and government commitment. Properties are also subject to construction guidelines. Rental properties receive an exemption for 10 to 25 years depending on location, the number of units reserved for low- and moderate-income tenants, and whether they are located in a neighborhood preservation area. Longer exemption periods apply in northern Manhattan and boroughs outside Manhattan, and to projects that receive governmental assistance or contain 20\% low-income units.

Tax-incentive housing is also developed through the 421-a Affordable Housing Program, aimed at providing new housing for low- and moderate-income families. Units can be located anywhere in the City, and receive up to a 25 -year tax exemption. In addition to receiving tax benefits, for each low-income rental unit produced through the Affordable Housing Program, approximately five 421-a tax exemption certificates are produced, each allowing construction of one market-rate unit within the "Exclusion Zone" of Manhattan (located between 14th and 96th Streets). Therefore, the City has ensured that development of tax-exempt, market-rate housing within core Manhattan creates at least one affordable housing unit for each five market-rate units within the Zone. Developers have the option of locating the affordable units on-site, by setting aside twenty percent of the units in the building for low-income tenants, or building offsite. If developers within the Exclusion Zone choose not to build affordable housing themselves, they have the option of buying these certificates from affordable housing developers in other parts of the City for an estimated cost of $\$ 10,000$ to $\$ 15,000$ each, thereby helping finance additional affordable housing.

Housing starts under the 421-a Affordable Housing Program rose significantly this year, increasing 812.5\% from 2003 levels, for a total of 511 units. It is estimated that when all the units begun in 2004 are completed, these 511 new affordable units will create 2,559 certificates eligible to be sold for market-rate housing within the Exclusion Zone. ${ }^{14}$

While construction starts under the 421-a Affordable Housing Program were up by more than $800 \%$, fewer affordable units were completed under the Affordable Housing program in 2004 than in the previous year. In 2004, 107 new affordable units, producing 550 certificates for market-rate housing, were completed, a $50.7 \%$ drop from last year.

Through the market-rate 421-a program, the number of housing units receiving 421-a exemptions increased in 2004, up $78.2 \%$, to 6,738 (see graph on this page), including increases in every borough but the Bronx. Slightly more than half of all units receiving benefits in 2004 were in buildings located in Manhattan, which contained $50.5 \%$ of the total units in the City, compared to $54.7 \%$ in the previous year. The remainder of these units were in Brooklyn (24.2\%), Queens (19.4\%), the Bronx (6.0\%) and none were located in Staten Island. ${ }^{15}$ (See Appendices 6 and 7)

Another program that has offered affordable housing, the New York State Mitchell-Lama program, is

## Units Receiving 42I-a Certificates,

 1989-2004, in Thousands
## 78\% Increase in Number of Units Newly

 Issued 421-a Certificates in 2004
losing residential units as market rents rise and landlords choose to opt out of the program. The program, which was created in 1955 as a means of providing affordable rental and cooperative housing to moderate- and middle-income families, granted lowcost mortgages and tax breaks to landlords who developed low- and middle-income housing. There are about 110,000 Mitchell-Lama units in the City today (and about 21,000 elsewhere in the state), and the last Mitchell-Lama project opened in 1978. ${ }^{16}$

After twenty years, landlords may leave the program, and in recent years, some have done so by "buying out" of the program. In New York City more than 28,000 units in Mitchell-Lama buildings have been lost due to buyouts since 1985 (see graph below). The pace has accelerated in the past couple of years, with 9,649 units bought out between January 2003 and April 2005. In the first four months of 2005 alone, almost 3,600 units, all located in Manhattan, have lost their Mitchell-Lama status. ${ }^{17}$

While landlords feel that their obligation has ended, housing advocates fear the loss of affordable housing. Some residents of buildings leaving the program have benefited from "sticky" vouchers, a Section 8 rent subsidy which broaches the divide between the rents previously paid and the rents set after buyouts. Such an agreement was reached in March of 2004 for 1,300 tenants of


Independence Plaza North and in May of 2004 for the 420 -unit West Village Houses, both in Manhattan. ${ }^{18}$ However, this unique benefit may be in jeopardy because of a federal proposal, "The State and Local Housing Flexibility Act of 2005," which would radically alter the way Section 8 vouchers are funded and administered. ${ }^{19}$

At the local level, the City Council unanimously passed a bill in February of this year that would extend property tax benefits for up to an additional 50 years for any developers who wish to stay in the Mitchell-Lama program. Benefits currently expire when the building's mortgage is satisfied. ${ }^{20}$ Another initiative, through the Housing Development Corporation and announced in June of 2004, provides refinancing and loans for capital improvements to Mitchell-Lama buildings. Properties which choose to refinance through the program, targeted at 27,000 rental and co-op units, will guarantee the City they will stay in the Mitchell-Lama program for at least another 15 years. ${ }^{21}$ At the state level, housing advocates are anxiously waiting the ruling of a court case that involves an appeal to a 2004 court decision ruling that pre-1974 Mitchell-Lama buildings, subject to rent stabilization after a buyout, can first set rents at market rate, generally an amount significantly higher than what the tenant was paying under Mitchell-Lama. ${ }^{22}$

## Conversions and Subdivisions

New housing units are also brought onto the market through subdivisions and conversions. Subdivisions involve the division of existing residential space into a larger number of units. Non-residential spaces, such as offices or other commercial spaces, can also be converted for residential use. With a tight housing market and high demand for luxury apartments, there has been an increasing number of conversions in neighborhoods citywide, especially lower Manhattan. Conversions were recently completed in former office buildings on Wall and Broad Streets in lower Manhattan, adding approximately 476 rental units and 326 condo units to the housing stock. Conversions of buildings on Wall Street and Maiden Lane will add another 728 units of rental housing to the downtown market in 2006. ${ }^{23}$

A trend of converting hotels to luxury apartments has also been growing over the past year. The 805 -room

Plaza Hotel recently reached an agreement to convert part of its space to 200 condominiums, leaving just 150 hotel rooms intact. Buyers of the hotel paid $\$ 675$ million for the property, the equivalent of $\$ 835,000$ per room. ${ }^{24}$ The InterContinental Hotel on Central Park South is also converting, replacing its 200 hotel rooms with 65 co-op units. ${ }^{25}$ Plans for more than 10 other hotel conversions are currently in the works. In response to the growing conversion trend, the NYC Council introduced a bill in March of this year that would prevent hoteliers from converting more than 20 percent of a property to permanent residential use. ${ }^{26}$

Conversion of single room occupancy (SRO) buildings also continued to increase over the past year. SRO owners may convert SRO housing to other uses after obtaining a "Certificate of No Harassment" from HPD. The last several years have seen significantly more Certificates issued than in previous years in Manhattan, where the vast majority of SRO's are located. In 1995 and 1996, an average of 67 applications were filed each year. However, from 1997 through 2001, an average of 114 applications for Certificates were filed, and in 2004 258 applications were filed, up from both 122 the previous year and 199 in 2002, indicating that SRO owners are increasingly converting their buildings for non-SRO uses. ${ }^{27}$

## Cooperative and Condominium Activity

Developers planning to build new co-op or condo buildings, and owners wishing to convert their rental buildings to co-ops or condos, must file plans with, and receive approval from, the New York State Attorney General's Office. In 2004, the Attorney General approved 308 co-op and condo plans, a $41.3 \%$ increase over the number approved in 2003. These 308 plans encompassed 8,014 housing units, $35.2 \%$ more than in 2003. The vast majority of plans (191) were accepted for buildings located in Brooklyn; 98 were located in Manhattan; 16 plans were accepted for Queens; the Bronx had 3 plans; and there were none in Staten Island. However, while more buildings were in Brooklyn, the average building in Manhattan is larger, so more units were located in Manhattan $(4,849)$ than in Brooklyn $(2,321) .{ }^{28}$ (See Appendices 4 and 5)

Almost all of the plans accepted citywide in 2004
were for new construction, comprising 268 of 308 plans, and a total of 6,018 of 8,014 units. This is similar to the prior year, when new construction accounted for 190 of the 218 accepted plans. In 2004, rehabilitation accounted for 18 plans and 334 units, and the remainder, 22 plans and 1,662 units, were conversions. The number of units converted in 2004 rose significantly over 2003, when only 639 units were conversions.

While the conversion of rental housing into co-op and condo units increases the housing inventory for sale, it simultaneously reduces the total number of housing units for rent. Conversions represented 20.7\% of the total number of units in 2004 co-op and condo plans. Conversions held in the $70-90 \%$ range for all of the 1980s, before beginning to fall in the 1990s. Last year $10.8 \%$ of plans accepted by the Attorney General were conversions, one of the lowest ratios reported in the Housing Supply Report. Because most conversion plans are non-eviction plans (including all in 2004), only when the original rental tenant moves out does the apartment become owner-occupied. When that happens, the unit is then removed from the rental universe, thereby reducing the number of rental apartments available.

## Rehabilitation

Another method for adding housing units to the City's housing stock is through rehabilitation of old buildings. As buildings age, they must undergo renovation and rehabilitation to remain in habitable condition. This is particularly relevant to NYC's housing stock, of which more than $75 \%$ of units are in buildings greater than 45 years old. ${ }^{29}$ Through tax abatement and exemption subsidy programs offered by the City for rehabilitation, units are able to remain in, or be readmitted to, the City's housing stock. The J-51 tax abatement and exemption program is intended to encourage the periodic renovation of New York City's stock of both renter- and owner-occupied housing. In the late 1980s and early 1990 s, the number of units approved for initial J-51 tax abatements and exemptions each year was frequently above 100,000. In the mid-1990s, rehabilitation activity declined to just under 70,000 units per year. But in 1997, coinciding with the improving NYC economy, the number of units receiving J-51 benefits increased sharply, with over 145,000
additional units receiving this tax incentive. Rates have decreased significantly from that high, mostly remaining less than 100,000 units since then.

In 2004, 117,503 units newly received J-51 benefits, an increase of $58.8 \%$ from the previous year (see graph below). These units were contained in 2,168 buildings, a decrease of $8.6 \%$ from 2003 levels. The location of the units newly receiving benefits in 2004 ranged from $30.0 \%$ located in the Bronx; to $29.9 \%$ in Queens; 23.0\% in Manhattan; $15.5 \%$ in Brooklyn; and $1.5 \%$ in Staten Island. Buildings were similarly distributed. ${ }^{30}$

The J-51 tax relief program is similar to the 421-a program in that it requires that rental units be subject to rent regulation for the extent of the benefits. Apartment units in many high-rent neighborhoods are not allowed to enter the program because the apartment unit tax assessment generally cannot exceed \$38,000 after completion. Rehabilitation activities that are eligible for tax abatements and exemptions include Major Capital Improvements (MCI's), substantial rehabilitation, conversion from non-residential uses, and moderate rehabilitation, which requires significant improvement
to at least one major building-wide system. Enriched exemption and abatement benefits are also available for conversion to Class A multiple dwellings (which are permanent residential dwellings) and rehabilitation of Class A buildings that are not entirely vacant. ${ }^{31}$

In Fiscal Year 2004, the J-51 tax program cost the City $\$ 189.1$ million for all housing types, including more than 500,000 rental units. ${ }^{32}$ Most of these units will remain stabilized after the benefit period, because most units receiving J-51 benefits would ordinarily be under the jurisdiction of rent stabilization laws even without tax abatements. However, rental apartments not stabilized prior to receiving tax benefits will not be subject to the City's rent regulations once their benefits end. (See Appendices 6 and 7)

## Tax-Delinquent Property

## In Rem Housing

For two decades, the City foreclosed on thousands of tax-delinquent residential properties, becoming the

## Units Receiving Initial J-5I Benefits, 1988-2004, in Thousands

2004 Saw 58.8\% Increase in Number of Units Receiving J-51 Certificates


Source: NYC Department of Housing Preservation and Development.

## Units in HPD Central Management Stock, FY 1986-FY 2004, in Thousands


owner and manager of these buildings. By its peak in 1986, the city owned and managed 4,000 occupied buildings containing 40,000 units of housing (see graph above). Most of these buildings were dilapidated multifamilies occupied by a predominantly low-income population. To counter this trend, HPD has developed multiple disposition programs over time to manage, rehabilitate and sell many of these so called in rem buildings. HPD's Alternative Management Programs began in 1994 with the goal of returning city-owned properties to private owners and stimulating neighborhood development. The programs enable local entrepreneurs, community not-for-profit housing organizations, and groups of tenants to own and manage these buildings. Many of these programs include funds for rehabilitation and use the proceeds of federal tax credits to keep rents affordable.

HPD has successfully reduced the number of occupied in rem units in central management to 1,648 through October 2004, a 94.6\% decline since FY $1994 .{ }^{33}$ HPD transfers buildings into alternative management
programs before returning them to private ownership. During FY 2004, 217 buildings with 1,843 units were sold through these programs.

The number of vacant city-owned buildings also fell significantly over the same period, to 1,790 units by the end of October 2004, an $86.9 \%$ decline since FY 1994. During FY 2004, the total number of buildings operated by HPD, including both occupied and vacant, fell $33.7 \%$, and the number of units in these buildings fell $41.2 \%$, as compared to FY 2003. (See Appendix 8) This trend continued during the first four months of FY 2005.

## Anti-Abandonment Strategies

The City has also been able to significantly reduce its share of in rem buildings by identifying buildings at risk and helping owners. Key initiatives to prevent abandonment include the Third Party Transfer Program, which targets distressed and other buildings with tax arrears, and a Housing Education Program,
which teaches owners and superintendents basic management, maintenance, and finance skills to improve their properties. ${ }^{34}$

Since the mid-1990's, the City has not taken title (i.e., vesting) of properties that are tax delinquent. Instead, the City has developed a comprehensive antiabandonment strategy. First, tax liens for properties that are not distressed are sold in bulk to private investors. After the lien is sold, the lien holder is entitled to collect the entire lien amount, plus other interest and charges, from the property owner. In addition, the property owner must continue to pay current taxes to the City. If the owner has not paid the lien or entered into a payment plan, the lien holder can file for foreclosure on the property. ${ }^{35}$

An additional facet of the City's anti-abandonment strategy is third party transfer. For buildings that are distressed and in tax arrears, the City can initiate an in rem tax foreclosure action against property owners. The policy, authorized under Local Law 37, transfers the title of in rem properties directly to new owners (qualified third parties) without the City ever taking title itself. The properties are temporarily transferred to Neighborhood Restore, a nonprofit corporation, and upon the judgment of the court, are transferred to a qualified third party. ${ }^{36}$ Since beginning in 1996, the program has collected more than $\$ 180$ million in back taxes, and 295 buildings have been transferred to responsible for-profit and non-profit owners. ${ }^{37}$

Another anti-abandonment strategy involves the identification of buildings that are at risk of abandonment and helping these owners achieve fiscal and structural soundness for their properties through housing education, counseling, subsidized loans, and voluntary repair agreements, to preserve housing and avoid in rem actions entirely.

## Demolitions

While in the early 1990's relatively few residential buildings in New York City were demolished, this began to change in 1996, the same year that the number of building permits issued began to increase significantly. In fact, the number of buildings demolished in 2004 alone was more than double the number demolished in all the years from 1990 to 1995 combined.

A total of 2,745 buildings were demolished in 2004, a $22.0 \%$ increase over the prior year, preceded by a $27.0 \%$ increase between 2002 and 2003. This was by far the highest total since 1985, when the RGB began collecting this data. Queens accounted for $41.1 \%$ of all the buildings demolished in 2004, Brooklyn had 25.2\%, Staten Island had 19.9\%, the Bronx had 8.7\%, and Manhattan had the lowest proportion, 5.1\%. All boroughs but Staten Island saw an increase in demolitions between 2003 and 2004. The Bronx saw the largest increase in demolitions, up $47.8 \%$, followed by Manhattan at 41.0\%, Queens at 30.4\%, and Brooklyn at $23.4 \%$. Staten Island was the only borough to see a decrease in the number of demolitions, falling 3.0\% from 2003 to 2004. ${ }^{38}$ (See Appendix 9)

## Conclusion

More housing permits were issued in 2004 than in any year since 1972 and the number of completed housing units increased by $33.2 \%$. The City also continued to reduce its share of city-owned vacant and occupied housing units, seeing a $41.2 \%$ decline during the most recent fiscal year. The number of new units receiving 421-a tax benefits increased $78.2 \%$ in 2004, while J-51 tax abatements and exemptions increased $58.8 \%$. Rental housing availability remains tight, with a citywide vacancy rate of just $2.94 \%$ in 2002, and overcrowding remains a problem. Mayor Bloomberg's five-year housing initiative has begun development/construction on 26,000 units, helping to reduce the affordable housing shortage. Plans were also recently announced for a rezoning of Brooklyn's waterfront, estimated to create an additional 10,800 units of housing, 3,500 of which will be affordable. ${ }^{39}$

## Endnotes

I. The New York City Housing and Vacancy Survey (HVS) is done triennially, sponsored by the NYC Department of Housing Preservation and Development (HPD) and conducted by the U.S. Census Bureau. Because of reclassification, some HVS data was modified since last years Housing Supply Report. Final numbers are presented here.
2. The U.S. housing stock was comprised of $32 \%$ renter-occupied units, according to the 200I American Housing Survey, conducted by the U.S. Census Bureau.
3. Data from the 2002 HVS cannot be compared in a reliable manner with data from previous HVS's, principally because the HVS is a sample survey and the samples for the 2002 and previous HVS's were drawn from different sample frames. To make the data from previous HVS's comparable with the data from the 2002 HVS, data from previous HVS's should be reweighed applying the weight that was used for the 2002 HVS. Reweighed data from previous HVS's is not available at this time.
4. Other units include public housing, Mitchell-Lama, In Rem, HUDregulated, Article 4 and Loft Board units.
5. Since the number of vacant units available for rent in Staten Island is small, and the HVS is a sample survey, the sampling error of the vacancy rate is likely to be large, and thus, interpretation of this rate should be done with caution.
6. U.S. Census Bureau web site. World Wide Web page [http://www.census.gov/const/www/permitsindex.html](http://www.census.gov/const/www/permitsindex.html).
7. NYC Department of City Planning data. Note that the data is continually updated and is subject to change, including data from prior years.
8. In May of 2005, the RGB received updated housing completion data from the Dept. of City Planning for the years 2000 through 2004. Data was in some cases changed significantly. For instance, last year's Housing Supply Report reported an increase of 19.3\% in housing completions between 2002 and 2003, but with revised data completions actually decreased $21.3 \%$, making this year's $33.2 \%$ increase in completions much larger than it would have been had 2003 completions remained at levels reported in the 2004 Housing Supply Report. This data also does not include Temporary Certificates of Occupancy, which could potentially add hundreds (if not thousands) of units to the housing completions. The RGB is currently reviewing methodology and available data sources and may include Temporary Certificates in next year's report.
9. Starts refer to the number of units beginning construction or rehabilitation in a given period.

IO. Mayor's Management Report, Preliminary Fiscal 2005.
II. "The New Housing Marketplace: Creating Housing for the Next Generation," NYC Department of Housing Preservation and Development report, December IO, 2002.

12 Most recent numbers obtained from the New York City Department of Housing Preservation and Development on May 4, 2005.
13. "The New Housing Marketplace: Creating Housing for the Next Generation; Progress Report 2003," City of New York and Department of Housing Preservation and Development, January 2004.
14. Data obtained from the NYC Dept. of Housing Preservation and Development, Tax Incentives Program.
15. NYC Department of Housing Preservation and Development, Tax Incentives Program data. Note that the 42I-a program provides tax incentives to newly built renter- and owner-occupied units, which are included in the figures given in this report. HPD is unable to provide a breakdown of the number of 42I-a units that are only rentals.
16. "2004 Annual Report: Mitchell-Lama Housing Companies in NYS." NYS Division of Housing and Community Renewal. March 15, 2005.
17. Data obtained from the Manhattan Borough President's Office, Land Use, Housing and Development Unit. May 5, 2005.
18. "Mayor Michael R. Bloomberg Announces Agreement Between Owners and Tenants of West Village Houses." Mayor's Office Press Release \#I23-04, May 20, 2004.
19. National Low Income Housing Coalition. Issues and Alerts. "NLIHC Summary of HUD's housing bill."
http://www.nlihc.org/news/042805.html.
20. "Council OKs Tax Breaks for Housing," New York Post. Feb. 3, 2005.
21. "Mayor Michael R. Bloomberg Announces Housing Preservation Initiative to Protect Over 27,000 Mitchell-Lama Apartments." Mayor's Office Press Release \#167-04, June 28, 2004.
22. "Mitchell-Lama Lawsuit Goes to Appeals Court," Sue Susman, Tenants \& Neighbors newsletter. Spring 2005
23. Project Updates from LowerManhattan.info website: http://www.lowermanhattan.info/construction/
24. "Accord Is Set To Save Rooms At the Plaza." New York Times, Charles V. Bagli. April I5, 2005.
25. "More Luxury Apartments from Hotels as Money and Demand Flow Freely." New York Times, John Holusha. December 22, 2004.
26. "New York Council Fights Hotel-Condos." Hotel Interactive, Allan Richter. March 25, 2005.
27. West Side SRO Law Project testimony to RGB, May 2, 2005, reporting NYC Department of Housing Preservation and Development data.
28. NYS Attorney General's Office, Real Estate Financing Bureau data.
29. 2002 NYC Housing and Vacancy Survey.
30. NYC Department of Housing Preservation and Development, Tax Incentives Program data. Note that, similar to the 42I-a program, J-5 provides tax abatements and incentives to newly built renter- and owner-occupied units, which are included in the figures given in this report. HPD is unable to provide a breakdown of the number of J-5I units that are only rentals.
31. Landlord Information/Tax Incentives: J-5I, NYC Department of Housing Preservation and Development web site. World Wide Web page [http://nyc.gov/html/hpd/html/for-owners/private-owner-taxinc.html](http://nyc.gov/html/hpd/html/for-owners/private-owner-taxinc.html).
32. "Annual Report on Tax Expenditures," NYC Dept. of Finance publication, September, 2004.
33. Mayor's Management Reports, Fiscal Year 1994-Preliminary Fiscal 2005.
34. NYC Department of Housing Preservation and Development. World Wide Web page [http://www.nyc.gov/html/hpd/html/for-owners/housing-education-program.html](http://www.nyc.gov/html/hpd/html/for-owners/housing-education-program.html).
35. NYC Department of Finance, General Information on the City's Tax Lien Sale Process. World Wide Web page http://www.nyc.gov/html/dof/ html/property/property_bill_taxlien.shtml\#general>.
36. "New York City Case Study:Third Party Transfer Initiative: A Solution To Property Abandonment," by Lisa Mueller, Local Initiative Support Corporation report, January 14, 2003. World Wide Web page <http://www.liscnet.org/resources/2003/0I/initiative_I064.shtml?Planni ng+\&+Land+Use>.
37. Most recent figures obtained from Neighborhood Restore, May II, 2005.
38. NYC Department of Buildings (DOB) data. Note that demolition statistics include both residential as well as commercial buildings, as the DOB does not specify the type of building in its data.
39. "City Council Approves Brooklyn Waterfront Redevelopment," New York Newsday, May I2, 2005.

## Appendix: Housing Supply Report

## 1. Permits Issued For Housing Units in New York City, 1960-2005

| Year | Bronx | Brooklyn | Manhattan | Queens | Staten Island | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1960 | -- | -- | -- | -- | -- | 46,792 |
| 1961 | -- | -- | -- | -- | -- | 70,606 |
| 1962 | -- | -- | -- | -- | -- | 70,686 |
| 1963 | -- | -- | -- | -- | -- | 49,898 |
| 1964 | -- | -- | -- | -- | -- | 20,594 |
| 1965 | -- | -- | -- | -- | -- | 25,715 |
| 1966 | -- | -- | -- | -- | -- | 23,142 |
| 1967 | -- | -- | -- | -- | -- | 22,174 |
| 1968 | -- | -- | -- | -- | -- | 22,062 |
| 1969 | -- | -- | -- | -- | -- | 17,031 |
| 1970 | -- | -- | -- | -- | -- | 22,365 |
| 1971 | -- | -- | -- | -- | -- | 32,254 |
| 1972 | -- | -- | -- | -- | -- | 36,061 |
| 1973 | -- | -- | -- | -- | -- | 22,417 |
| 1974 | -- | -- | -- | -- | -- | 15,743 |
| 1975 | -- | -- | -- | -- | -- | 3,810 |
| 1976 | -- | -- | -- | -- | -- | 5,435 |
| 1977 | -- | -- | -- | -- | -- | 7,639 |
| 1978 | -- | -- | -- | -- | -- | 11,096 |
| 1979 | -- | -- | -- | -- | -- | 14,524 |
| 1980 | -- | -- | -- | -- | -- | 7,800 |
| 1981 | -- | -- | -- | -- | -- | 11,060 |
| 1982 | -- | -- | -- | -- | -- | 7,649 |
| 1983 | -- | -- | -- | -- | -- | 11,795 |
| 1984 | -- | -- | -- | -- | -- | 11,566 |
| 1985 | 1,263 | 1,068 | 12,079 | 2,211 | 3,711 | 20,332 |
| 1986 | 920 | 1,278 | 1,622 | 2,180 | 3,782 | 9,782 |
| 1987 | 931 | 1,650 | 3,811 | 3,182 | 4,190 | 13,764 |
| 1988 | 967 | 1,629 | 2,460 | 2,506 | 2,335 | 9,897 |
| 1989 | 1,643 | 1,775 | 2,986 | 2,339 | 2,803 | 11,546 |
| 1990 | 1,182 | 1,634 | 2,398 | 704 | 940 | 6,858 |
| 1991 | 1,093 | 1,024 | 756 | 602 | 1,224 | 4,699 |
| 1992 | 1,257 | 646 | 373 | 351 | 1,255 | 3,882 |
| 1993 | 1,293 | 1,015 | 1,150 | 530 | 1,185 | 5,173 |
| 1994 | 846 | 911 | 428 | 560 | 1,265 | 4,010 |
| 1995 | 853 | 943 | 1,129 | 738 | 1,472 | 5,135 |
| 1996 | 885 | 942 | 3,369 | 1,301 | 2,155 | 8,652 |
| 1997 | 1,161 | 1,063 | 3,762 | 1,144 | 1,857 | 8,987 |
| 1998 | 1,309 | 1,787 | 3,823 | 1,446 | 2,022 | 10,387 |
| 1999 | 1,153 | 2,894 | 3,791 | 2,169 | 2,414 | 12,42 I |
| 2000 | 1,646 | 2,904 | 5,110 | 2,723 | 2,667 | 15,050 |
| 2001 | 2,216 | 2,973 | 6,109 | 3,264 | 2,294 | 16,856 |
| 2002 | 2,626 | 5,247 | 5,407 | 3,464 | 1,756 | 18,500 |
| 2003 | 2,935 | 6,054 | 5,232 | 4,399 | 2,598 | 21,218 |
| 2004 | 4,924 | 6,825 | 4,555 | 6,853 | 2,05 I | 25,208 |
| $2005\left(\mathrm{I}^{\text {st }} \mathrm{Qtr}\right)^{\Omega}$ | 739 (478) | 2,214 (1,545) | 1,786 (419) | 1,088 (1,235) | 226 (305) | 6,053 (3,982) |

$\Omega$ First three months of 2005. The number of permits issued in the first three months of 2004 is in parenthesis.
Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch.

## 2. Permits Issued by Building Size \& Borough (In Percentages), 1996-2004

| Year/Borough | I-Family | 2-Family | 3/4 Family | 5 or More-Family | Total Buildings |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1996 |  |  |  |  |  |
| Bronx | 2.0\% | 69.2\% | 26.5\% | 2.4\% | 253 |
| Brooklyn | 24.1\% | 42.1\% | 30.3\% | 3.6\% | 390 |
| Manhattan | 0.0\% | 5.0\% | 5.0\% | 90.0\% | 20 |
| Queens | 23.3\% | 64.8\% | 9.7\% | 2.2\% | 361 |
| Staten Island | 61.2\% | 38.3\% | 0.5\% | 0.0\% | 1,548 |
| Citywide | 44.0\% | 45.4\% | 8.9\% | 1.8\% | 2,572 |
| 1997 |  |  |  |  |  |
| Bronx | 10.2\% | 49.8\% | 34.0\% | 6.0\% | 235 |
| Brooklyn | 43.9\% | 25.6\% | 24.1\% | 6.4\% | 328 |
| Manhattan | 0.0\% | 0.0\% | 9.1\% | 90.9\% | 22 |
| Queens | 14.1\% | 62.4\% | 19.9\% | 3.7\% | 433 |
| Staten Island | 74.8\% | 25.1\% | 0.0\% | 0.1\% | 1,421 |
| Citywide | 53.0\% | 33.9\% | 10.1\% | 3.0\% | 2,439 |
| 1998 |  |  |  |  |  |
| Bronx | 8.4\% | 58.5\% | 30.4\% | 2.7\% | 335 |
| Brooklyn | 24.4\% | 40.3\% | 27.0\% | 8.3\% | 459 |
| Manhattan | 2.7\% | 5.4\% | 0.0\% | 91.9\% | 37 |
| Queens | 18.3\% | 56.4\% | 19.1\% | 6.2\% | 486 |
| Staten Island | 57.0\% | 41.5\% | 1.4\% | 0.1\% | 1,334 |
| Citywide | 37.4\% | 45.6\% | 12.7\% | 4.2\% | 2,651 |
| 1999 |  |  |  |  |  |
| Bronx | 6.4\% | 44.5\% | 48.1\% | 1.0\% | 393 |
| Brooklyn | 31.7\% | 37.0\% | 21.2\% | 10.1\% | 783 |
| Manhattan | 0.0\% | 4.4\% | 4.4\% | 91.1\% | 45 |
| Queens | 13.4\% | 62.4\% | 19.1\% | 5.1\% | 681 |
| Staten Island | 63.4\% | 36.4\% | 0.0\% | 0.2\% | 1,738 |
| Citywide | 40.3\% | 41.9\% | 13.4\% | 4.5\% | 3,640 |
| 2000 |  |  |  |  |  |
| Bronx | 7.7\% | 67.8\% | 22.5\% | 1.9\% | 466 |
| Brooklyn | 15.9\% | 50.7\% | 23.5\% | 9.9\% | 837 |
| Manhattan | 0.0\% | 13.8\% | 43.1\% | 43.1\% | 109 |
| Queens | 10.9\% | 58.4\% | 25.0\% | 5.7\% | 801 |
| Staten Island | 71.8\% | 27.9\% | 0.0\% | 0.3\% | 1,895 |
| Citywide | 39.4\% | 42.6\% | 13.4\% | 4.6\% | 4,108 |
| 2001 |  |  |  |  |  |
| Bronx | 3.7\% | 59.7\% | 31.9\% | 4.8\% | 543 |
| Brooklyn | 22.3\% | 44.6\% | 24.1\% | 9.0\% | 1,028 |
| Manhattan | 2.8\% | 3.5\% | 56.3\% | 37.3\% | 142 |
| Queens | 14.1\% | 58.8\% | 23.5\% | 3.6\% | 1,007 |
| Staten Island | 72.6\% | 27.3\% | 0.1\% | 0.0\% | 1,799 |
| Citywide | 37.6\% | 41.4\% | 16.4\% | 4.6\% | 4,519 |
| 2002 |  |  |  |  |  |
| Bronx | 2.7\% | 57.4\% | 35.4\% | 4.6\% | 676 |
| Brooklyn | 15.8\% | 41.9\% | 27.5\% | 14.8\% | 1,197 |
| Manhattan | 4.1\% | 4.1\% | 24.3\% | 67.6\% | 74 |
| Queens | 17.7\% | 53.8\% | 23.8\% | 4.7\% | 1,210 |
| Staten Island | 69.3\% | 29.4\% | 1.1\% | 0.2\% | 1,317 |
| Citywide | 29.9\% | 43.2\% | 19.9\% | 7.1\% | 4,474 |
| 2003 |  |  |  |  |  |
| Bronx | 9.2\% | 50.3\% | 30.5\% | 9.9\% | 596 |
| Brooklyn | 8.2\% | 46.1\% | 31.5\% | 14.2\% | 1,446 |
| Manhattan | 1.3\% | 8.8\% | 2.5\% | 87.5\% | 80 |
| Queens | 12.1\% | 54.2\% | 28.6\% | 5.2\% | 1,335 |
| Staten Island | 64.8\% | 34.6\% | 0.5\% | 0.1\% | 1,887 |
| Citywide | 29.1\% | 44.0\% | 19.3\% | 7.6\% | 5,344 |
| 2004 |  |  |  |  |  |
| Bronx | 4.1\% | 40.2\% | 46.9\% | 8.9\% | 813 |
| Brooklyn | 8.0\% | 31.3\% | 43.6\% | 17.1\% | 1,407 |
| Manhattan | 1.1\% | 3.3\% | 16.7\% | 78.9\% | 90 |
| Queens | 13.3\% | 55.5\% | 25.9\% | 5.2\% | 1,986 |
| Staten Island | 46.2\% | 53.3\% | 0.2\% | 0.3\% | 1,308 |
| Citywide | 18.1\% | 45.9\% | 27.3\% | 8.7\% | 5,604 |

Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch.

## 3. New Dwelling Units Completed in New York City, 1960-2004

| Year | Bronx | Brooklyn | Manhattan | Queens | Staten Island | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1960 | 4,970 | 9,860 | 5,018 | 14,108 | 1,292 | 35,248 |
| 1961 | 4,424 | 8,380 | 10,539 | 10,632 | 1,152 | 35,127 |
| 1962 | 6,458 | 10,595 | 12,094 | 15,480 | 2,677 | 47,304 |
| 1963 | 8,780 | 12,264 | 19,398 | 17,166 | 2,423 | 60,031 |
| 1964 | 9,503 | 13,555 | 15,833 | 10,846 | 2,182 | 51,919 |
| 1965 | 6,247 | 10,084 | 14,699 | 16,103 | 2,319 | 49,452 |
| 1966 | 7,174 | 6,926 | 8,854 | 6,935 | 2,242 | 32,131 |
| 1967 | 4,038 | 3,195 | 7,108 | 5,626 | 3,069 | 23,036 |
| 1968 | 3,138 | 4,158 | 2,707 | 4,209 | 3,030 | 17,242 |
| 1969 | 1,313 | 2,371 | 6,570 | 3,447 | 3,768 | 17,469 |
| 1970 | 1,652 | 1,695 | 3,155 | 4,230 | 3,602 | 14,334 |
| 1971 | 7,169 | 2,102 | 4,708 | 2,576 | 2,909 | 19,464 |
| 1972 | 11,923 | 2,593 | 1,931 | 3,021 | 3,199 | 22,667 |
| 1973 | 6,294 | 4,340 | 2,918 | 3,415 | 3,969 | 20,936 |
| 1974 | 3,380 | 4,379 | 6,418 | 3,406 | 2,756 | 20,339 |
| 1975 | 4,469 | 3,084 | 9,171 | 2,146 | 2,524 | 21,394 |
| 1976 | 1,373 | 10,782 | 6,760 | 3,364 | 1,638 | 23,917 |
| 1977 | 721 | 3,621 | 2,547 | 1,350 | 1,984 | 10,223 |
| 1978 | 464 | 345 | 3,845 | 697 | 1,717 | 7,068 |
| 1979 | 405 | 1,566 | 4,060 | 1,042 | 2,642 | 9,715 |
| 1980 | 1,709 | 708 | 3,306 | 783 | 2,380 | 8,886 |
| 1981 | 396 | 454 | 4,416 | 1,152 | 2,316 | 8,734 |
| 1982 | 997 | 332 | 1,812 | 2,451 | 1,657 | 7,249 |
| 1983 | 757 | 1,526 | 2,558 | 2,926 | 1,254 | 9,02I |
| 1984 | 242 | 1,975 | 3,500 | 2,291 | 2,277 | 10,285 |
| 1985 | 557 | 1,301 | 1,739 | 1,871 | 1,939 | 7,407 |
| 1986 | 968 | 2,398 | 4,266 | 1,776 | 2,715 | 12,123 |
| 1987 | 1,177 | 1,735 | 4,197 | 2,347 | 3,301 | 12,757 |
| 1988 | 1,248 | 1,631 | 5,548 | 2,100 | 2,693 | 13,220 |
| 1989 | 847 | 2,098 | 5,979 | 3,560 | 2,201 | 14,685 |
| 1990 | 872 | 929 | 7,260 | 2,327 | 1,384 | 12,772 |
| 1991 | 656 | 764 | 2,608 | 1,956 | 1,627 | 7,611 |
| 1992 | 802 | 1,337 | 3,750 | 1,498 | 1,136 | 8,523 |
| 1993 | 886 | 616 | 1,810 | 801 | 1,466 | 5,579 |
| 1994 | 891 | 1,035 | 1,927 | 1,527 | 1,573 | 6,953 |
| 1995 | 1,166 | 1,647 | 2,798 | 1,013 | 1,268 | 7,892 |
| 1996 | 1,075 | 1,583 | 1,582 | 1,152 | 1,726 | 7,118 |
| 1997 | 1,391 | 1,369 | 816 | 1,578 | 1,791 | 6,945 |
| 1998 | 575 | 1,333 | 5,175 | 1,263 | 1,75। | 10,097 |
| 1999 | 1,228 | 1,025 | 2,341 | 2,119 | 2,264 | 8,977 |
| $2000 \pi$ | 1,385 | 1,353 | 6,064 | 2,096 | 1,896 | 12,794 |
| $2001 \pi$ | 1,617 | 2,404 | 6,036 | 1,225 | 2,198 | 13,480 |
| $2002 \pi$ | 1,220 | 2,248 | 8,326 | 1,981 | 2,453 | 16,228 |
| $2003 \pi$ | 1,473 | 2,575 | 3,798 | 2,344 | 2,589 | 12,779 |
| $2004 \pi$ | 1,771 | 1,840 | 7,376 | 2,701 | 3,340 | 17,028 |

[^0]Source: New York City Department of City Planning, Certificates of Occupancy issued in Newly Constructed Buildings.

## 4. Number of Residential Cooperative and Condominium Plans Accepted for Filing By the NYS Attorney General's Office, 1999-2004



Note: Figures exclude "Homeowner" and "Commercial" plans/units.
Source: New York State Attorney General's Office, Real Estate Financing Bureau.

## 5. Number of Units in Cooperative and Condominium Plans Accepted for Filing By the NYS Attorney General's Office, 1981-2004

| Year | New Construction | Conversion Eviction | Conversion Non-Eviction | Rehabilitation | Total <br> New Construction Conversion \& Rehab | Units in HPD Sponsored Plans |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1981 | 6,926 | 13,134 | 4,360 | -- | 24,420 | 925 |
| 1982 | 6,096 | 26,469 | 16,439 | -- | 49,004 | 1,948 |
| 1983 | 4,865 | 18,009 | 19,678 | -- | 42,552 | 906 |
| 1984 | 4,663 | 7,432 | 25,873 | -- | 37,968 | 519 |
| 1985 | 9,391 | 2,276 | 30,277 | -- | 41,944 | 935 |
| 1986 | 11,684 | 687 | 39,874 | -- | 52,245 | 195 |
| 1987 | 8,460 | I,064 | 35,574 | -- | 45,098 | 1,175 |
| 1988 | 9,899 | 1,006 | 32,283 | -- | 43,188 | 1,159 |
| 1989 | 6,153 | 137 | 25,459 | -- | 31,749 | 945 |
| 1990 | 4,203 | 364 | 14,640 | -- | 19,207 | 1,175 |
| 1991 | 1,111 | 173 | 1,757 | -- | 3,041 | 2,459 |
| 1992 | 793 | 0 | 566 | -- | 1,359 | 1,674 |
| 1993 | 775 | 41 | 134 | -- | 950 | 455 |
| 1994 | 393 | 283 | 176 | 807 | 1,659 | 901 |
| 1995 | 614 | 426 | 201 | I,258 | 2,499 | 935 |
| 1996 | 21 | 0 | 149 | 271 | 441 | 0 |
| 1997 | 1,417 | 26 | 131 | 852 | 2,426 | 533 |
| 1998 | 3,225 | 0 | 386 | 826 | 4,437 | 190 |
| 1999 | 1,123 | 343 | 359 | 1,029 | 2,854 | 295 |
| 2000 | 1,911 | 203 | 738 | 220 | 3,072 | 179 |
| 2001 | 3,833 | 22 | 1,053 | 124 | 5,032 | 22 |
| 2002 | 2,576 | 260 | 1,974 | 348 | 5,158 | 260 |
| 2003 | 4,870 | 0 | 639 | 418 | 5,927 | 0 |
| 2004 | 6,018 | 0 | 1,662 | 334 | 8,014 | 112 |

[^1]
## 6. Tax Incentive Programs

Buildings Receiving Certificates for 421-a Exemptions, 2002-04

|  | 2002 |  | 2003 |  | 2004 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Certificates | $\underline{\text { Units }}$ | Certificates | Units | Certificates | Units |
| Bronx | 9 | 405 | 14 | 422 | 13 | 401 |
| Brooklyn | 54 | 1,325 | 30 | 600 | 76 | 1,628 |
| Manhattan | 27 | 2,614 | 18 | 2,068 | 30 | 3,401 |
| Queens | 46 | 603 | 50 | 692 | 92 | 1,308 |
| Staten Island | 1 | 6 | 0 | 0 | 0 | 0 |
| TOTAL | 137 | 4,953 | 112 | 3,782 | 211 | 6,738 |

Buildings Receiving J-51 Tax Abatements and Exemptions, 2002-04

|  | Buildings | Units | Certified Cost ( $\$ 1,000 \mathrm{~s}$ ) | Buildings | Units | Certified Cost (\$1,000s) | Buildings | Units | Certified Cost (\$1,000s) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Bronx | 169 | 8,228 | 16,162 | 184 | 9,760 | 30,409 | 609 | 35,295 | 123,566 |
| Brooklyn | 345 | 16,517 | 28,792 | 343 | 18,247 | 29,589 | 367 | 18,271 | 28,832 |
| Manhattan | 580 | 24,855 | 43,070 | 509 | 25,545 | 45,798 | 541 | 27,058 | 56,134 |
| Queens | 311 | 20,028 | 11,169 | 1,330 | 20,240 | 16,938 | 552 | 35,157 | 24,815 |
| Staten Island | 5 | 517 | 1,954 | 7 | 213 | 160 | 99 | 1,722 | 739 |
| TOTAL | 1,410 | 70,145 | 101,146 | 2,373 | 74,005 | 122,893 | 2,168 | 117,503 | 234,087 |

Source: New York City Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.
7. Tax Incentive Programs - Units Receiving Initial Benefits, 1981-2004

| Year | 421-a | L-51 |
| :---: | :---: | :---: |
| 1981 | 3,505 | -- |
| 1982 | 3,620 | -- |
| 1983 | 2,088 | -- |
| 1984 | 5,820 | -- |
| 1985 | 5,478 | -- |
| 1986 | 8,569 | -- |
| 1987 | 8,286 | -- |
| 1988 | 10,079 | 109,367 |
| 1989 | 5,342 | 64,392 |
| 1990 | 980 | 113,009 |
| 1991 | 3,323 | 115,031 |
| 1992 | 2,650 | 143,593 |
| 1993 | 914 | 122,000 |
| 1994 | 627 | 60,874 |
| 1995 | 2,284 | 77,072 |
| 1996 | 1,085 | 70,431 |
| 1997 | 2,099 | 145,316 |
| 1998 | 2,118 | 103,527 |
| 1999 | 6,123 | 82,121 |
| 2000 | 2,828 | 83,925 |
| 2001 | 4,870 | 81,321 |
| 2002 | 4,953 | 70,145 |
| 2003 | 3,782 | 74,005 |
| 2004 | 6,738 | 117,503 |

Source: New York City Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.

## 8. City-Owned Properties, Fiscal Years 1985-2004

|  | Central Management |  |  |  | Alternative Management |  | Vestings |  | Buildings Sold |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Fiscal Year | Occupied Units | Occupied Buildings | Vacant Units | Vacant Buildings | Units | Buildings | Units | Buildings | Buildings |
| 1985 | 38,561 | 4,102 | 56,474 | 5,732 | 12,825 | 542 | -- | -- | 531 |
| 1986 | 39,632 | 4,033 | 55,782 | 5,662 | 13,375 | 583 | -- | -- | 275 |
| 1987 | 38,201 | 4,042 | 48,987 | 4,638 | 13,723 | 587 | -- | -- | 621 |
| 1988 | 37,355 | 3,628 | 37,734 | 3,972 | 14,494 | 624 | -- | -- | 58 + |
| 1989 | 32,377 | 3,359 | 45,724 | 3,542 | 17,621 | 780 | -- | -- | 72 |
| 1990 | 33,851 | 3,303 | 37,951 | 3,110 | 14,800 | 705 | 3,323 | 292 | 112 |
| 1991 | 32,783 | 3,234 | 30,534 | 2,796 | 12,695 | 615 | 2,288 | 273 | 140 |
| 1992 | 32,801 | 3,206 | 22,854 | 2,368 | -- | -- | 1,462 | 197 | -- |
| 1993 | 32,078 | 3,098 | 17,265 | 2,085 | 9,237 | 470 | 2,455 | 211 | 162 |
| 1994 | 30,358 | 2,992 | 13,675 | 1,763 | 8,606 | 436 | 715 | 69 | 81 |
| 1995 | 27,922 | 2,885 | 11,190 | 1,521 | 7,903 | 433 | 240 | 17 | 170 |
| 1996 | 24,503 | 2,684 | 9,971 | 1,349 | 6,915 | 393 | 49 | 2 | 386 |
| 1997 | 22,298 | 2,484 | 8,177 | 1,139 | 5,380 | 289 | 0 | 0 | 253 |
| 1998 | 19,084 | 2,232 | 7,511 | 1,021 | 6,086 | 305 | 0 | 0 | 206 |
| 1999 | 15,333 | 1,905 | 6,664 | 869 | 6,640 | 401 | 0 | 0 | 251 |
| 2000 | 13,613 | 1,730 | 6,295 | 805 | 6,282 | 382 | 0 | 0 | 136 |
| 2001 | 8,299 | 1,203 | 4,979 | 633 | 7,973 | 504 | 0 | 0 | 321 |
| 2002 | 5,715 | 919 | 3,762 | 524 | 7,756 | 477 | 0 | 0 | 302 |
| 2003 | 4,049 | 610 | 2,370 | 367 | 7,064 | 441 | 0 | 0 | 184 |
| 2004 | 1,970 | 373 | 1,806 | 275 | 7,348 | 466 | 0 | 0 | 217 |

Note: HPD could not confirm vestings data prior to FY 1990.
Source: NYC Office of Operations, Fiscal 2004 Mayor's Management Report; NYC Department of Housing Preservation and Development.

## 9. Building Demolitions in New York City, 1985-2004

|  | Bronx |  | Brooklyn |  | Manhattan |  | Queens |  | Staten Island |  | Total |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Year | $\begin{gathered} 5+ \\ \text { Units } \end{gathered}$ | Total | $\begin{gathered} 5+ \\ \text { Units } \end{gathered}$ | Total | 5+ Units | Total | $\begin{gathered} 5+ \\ \text { Units } \end{gathered}$ | Total | $5+$ Units | Total | $\begin{gathered} 5+ \\ \text { Units } \end{gathered}$ | Total |
| 1985 | 81 | 157 | 3 | 101 | 59 | 73 | 3 | 133 | 1 | 31 | 147 | 495 |
| 1986 | 48 | 96 | 14 | 197 | 19 | 38 | 3 | 273 | 4 | 67 | 88 | 671 |
| 1987 | 14 | 55 | 2 | 130 | 22 | 33 | 1 | 273 | 6 | 83 | 45 | 574 |
| 1988 | 3 | 34 | 2 | 169 | 25 | 44 | 2 | 269 | 0 | 160 | 32 | 676 |
| 1989 | 6 | 48 | 8 | 160 | 20 | 38 | 3 | 219 | 0 | 109 | 37 | 574 |
| 1990 | 4 | 29 | 3 | 133 | 20 | 28 | 5 | 119 | 0 | 71 | 32 | 380 |
| 1991 | 10 | 33 | 15 | 95 | 9 | 14 | 1 | 68 | 0 | 32 | 35 | 242 |
| 1992 | 12 | 51 | 6 | 63 | 2 | 5 | 1 | 41 | 0 | 33 | 21 | 193 |
| 1993 | 0 | 17 | 4 | 94 | 0 | 1 | 3 | 51 | 0 | 5 | 7 | 168 |
| 1994 | 3 | 14 | 4 | 83 | 5 | 5 | 2 | 42 | 0 | 8 | 14 | 152 |
| 1995 | 2 | 18 | 0 | 81 | 0 | 0 | 2 | 37 | 0 | 17 | 4 | 153 |
| 1996 | -- | 30 | -- | 123 | -- | 25 | -- | 118 | -- | 84 | -- | 380 |
| 1997 | -- | 29 | -- | 127 | -- | 51 | -- | 168 | -- | 119 | -- | 494 |
| 1998 | -- | 71 | -- | 226 | -- | 103 | -- | 275 | -- | 164 | -- | 839 |
| 1999 | -- | 67 | -- | 211 | -- | 53 | -- | 227 | -- | 159 | -- | 717 |
| 2000 | -- | 64 | -- | 499 | -- | 101 | -- | 529 | -- | 307 | -- | 1,500 |
| 2001 | -- | 96 | -- | 421 | -- | 160 | -- | 519 | -- | 291 | -- | 1,487 |
| 2002 | -- | 126 | -- | 500 | -- | 89 | -- | 600 | -- | 456 | -- | 1,771 |
| 2003 | -- | 161 | -- | 560 | -- | 100 | -- | 865 | -- | 564 | -- | 2,250 |
| 2004 | - | 238 | - | 691 | - | 141 | - | 1128 | - | 547 | - | 2,745 |

[^2]Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch; New York City Department of Buildings.


[^0]:    Note: Dwelling unit count is based on the number of Final Certificates of Occupancy issued by NYC Department of Buildings, or equivalent action by the Empire State Development Corporation or NYS Dormitory Authority. .
    $\pi$ Data from 2000 to 2004 was revised in May of 2005 by the Dept. of City Planning. This data includes on Final Certificates of Occupancy (as with all other years) and could be revised upwards if Temporary Certificates of Occupancy were also included. Data will be updated every year to reflect the most current estimates.

[^1]:    Note: Rehabilitated units were tabulated separately beginning in 1994. HPD Plans are a subset of all plans. Numbers were revised from prior years.
    Source: New York State Attorney General's Office, Real Estate Financing Bureau.

[^2]:    Note: The Census Bureau discontinued collecting demolition statistics in December, 1995. The New York City Department of Buildings began supplying the total number of buildings demolished from 1996 forward, and cannot specify whether buildings are residential, nor if they have $5+$ units. Demolition statistics from 1985 though 1995 are solely residential buildings.

