

2013 Housing Supply Report

May 30, 2013

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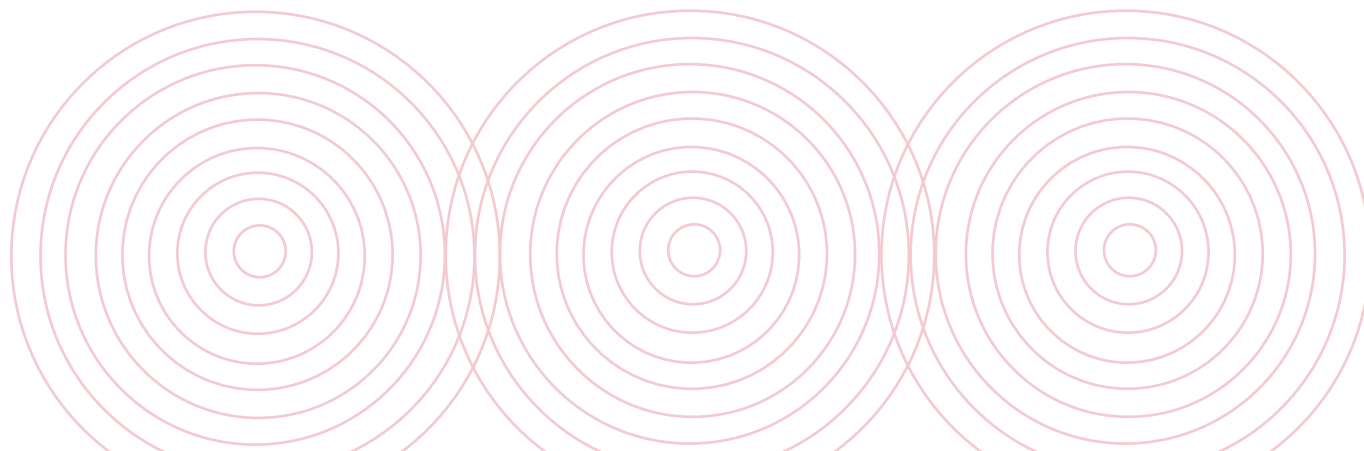
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2013 Housing Supply Report

What's New

- ✓ Permits for 10,334 new dwelling units were issued in New York City in 2012, a 15.6% increase over the prior year and the third consecutive year of increase.
- ✓ The number of new housing units completed in 2012 decreased 32.4% over the prior year, to 9,455.
- ✓ City-sponsored residential construction spurred 16,819 new housing starts in FY 2012, 85% of which were rehabilitations.
- ✓ The number of housing units newly receiving 421-a exemptions decreased 1.4% in 2012, to 10,856.
- ✓ The number of housing units newly receiving J-51 abatements and exemptions decreased 16.2% in 2012 to 45,886.
- ✓ There was a 1.9% increase in the number of co-op or condo units accepted in 2012, to 160 plans containing 4,552 units.
- ✓ Demolitions were down in 2012, decreasing by 0.6%, to 1,122 buildings.
- ✓ The City-owned *in rem* housing stock rose for the second time since FY 1989, rising 1.9% during FY 2012, to 861 units.
- ✓ The number of stalled construction sites fell from 698 in May of 2012 to 647 in May of 2013.

Overview

Between 2011 and 2012 there was a 15.6% increase in the number of permits issued for new dwelling units, rising to 10,334, the third consecutive year of increase. But the number of units receiving 421-a benefits fell, decreasing 1.4% over 2011 levels, and rehabilitation of residential units under the J-51 tax abatement and exemption program also decreased during 2012, falling 16.2%. The number of completed housing units also fell during 2012, decreasing 32.4% from 2011 levels, as did the number of accepted co-op and condo plans, which fell 25.9% (although the number of units rose by 1.9%). A tight housing market also remains, with a Citywide rental vacancy rate of 3.12% and 11.5% of all rental housing considered overcrowded as of 2011. And following the first increase in five years, demolitions decreased again, with a 0.6% decline in the number of buildings demolished during 2012.

New York City's Housing Inventory

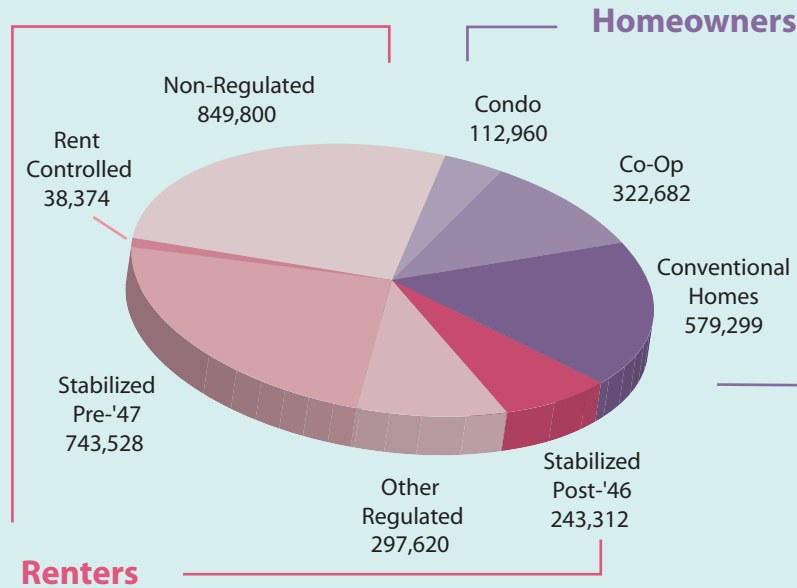
In contrast to the rest of the country, most New Yorkers do not own the homes in which they live. According to the *2011 Housing and Vacancy Survey (HVS)*,¹ rental units comprised 68.2% of New York City's available housing stock in 2011, almost twice the proportion of rental units as the nation as a whole.² New York City in 2011 had a total of 3,352,042 housing units, the largest housing stock since the first *HVS* was conducted in 1965. New York City's housing is not only dominated by the size of its rental housing stock, but unlike most cities, the bulk of rental units are rent regulated. Of the 2,172,634 occupied and vacant rental units reported in the most recent *HVS*, 39.1% were unregulated, or "free market." The majority were either pre-war (pre-47) rent stabilized (34.2%) or post-war (post-46) rent stabilized (11.2%), and the rest were rent controlled (1.8%) or part of various other³ types of regulated apartment programs (13.7%). (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 3.12% in 2011, below the 5% threshold required for rent regulation to continue under State law. This translates into the availability of just 67,818 vacant units out of more than 2.1 million rental units Citywide. Brooklyn had the lowest vacancy rate in the city, at 2.61%. Queens had the highest vacancy rate in 2011, at 3.79%. Of the remaining boroughs, the Bronx had a vacancy rate of 3.23%, Manhattan was at 2.80%, and the small sample size in Staten Island made the rate too inaccurate to report.⁴

Vacancy rates also vary by rent regulation status. The tightest market for non-income based housing was found among pre-war stabilized units, with a vacancy rate of 2.54% in 2011. Post-war stabilized units also maintained

Number of Renter and Owner Units

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



Source: U.S. Bureau of the Census, 2011 New York City Housing and Vacancy Survey
 Note: Above figures exclude vacant units that are not available for sale or rent.

a low vacancy rate, at 2.91%, while private, non-regulated units were vacant at a 4.43% rate.

The frequency of crowding also varied by rent regulation status. Overall, 11.5% of all rental housing in New York City in 2011 was overcrowded (defined as more than one person per room, on average) and 4.3% was severely overcrowded (defined as an average of more than 1.5 persons per room). Pre-war stabilized housing was most crowded, with 14.7% of units overcrowded and 5.9% severely overcrowded, while 11.5% of post-war units were overcrowded, and 4.8% of units were severely overcrowded. Overall, 13.9% of rent stabilized housing was overcrowded and 5.6% was severely overcrowded. In non-regulated housing, 10.9% was overcrowded and 3.8% severely overcrowded.

Changes in the Housing Inventory

Housing Permits

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.

Following a dramatic decrease in 2009, the City issued more housing permits in each of the ensuing three years for single- and multi-family buildings than in the year prior. In 2012, permits were issued for 10,334 units of new housing, an increase of 15.6% from the 8,936 units in 2011 (see graph on following page). While the third consecutive year of increase, levels are still more than 23,000 units below where they were in 2008.⁵

Permits increased Citywide in 2012, despite a double-digit decrease in Queens. (See Appendix 1 and the map on Page 6) Bronx permits increased by the greatest proportion, rising 128.7%, to 2,552 units. Permits issued in Brooklyn also increased significantly, rising by 120.3%, to 3,353 permits, while permits issued in Staten Island grew at a significantly slower pace, increasing by 15.8%, to 673 permits. But issued permits decreased in both Queens and Manhattan,

with levels falling 55.1% in Queens, to 1,428, and by 8.2% in Manhattan, to 2,328.

Despite the rise in permits issued during 2012, as compared to the relatively high number issued in recent years, permits are down considerably. Compared to 2008, permits are down 81.5% in Queens, 76.0% in Manhattan, 73.7% in Brooklyn, 46.4% in the Staten Island, and 69.5% Citywide. Permits in the Bronx, due to the large increase during 2012, are up as compared to 2008, by 2.8%

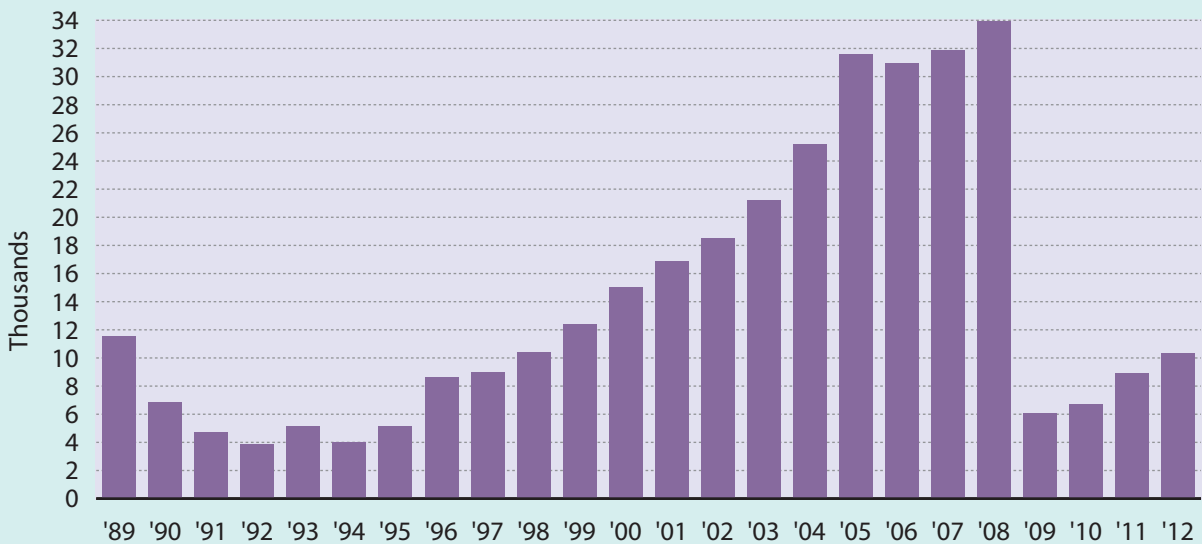
Permits issued in the first quarter of 2013 were also up as compared to the same period of the prior year. The number of permits issued in New York City increased from 2,110 in the first quarter of 2012 to 2,556 during the first quarter of 2013, a 21.1% increase. Permits issued increased significantly in both Queens and Brooklyn, by 117.3% and 97.3%, respectively, and were nearly flat in Manhattan, rising by 2.2%. But permits issued fell in both the Bronx and Staten Island, by 62.1% and 16.1%, respectively. In Queens and Brooklyn, where permits issued in the first quarter of 2013 doubled, the increase had less to do with the number newly permitted buildings, and more to do with the average sizes of the buildings, which

more than doubled in Queens, and almost doubled in Brooklyn. Conversely, in the Bronx, where permits issued fell by more than half, the number of buildings newly permitted fell by only three, but both the number of buildings five units and over fell, as well as the average size of those buildings.

Permit data can also be analyzed more deeply by looking at the reported size of the buildings applying for permits. In 2012, a total of 1,008 buildings received permits (containing a total of 10,334 housing units). Citywide, 27.8% of these buildings were single-family, 32.5% were two-family, 16.2% were three- or four-family structures, and 23.5% were buildings with five or more units. More than 85% of all permits Citywide were for units in five-family or greater buildings, with the average five-family or greater building containing 37 units for the City as a whole, and 64 units in Manhattan (both decreases from the prior year). 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 other boroughs. (See Appendix 2)

Units Issued New Housing Permits, 1989-2012, in Thousands

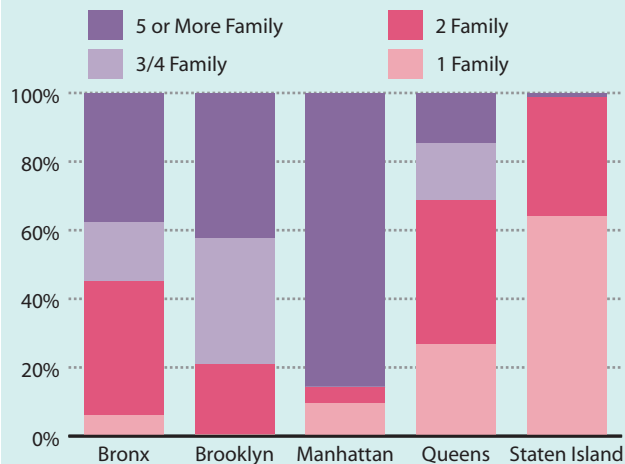
Number of Permits Issued for New Construction of Residential Units Increases for Third Straight Year



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

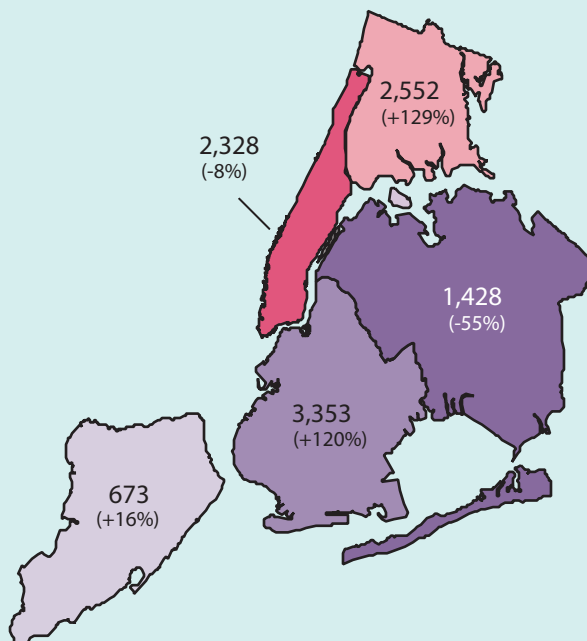
Residential Building Permits, 2012

Permits by Building Size:
Most New Buildings in Manhattan are Five Family or More, in Staten Island One- and Two-Family Homes Predominate



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

Total Number of Permits Issued in 2012 and Percentage Change From 2011 by Borough



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

Housing Completions

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.⁶ In 2012, approximately 9,455 new housing units were completed, a 32.4% decrease over 2011.⁷ Completions were down in every borough but Staten Island, falling by the greatest proportion in the Bronx, which fell by 58.6% (to 1,413), followed closely by Manhattan, which dropped 51.2% (to 1,159). Falling at a slower rate was Brooklyn, which fell 23.6% (to 3,611) and Queens, which fell by 7.7% (to 2,632). Completions rose only in Staten Island in 2012, increasing 4.6% (to 640 units). (See Appendix 3 for historical breakdown)

City-Sponsored Construction

Housing is also created through publicly funded sources, including programs sponsored by the NYC Department of Housing Preservation and Development (HPD) and the New York City Housing Development Corporation (HDC). 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 Neighborhood Redevelopment Program, which gives City-owned buildings to non-profits to rehabilitate and operate as affordable housing; and the Neighborhood Entrepreneurs Program, which enables neighborhood-based private property managers to manage and own clusters of occupied and vacant City-owned buildings as affordable housing. HDC operates programs such as the Low-Income Affordable Marketplace Program, which provides financing for apartments that rent to tenants with income no more than 60% of the area median income, and the New Housing Opportunities Program, which helps finance housing for middle-income New Yorkers.

HPD- and HDC-sponsored programs spurred a total of 16,819 housing starts⁸ in FY 2012, an 8.1% increase over the prior fiscal year.⁹ Of these starts,

14,298 were rehabilitation starts, and 2,521 were new construction starts. HPD and HDC collectively expect to start an additional 14,350 units of new construction and rehabilitation in FY 2013, and 14,500 in FY 2014. During the first three quarters of FY 2013 there were 6,542 starts by HPD and HDC, a 2.2% increase over the corresponding period of the previous year.¹⁰

HPD and HDC starts are part of Mayor Michael R. Bloomberg’s New Housing Marketplace Plan, first announced in 2006. The original five-year, \$3 billion commitment of 65,000 units is now an 11-year commitment to build and preserve 165,000 units of affordable housing by 2014. This \$8.5 billion plan will ultimately provide affordable homes for 500,000 New Yorkers.¹¹ As of March 2013, HPD and HDC have financed almost 145,000 units of housing under the New Housing Marketplace Plan, almost 88% of the total planned. The City has also shifted from its priority on new construction, and now anticipates that 68% of units by 2014 will be preservations, up from the 44% anticipated in the initial plan. Approximately 80% of planned units will be affordable to low-income households (making no more than 80% of HUD Income Limits), and 70% will be rental units.¹²

As part of this program, HPD has also been working with the NYC Housing Authority (NYCHA) to build affordable housing on underutilized NYCHA property. The latest project announced will provide 88 units of affordable housing (in addition to a charter school and office space for not-for-profit organizations) on land at the Washington Houses in Manhattan. As of February of 2013, the partnership between NYCHA and HPD has produced 2,000 units of affordable housing, with another 2,000 in development.¹³ Earlier this year, NYCHA also announced plans to offer 99-year ground leases to private, market-rate developers at eight of its sites in Manhattan. Developers will build a total of approximately 4,000 units on these sites, with 20% set aside for affordable housing. Under this plan, NYCHA retains ownership of the land, and no public housing will be lost.¹⁴

The City is also encouraging new housing creation by altering the zoning code to allow apartments less than 400 square feet (known as “micro-units”). The

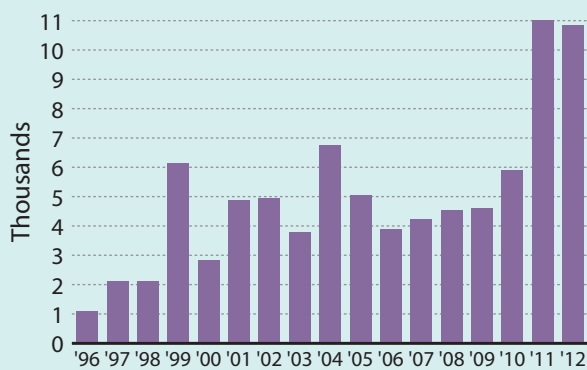
first approved development will create 55 pre-fabricated units, ranging in size from between 250 and 370 square feet, on a City-owned site in Manhattan, 40% of which will qualify as affordable housing.¹⁵ While the project is currently awaiting approval through the Uniform Land Use Review Procedure process,¹⁶ the City has already announced that they are considering issuing two to three more Request for Proposals for additional micro-unit projects.¹⁷

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 are vacant, predominantly vacant, or improved with a non-conforming use three or more years before the new construction commenced. Rental apartments built

Units Newly Receiving 421-a Certificates, 1996-2012, in Thousands

1% Decrease in Number of Units Newly Issued 421-a Certificates in 2012



Source: NYC Department of Housing Preservation and Development

with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Initial rents are first approved by HPD and are then subject to increases established by the NYC Rent Guidelines Board.

A variety of factors are used to establish the level and period of 421-a benefits, and properties are also subject to construction guidelines. 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 not less than 20% low-income units.¹⁸

The *2007 Housing Supply Report* outlined major changes in the 421-a program which took effect on July 1, 2008, including a major expansion of the Geographic Exclusion area (the area which requires 20% of units in any given building to be set aside for affordable housing), new limits on the amount of assessed value that is exempt from taxes, and on-site affordability requirements extended to a length of 35 years.

Through the 421-a program, the number of housing units newly receiving exemptions decreased for the first time in six years, down 1.4%, to 10,856 (see graph on the previous page), including decreases in three of the five boroughs.¹⁹ These decreases were offset by double digit increases in both Manhattan and the Bronx, of 46.8% and 37.6%, respectively. But the number of units decreased 42.9% in Queens, 23.3% in Brooklyn, and fell from 40 to four units in Staten Island, resulting in an overall decline of more than 1%. Citywide, the largest proportion of units receiving benefits in 2012 were in buildings located in Manhattan, which contained 44.8% of the total units in the City. Brooklyn had 27.9% of these units, Queens had 14.0%, the Bronx had 13.3%, and Staten Island, with only four units, had 0.04% of units Citywide. Because buildings in Manhattan are so much larger than buildings in the outer boroughs, nearly half of units were in Manhattan, despite having only 52 of the 477 buildings newly approved for 421-a benefits Citywide. Notably, while the number of units newly approved in 2012 was nearly flat, the number of

buildings containing these units fell by more than 40%. (See Appendices 6 and 7)

Historically, tax-incentive housing has also been developed through the 421-a Affordable Housing Program, which allowed developers to build within Manhattan's "Exclusion Zone" as long as they provided either 20% of housing on-site to be affordable, or they financed affordable housing elsewhere in the City (at the rate of approximately one affordable unit for every five units built in Manhattan). With changes to the 421-a program that now require all developers in the newly expanded Exclusion Zone to build affordable housing on-site, the off-site portion of this program is being phased out and no new units have begun construction since 2008. However, some units did complete construction in 2012 — 130 new affordable units, producing 676 certificates for market-rate housing, were completed, a 47.6% decrease in affordable units from last year.²⁰

Another program that has offered affordable housing, the New York State Mitchell-Lama program, has suffered from a loss of housing since "buyouts" from the program began in 1985. Between 1955 and 1978, approximately 140,000 units of low- and middle-income housing were built in New York City through this tax-break and mortgage subsidy program. Since buyouts began in 1985, the City has lost approximately 43,000 units of Mitchell-Lama housing, although some has transitioned to rent stabilization. After averaging an annual loss of more than 5,000 units between 2004 and 2007, the pace slowed considerably, and no Mitchell-Lama units were lost in the City in 2010 or 2011, although two developments, containing a total of 532 units, did buy out in 2012.²¹

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 an increased number of units. Non-residential spaces, such as offices or other commercial spaces, can also be converted for residential use. As chronicled in prior *Housing Supply Reports*, during the mid-2000s, with a tight housing market and high demand for

luxury apartments, there were an increasing number of conversions in neighborhoods Citywide. Conversions occurred in facilities as diverse as hospitals, recording studios, power plants, office buildings, and churches.

One indicator of conversions is the number of non-residential buildings newly receiving J-51 benefits for conversion to residential use. In 2012, 11 formerly non-residential buildings, containing 196 units, received J-51 benefits for conversion. Just over 55% of these were rental units. Overall, this is 74% fewer units than in 2011, when 743 units (the majority being rental units) in formerly non-residential buildings converted using J-51 benefits. The number of non-residential units in downtown Manhattan that converted with the aid of 421-g benefits also decreased, down from one building containing 124 units in 2011 to no buildings in 2012.²²

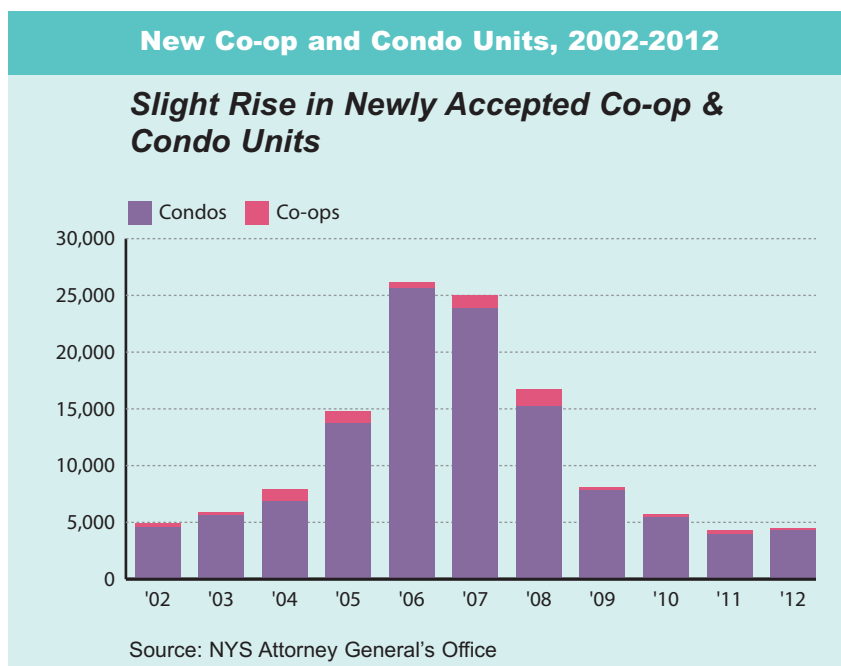
Conversion of single room occupancy (SRO) buildings also continued over the past year. SRO owners may convert SRO housing to other uses after obtaining a “Certificate of No Harassment” (CONH) from HPD. After seven consecutive years of decline, approved CONH applications rose in 2012, up 23.0% from 100 CONH in 2011 to 123 in 2012.²³

Efforts are also underway to ensure that SROs are used for permanent housing rather than as transient hotels. As of May 1, 2011, laws were newly passed strengthening the City’s ability to crack down on housing being used illegally for transient occupancy. Transient occupancy is now clearly defined as stays of less than 30 days, and between May of 2011 and April of 2012 1,820 violations (ranging from \$800 to \$2,000) were issued to illegal hotel operators.²⁴ Approximately 2,415 violations have been issued since,²⁵ and late last year, the City Council strengthened this law even further, increasing fines to up to \$25,000 for repeat offenders.²⁶ Among the illegal hotel operators that the City has targeted is a company that it accused of offering short-term stays in permanent residential apartments in

nearly 50 different locations in Manhattan and Brooklyn.²⁷ While the lawsuit continues, in February of 2013 the Supreme Court of New York County preliminarily ruled in favor of the City and issued an injunction against the company, barring it from operating or advertising hotel units.²⁸

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 acceptance from, the New York State Attorney General’s Office.²⁹ In 2012, the Attorney General accepted 160 co-op and condo plans, a 25.9% decrease from the number accepted in 2011. These 160 plans encompassed 4,552 housing units, 1.9% more than in 2011 and the first increase in units since 2006 (see graph on this page). More than 50% of all plans, 84, were accepted for buildings located in Brooklyn; 50 were located in Manhattan; 23 plans were accepted for Queens; three plans were accepted in the Bronx; and there were no plans in Staten Island. Because Manhattan buildings tend to be larger than the outer boroughs, more units were located in Manhattan (2,330), with Brooklyn (1,160) and Queens (935)



trailing, and only 127 units in the Bronx. (See Appendices 4 and 5)

The majority of the plans accepted Citywide in 2012 were for new construction, comprising 121 of 160 plans, and a total of 2,810 of 4,552 units. This is similar to the prior year, when new construction accounted for 185 of the 216 accepted plans. The second largest source of co-op and condo units were units located in non-eviction conversions (with 25 plans and 1,539 units), and 11 plans, with 106 units, were rehabilitations. An additional three plans, containing 97 units, were eviction plan conversions, all sponsored by HPD.

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 35.9% of the total number of units in 2012 co-op and condo plans, a much larger share than the 14.9% share in 2011. Because most conversion plans are non-

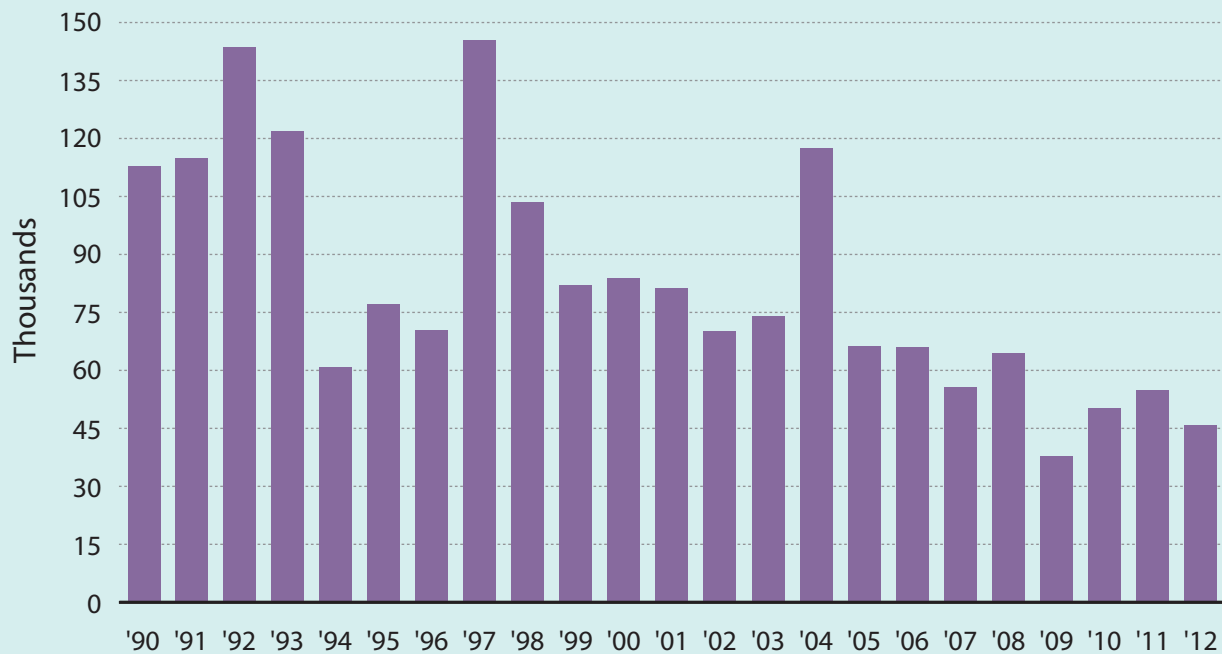
eviction plans (including all private plans in 2012), only when the original rental tenant moves out, or opts to buy the apartment, does the apartment become owner-occupied and removed from the rental universe.

Rehabilitation

Another method for adding (or keeping) residential 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 rental housing stock, where more than 62% of units are in buildings constructed prior to 1947.³⁰ 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 most recent incarnation of the J-51 tax abatement and exemption program, which expired at the end of 2011, was intended to encourage the

Units Receiving Initial J-51 Benefits, 1990-2012, in Thousands

2012 Saw Decrease in Number of Units Newly Receiving J-51 Benefits



Source: NYC Department of Housing Preservation and Development

periodic renovation of New York City's stock of both renter- and owner-occupied housing.

The J-51 tax relief program was similar to the 421-a program in that it required that those rental units not already rent stabilized be subject to rent regulation for the duration of the benefits. Apartment units in many high-rent neighborhoods were not allowed to enter the program because the apartment unit tax assessment generally could not exceed \$38,000-\$40,000 after completion. Rehabilitation activities that were eligible for tax abatements and exemptions included Major Capital Improvements (MCIs), 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 were 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

Although the program expired in 2011, because the program grants benefits for work completed through the end of that year, thousands of units newly received benefits in 2012. In 2012, 45,886 units newly received J-51 benefits, a decrease of 16.2% from the previous year, and the second lowest level in the history of this report (see graph on the prior page and Appendix 7).³² All of the applications approved in 2012 were for work completed prior to the sunset of the program in 2011, and reflect eligibility requirements in effect during that time period.

These units were contained in 1,181 buildings, a decrease of 24.1% from 2011 levels. The location of the units newly receiving benefits ranged from 34.9% located in Queens; to 27.1% in the Bronx; 26.5% in Brooklyn; 11.5% in Manhattan; and none in Staten Island. Units newly receiving benefits fell in every borough but the Bronx, which rose 3.8%. Units newly receiving benefits fell by the greatest proportion in Brooklyn, which fell 31.4%, followed by Queens, which fell 17.4% and Manhattan, which fell 6.4%. Staten Island units also fell, from 52 units to zero units. (See Appendices 6 and 7)

In Fiscal Year 2013, the J-51 tax program will cost the City \$251.3 million in lost tax revenue for all housing types, including almost 334,000 rental units

and more than 214,000 owner units.³³ While the program has technically lapsed, the NYS Legislature passed an amended version of the J-51 legislation in January of 2013, which will allow for retroactive J-51 benefits from January of 2012 and continuing through June 30, 2015. It is currently awaiting approval from the NYC Council before it can be officially enacted into law.³⁴

While J-51 is owner-initiated, a City-initiated program will also help rehabilitate NYC's housing stock. In January, 2011, HPD began their "Proactive Preservation Initiative (PPI)," which identifies those buildings in need of rehabilitation, regardless of whether there are complaints from tenants in the building. HPD works to identify distressed buildings that are actively declining and in danger of becoming blighted and those buildings that exhibit levels of distress that warrant further action are placed on the PPI list. HPD works with these buildings to reduce housing code violations, and once violations have been reduced by at least 80%, buildings are removed from the list.³⁵ Through October 31, 2012, a total of 305 buildings were added to the PPI list, and 88 (29%) of these buildings were subsequently released from the program due to improvements in the buildings. Approximately 49% of the total PPI buildings have shown improvements in violations of at least 35%. Of the 217 buildings remaining on the PPI list (as of October 31, 2012), 67% have shown improvements, and violations have dropped an average of 34%.³⁶

HPD is also continuing rehabilitation work through its "Alternative Enforcement Program (AEP)," now in its sixth year of identifying the 200 "worst" buildings in the City, based on housing code violations. The latest group of 200 buildings (containing 2,552 units of housing) have a combined total of more than 26,000 housing code violations, including almost 4,500 immediately hazardous C-Class violations. If landlords in this program do not make repairs to their buildings, the City steps in to do so, and then charges the landlords. Through the first five rounds of the program, the City has recovered \$26.2 million for AEP repairs to 1,000 buildings containing more than 10,000 units of housing. Just over half of those buildings have since been discharged from the program after sufficiently

lowering the number of outstanding violations in their buildings.³⁷

Tax-Delinquent Property

***In Rem* Housing**

For two decades, the City foreclosed on thousands of tax-delinquent residential properties, becoming the owner and manager of these buildings, known as *in rem* properties. By its peak in 1986, the City owned and managed 4,000 occupied buildings containing 40,000 units of housing and almost 6,000 vacant buildings containing 55,000 units of housing. Most of these were dilapidated multi-family buildings occupied by a predominantly low-income population. To counter this trend, HPD developed multiple disposition programs over time to manage, rehabilitate and sell many of these *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. While the number of *in rem* units in FY 2012 did increase for the second consecutive year (the second increase since FY 1989), by 1.9%, HPD has successfully reduced the number of occupied and vacant *in rem* units in central management to 861 through June 2012, a 98.0% decline since FY 1994. Seven buildings, containing a total of 116 units, were sold in FY 2012.³⁸

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,³⁹ and Housing Education Courses, which teach owners and superintendents basic management, maintenance, and finance skills to improve their properties.⁴⁰

Since the mid-1990s, the City has not taken title (i.e., vesting) of properties that are tax delinquent. Instead, the City has developed a comprehensive anti-abandonment 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.⁴¹

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 of 1996, 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.⁴² Since it began in 1996, the program has collected \$536 million in back taxes, and more than 450 buildings have been transferred to responsible for-profit and non-profit owners.⁴³

In 2010, the City announced plans to spend \$750 million to rescue multi-family apartment buildings in financial and/or physical distress. The program aims to transfer distressed properties in foreclosure; in danger of foreclosure; or owned by HUD after a foreclosure; to pre-qualified developers and assist these new owners in making the building financially competitive, as well as physically sound.⁴⁴ As of June, 2012, 65 developers have prequalified to be part of this program.⁴⁵

Demolitions and Stalled Construction

While in the early 1990s 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 between 2005 and 2007 alone was almost triple the number demolished in all the years from 1990 to 1999 combined. But demolitions have declined in five of the last six years, including 2012.

A total of 1,122 buildings were demolished in 2012, a 0.6% decrease over the prior year, following declines of 8% to 39% between 2007 and 2010, and a rise of 1% in 2011. Queens accounted for 38.7% of all the buildings demolished in 2012, Brooklyn had 25.3%, Manhattan had 12.8%, Staten Island had 12.4%, and the Bronx had the lowest proportion, 10.8%. Demolitions rose in the Bronx and Manhattan (by 30.1% and 16.1%, respectively), but fell in Brooklyn, Queens, and Staten Island (by 7.8%, 6.3%, and 1.4%, respectively).⁴⁶ (See Appendix 8)

Beginning in mid-July 2009, the NYC Dept. of Buildings began releasing a weekly “snapshot” of stalled construction sites throughout the City.⁴⁷ Inclusive of data through mid-May, 2013, stalled construction sites grew from a low of 395 sites on July 26, 2009 to a high of 709 on November 7, 2010. Following that high in November, 2010, rates generally declined, falling as low as 586 sites in February of 2012 before climbing again, reaching just shy of 700 sites in May of 2012, and remaining between roughly 650 and 700 sites since then. Similar to the results of a year ago, the bulk of these stalled sites (as of May, 2013) are located in Brooklyn (45.7%), with significant shares also located in Queens (27.0%) and Manhattan (15.8%). Within Brooklyn, almost 41% of stalled construction sites are located in Community Districts that abut the East River waterfront, including areas such as Williamsburg, Greenpoint, Red Hook, and DUMBO. Conversely, the East River-adjacent Community Districts of Queens (Astoria and Long Island City) contain 13% of all stalled construction sites, with more than 45% located in The Rockaways and Jamaica.

Conclusion

In 2012, housing permits increased for the third consecutive year, rising by 15.6%, while the number of completed housing units fell, by 32.4%. The number of units newly receiving 421-a tax benefits fell 1.4% in 2012, while J-51 tax abatements and exemptions fell by 16.2%. And after five consecutive years of decline in the number of units accepted in new or converted co-op and condo buildings, units rose, by 1.9%, even while the number of accepted plans fell by 25.9%. Rental

housing availability remains tight, with a Citywide vacancy rate of just 3.12% in 2011, and overcrowding remains a problem. Mayor Bloomberg’s ten-year housing initiative has financed 145,000 units, helping to reduce the affordable housing shortage. □

Endnotes

1. 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.
2. The U.S. housing stock was comprised of 37% renter-occupied units, according to the 2011 American Community Survey, conducted by the U.S. Census Bureau. To calculate the ratio of renter-occupied units in New York City, staff did not include vacant units that are not for sale or for rent in the total number of housing units.
3. Other units include public housing, Mitchell-Lama, *In Rem*, HUD-regulated, Article 4 and Loft Board units.
4. 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, the Census Bureau could not calculate an accurate vacancy rate.
5. U.S. Census Bureau web site. <<http://censtats.census.gov/bldg/bldgprmt.shtml>>.
6. NYC Dept. of City Planning data. Note that the data is continually updated and is subject to change, including data from prior years.
7. Beginning with the *2006 Housing Supply Report*, the RGB defines a housing completion as any unit receiving either a final or a temporary Certificate of Occupancy in the stated year. The Department of City Planning provided this information for the 2004 calendar year and beyond, and believes it is a more accurate representation of new housing in New York City than previous methodologies which only counted final Certificates of Occupancy.
8. Starts refer to the number of units beginning construction or rehabilitation in a given period.
9. Preliminary Fiscal 2013 Mayor’s Management Report (MMR). <<http://home2.nyc.gov/html/ops/html/data/mmr.shtml>>
10. Citywide Performance Reporting website: <<http://www.nyc.gov/html/ops/cpr/html/home/home.shtml>>; Accessed May 2013
11. “Mayor Bloomberg Outlines Steps the City is Taking to Achieve Affordable Housing Goal of 165,000 Units to House 500,000 New Yorkers Despite Historic Economic Challenges.” *HPD Press Release*. February 22, 2010.
12. Testimony of the NYC Dept. of Housing Preservation and Development before the NYC Rent Guidelines Board. March 14, 2013.
13. “NYCHA, HPD, HDC, and DOE join Harlem RBI, Jonathan Rose Companies, Dream Charter School, and NY Yankee Mark Teixeira to Break Ground on Mixed-Use Development in East Harlem,” *HPD Press Release*. February 7, 2013.
14. <http://www.nyc.gov/html/nycha/html/preserving/leasing-land-sites.shtml>

15. "Mayor Bloomberg Announces Winner of adAPT NYC Competition to Develop Innovative Micro-Unit Apartment Housing Model," *Mayor's Office Press Release*. January 22, 2013.
16. "Micro-apts. take one (small) step forward," *Crain's New York Business*. April 9, 2013.
17. "More Micro-Apartments! City Seeking Developers for New Sites," *New York Observer*. April 4, 2013.
18. Program information available at: <<http://nyc.gov/html/hpd/html/developers/421a.shtml>>
19. NYC Department of Housing Preservation and Development, Tax Incentives Program data.
20. Data obtained from the NYC Dept. of Housing Preservation and Development, Inclusionary Housing/421-a Affordable Housing Program. Each affordable housing unit financed or built under the Affordable Housing Program creates between four and six certificates for market rate housing.
21. The number of Mitchell-Lama buyouts were provided most recently through the NYC Dept. of Housing Preservation and Development and the NYS Division of Housing and Community Renewal, and in previous years through other sources, such as the report "Affordable No More: An Update" by the Office of the New York City Comptroller, Office of Policy Management on May 25, 2006.
22. NYC Department of Housing Preservation and Development, Tax Incentives Program data.
23. NYC Department of Housing Preservation and Development.
24. Mayor Bloomberg Announces Results of City's Efforts to Curb Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities." *Mayor's Office Press Release 157-12*. April 27, 2012.
25. Office of the Criminal Justice Coordinator, Mayor's Office of Special Enforcement. Inclusive of data through April 30, 2013.
26. "Illegal Hotel Fines Could Skyrocket," *The Real Deal*. September 12, 2012.
27. "Mayor Bloomberg Announces Suit Against Major Operator of Illegal Hotels as Part of the City's Crackdown on Unsafe and Illegal Tourist Accommodations in New York City," *Mayor's Office Press Release*. October 23, 2012.
28. <http://law.justia.com/cases/new-york/other-courts/2013/2013-ny-slip-op-23054.html>. February 13, 2013.
29. NYS Attorney General's Office, Real Estate Financing Bureau data and the NYC Dept. of Housing Preservation and Development, Sales Unit. Virtually all accepted units reported are from data provided by the NYS Attorney General. For the purposes of this report, "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.
30. *2011 NYC Housing and Vacancy Survey*, U.S. Census Bureau.
31. Landlord Information/Tax Incentives: J-51, NYC Department of Housing Preservation and Development web site. <<http://www.nyc.gov/html/hpd/html/developers/j51.shtml>>.
32. NYC Dept. of Housing Preservation and Development, Tax Incentives Program data. Note that, similar to the 421-a program, J-51 provides tax abatements and incentives to newly built renter- and owner-occupied units, which are included in the figures given in this report.
33. "Annual Report on Tax Expenditures," NYC Dept. of Finance publication, February, 2013 (Revised March 2013).
34. NYS Legislature Bill A03354/S02320
35. "HPD Commissioner Wambua, Council Speaker Quinn Celebrate Success of Proactive Preservation Initiative and Announce Publication of the Second At-Risk Building List." *HPD Press Release*. March 21, 2012.
36. At-Risk Buildings List as of October 31, 2012. <<http://www.nyc.gov/html/hpd/html/owners/Proactive-Preservation.shtml>>
37. "HPD Commissioner Wambua Announces List of 200 Buildings with 2,552 Units in Latest Round of Alternative Enforcement Program." *HPD Press Release*. February 1, 2013.
38. NYC Dept. of Housing Preservation and Development.
39. NYC Department of Housing Preservation and Development website. <<http://www.nyc.gov/html/hpd/html/homeowners/tax.shtml>>
40. NYC Department of Housing Preservation and Development website. <<http://www.nyc.gov/html/hpd/html/buyers/courses.shtml>>
41. NYC Department of Finance, General Information on the City's Tax Lien Sale Process. <http://www.nyc.gov/html/dof/html/property/property_bill_taxlien.shtml#general>
42. "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. <<http://www.lisc.org/content/publications/detail/794/>>
43. Most recent figures obtained from NYC Dept. of Housing Preservation and Development, May, 2013.
44. "HPD Commissioner Cestero Announces New Initiative to Rescue Severely Distressed Residential Buildings and Keep New Yorkers in Their Homes." *HPD Press Release*. June 17, 2010.
45. Multifamily Preservation Program, Qualified Developer List (as of June 2012). <<http://www.nyc.gov/html/hpd/html/developers/rfp.shtml>>
46. 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.
47. NYC Department of Buildings Snapshot Reports: <http://www.nyc.gov/html/dob/html/codes_and_reference_materials/snapshot_report.shtml>. Data covers the period through May 12, 2013.

Appendices

1. Permits Issued For Housing Units in New York City, 1960-2013

| 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 | 12,421 |
| 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 | 2,051 | 25,208 |
| 2005 | 4,937 | 9,028 | 8,493 | 7,269 | 1,872 | 31,599 |
| 2006 | 4,658 | 9,191 | 8,790 | 7,252 | 1,036 | 30,927 |
| 2007 | 3,088 | 10,930 | 9,520 | 7,625 | 739 | 31,902 |
| 2008 | 2,482 | 12,744 | 9,700 | 7,730 | 1,255 | 33,911 |
| 2009 | 1,647 | 1,003 | 1,363 | 1,474 | 570 | 6,057 |
| 2010 | 1,064 | 2,093 | 704 | 2,358 | 508 | 6,727 |
| 2011 | 1,116 | 1,522 | 2,535 | 3,182 | 581 | 8,936 |
| 2012 | 2,552 | 3,353 | 2,328 | 1,428 | 673 | 10,334 |
| 2013 (1st Qtr) ^Ω | 214 (564) | 1,184 (600) | 568 (556) | 428 (197) | 162 (193) | 2,556 (2,110) |

Ω First three months of 2013. The number of permits issued in the first three months of 2012 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), 2004-2012

| Year/Borough | 1-Family | 2-Family | 3/4 Family | 5 or More-Family | Total Buildings |
|---------------|----------|----------|------------|------------------|-----------------|
| 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 |
| 2005 | | | | | |
| Bronx | 3.5% | 29.9% | 54.9% | 11.6% | 825 |
| Brooklyn | 6.4% | 28.3% | 45.3% | 20.0% | 1,638 |
| Manhattan | 2.6% | 0.9% | 6.1% | 90.4% | 115 |
| Queens | 17.5% | 47.5% | 27.1% | 7.8% | 1,912 |
| Staten Island | 63.9% | 34.6% | 1.0% | 0.5% | 1,297 |
| Citywide | 22.5% | 35.8% | 30.0% | 11.8% | 5,787 |
| 2006 | | | | | |
| Bronx | 7.7% | 33.6% | 51.4% | 7.3% | 959 |
| Brooklyn | 8.1% | 23.2% | 45.7% | 23.0% | 1,389 |
| Manhattan | 1.8% | 3.5% | 5.3% | 89.4% | 113 |
| Queens | 14.3% | 49.7% | 29.0% | 7.1% | 2,014 |
| Staten Island | 62.7% | 36.2% | 0.0% | 1.1% | 697 |
| Citywide | 17.7% | 36.7% | 33.2% | 12.4% | 5,172 |
| 2007 | | | | | |
| Bronx | 6.8% | 43.7% | 41.7% | 7.8% | 643 |
| Brooklyn | 0.0% | 18.3% | 51.7% | 30.0% | 1,079 |
| Manhattan | 5.0% | 1.7% | 5.8% | 87.6% | 121 |
| Queens | 17.1% | 53.1% | 21.3% | 8.6% | 1,562 |
| Staten Island | 60.7% | 38.6% | 0.2% | 0.6% | 511 |
| Citywide | 16.0% | 38.5% | 29.8% | 15.8% | 3,916 |
| 2008 | | | | | |
| Bronx | 43.4% | 17.7% | 23.1% | 15.8% | 373 |
| Brooklyn | 0.0% | 25.0% | 18.7% | 56.3% | 787 |
| Manhattan | 2.0% | 0.0% | 0.0% | 98.0% | 152 |
| Queens | 18.5% | 42.3% | 14.8% | 24.4% | 755 |
| Staten Island | 50.4% | 40.1% | 0.5% | 9.0% | 367 |
| Citywide | 20.1% | 30.0% | 14.3% | 35.7% | 2,434 |
| 2009 | | | | | |
| Bronx | 38.1% | 14.4% | 20.6% | 26.9% | 160 |
| Brooklyn | 0.8% | 28.2% | 38.9% | 32.1% | 131 |
| Manhattan | 0.0% | 0.0% | 11.8% | 88.2% | 34 |
| Queens | 29.7% | 43.3% | 16.0% | 11.0% | 418 |
| Staten Island | 48.0% | 49.8% | 0.0% | 2.2% | 271 |
| Citywide | 31.2% | 37.1% | 15.3% | 16.5% | 1,014 |
| 2010 | | | | | |
| Bronx | 9.2% | 38.5% | 23.1% | 29.2% | 65 |
| Brooklyn | 3.6% | 31.4% | 27.9% | 37.1% | 140 |
| Manhattan | 0.0% | 18.2% | 9.1% | 72.7% | 11 |
| Queens | 12.4% | 67.2% | 11.2% | 9.2% | 509 |
| Staten Island | 71.9% | 27.2% | 0.6% | 0.3% | 349 |
| Citywide | 30.3% | 47.3% | 10.6% | 11.8% | 1,074 |
| 2011 | | | | | |
| Bronx | 1.5% | 35.3% | 19.1% | 44.1% | 68 |
| Brooklyn | 0.0% | 44.3% | 30.5% | 25.3% | 174 |
| Manhattan | 3.6% | 0.0% | 3.6% | 92.9% | 28 |
| Queens | 21.5% | 57.0% | 11.9% | 9.6% | 386 |
| Staten Island | 52.5% | 47.2% | 0.0% | 0.3% | 341 |
| Citywide | 26.5% | 48.3% | 11.3% | 13.8% | 997 |
| 2012 | | | | | |
| Bronx | 5.9% | 39.3% | 17.0% | 37.8% | 135 |
| Brooklyn | 0.4% | 20.5% | 36.9% | 42.2% | 249 |
| Manhattan | 9.5% | 4.8% | 0.0% | 85.7% | 42 |
| Queens | 26.8% | 41.9% | 16.9% | 14.4% | 284 |
| Staten Island | 64.1% | 34.6% | 0.0% | 1.3% | 298 |
| Citywide | 27.8% | 32.5% | 16.2% | 23.5% | 1,008 |

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

3. New Dwelling Units Completed in New York City, 1960-2012

| 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 | 9,021 |
| 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 | 1,751 | 10,097 |
| 1999 | 1,228 | 1,025 | 2,341 | 2,119 | 2,264 | 8,977 |
| 2000 | 1,385 | 1,353 | 6,064 | 2,096 | 1,896 | 12,794 |
| 2001 | 1,617 | 2,404 | 6,036 | 1,225 | 2,198 | 13,480 |
| 2002 | 1,220 | 2,248 | 8,326 | 1,981 | 2,453 | 16,228 |
| 2003 | 1,473 | 2,575 | 3,798 | 2,344 | 2,589 | 12,779 |
| 2004 π | 3,326 | 4,512 | 6,150 | 3,087 | 2,291 | 19,366 |
| 2005 π | 3,012 | 5,007 | 5,006 | 4,526 | 1,942 | 19,493 |
| 2006 π | 4,311 | 6,418 | 5,199 | 5,940 | 1,900 | 23,768 |
| 2007 π | 4,422 | 7,109 | 7,498 | 5,907 | 1,446 | 26,382 |
| 2008 π | 4,217 | 7,254 | 6,118 | 5,437 | 1,019 | 24,045 |
| 2009 π | 2,964 | 7,522 | 8,110 | 4,969 | 887 | 24,452 |
| 2010 π | 3,948 | 7,181 | 7,801 | 4,401 | 714 | 24,045 |
| 2011 π | 3,417 | 4,728 | 2,375 | 2,852 | 612 | 13,984 |
| 2012 π | 1,413 | 3,611 | 1,159 | 2,632 | 640 | 9,455 |

Note: Dwelling unit count is based on the number of Certificates of Occupancy issued by NYC Department of Buildings, or equivalent action by the Empire State Development Corporation or NYS Dormitory Authority. Prior year's data may be adjusted and may not match prior reports.

π Data from 2004-2012 now includes Final Certificates of Occupancy (as with all other years) as well as Temporary Certificates of Occupancy data for the first time. Data will be updated every year to reflect the most current estimates.

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

4. Number of Residential Co-op and Condo Plans Accepted for Filing By the NYS Attorney General's Office, 2007-2012

| | 2007 | 2008 | 2009 | 2010 | 2011* | 2012 |
|----------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | Plans (Units) | Plans (Units) | Plans (Units) | Plans (Units) | Plans (Units) | Plans (Units) |
| Private Plans | | | | | | |
| New Construction | 573 (19,511) | 454 (13,998) | 335 (7,270) | 235 (4,907) | 185 (3,785) | 121 (2,810) |
| Rehabilitation | 8 (71) | 4 (130) | 1 (73) | 0 | 2 (14) | 11 (106) |
| Conversion (Non-Eviction) | 66 (5,441) | 50 (2,582) | 29 (725) | 20 (812) | 20 (457) | 25 (1,539) |
| Conversion (Eviction) | 0 | 0 | 0 | 0 | 0 | 0 |
| Private Total | 647 (25,023) | 508 (16,710) | 365 (8,068) | 255 (5,719) | 207 (4,256) | 157 (4,455) |
| | Plans (Units) | Plans (Units) | Plans (Units) | Plans (Units) | Plans (Units) | Plans (Units) |
| HPD Sponsored Plans | | | | | | |
| New Construction | 0 | 0 | 0 | 0 | 0 | 0 |
| Rehabilitation | 0 | 0 | 0 | 0 | 0 | 0 |
| Conversion (Non-Eviction) | 0 | 0 | 0 | 0 | 0 | 0 |
| Conversion (Eviction) | 16 (248) | 18 (241) | 13 (274) | 4 (59) | 9 (209) | 3 (97) |
| HPD Total | 16 (248) | 18 (241) | 13 (274) | 4 (59) | 9 (209) | 3 (97) |
| Grand Total | 663 (25,271) | 526 (16,951) | 378 (8,342) | 259 (5,778) | 216 (4,465) | 160 (4,552) |

*Figures corrected and differ from those found in the 2012 Housing Supply Report

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 Co-op and Condo Plans Accepted for Filing By the NYS Attorney General's Office, 1985-2012

| Year | New Construction | Conversion Eviction | Conversion Non-Eviction | Rehabilitation | Total New Construction Conversion & Rehab | Units in HPD Sponsored Plans |
|-------------|------------------|---------------------|-------------------------|----------------|---|------------------------------|
| 1985 | 9,391 | 2,276 | 30,277 | -- | 41,944 | 935 |
| 1986 | 11,684 | 687 | 39,874 | -- | 52,245 | 195 |
| 1987 | 8,460 | 1,064 | 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 | 1,258 | 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 | 274 | 1,550 | 334 | 8,176 | 274 |
| 2005 | 12,210 | 269 | 2,356 | 223 | 15,058 | 269 |
| 2006 | 19,870 | 273 | 6,331 | 0 | 26,474 | 273 |
| 2007 | 19,511 | 248 | 5,441 | 71 | 25,271 | 248 |
| 2008 | 13,998 | 241 | 2,582 | 130 | 16,951 | 241 |
| 2009 | 7,270 | 274 | 725 | 73 | 8,342 | 274 |
| 2010 | 4,916 | 59 | 812 | 0 | 5,787 | 59 |
| 2011 | 4,625 | 209 | 505 | 14 | 5,353 | 209 |
| 2012 | 2,810 | 97 | 1,539 | 106 | 4,552 | 97 |

Note: Rehabilitated units were tabulated separately beginning in 1994. HPD Plans are a subset of all plans. Some numbers were revised from prior years.

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

6. Tax Incentive Programs, 2010-2012

Buildings Receiving Certificates for 421-a Exemptions, 2010-2012

| | 2010 | | | 2011 | | | 2012 | | |
|---------------|--------------|------------|--------------|--------------|------------|---------------|--------------|------------|---------------|
| | Certificates | Buildings | Units | Certificates | Buildings | Units | Certificates | Buildings | Units |
| Bronx | 32 | 45 | 1,134 | 54 | 138 | 1,047 | 39 | 61 | 1,441 |
| Brooklyn | 84 | 115 | 1,133 | 197 | 292 | 3,946 | 143 | 197 | 3,028 |
| Manhattan | 22 | 23 | 2,020 | 65 | 70 | 3,311 | 52 | 52 | 4,862 |
| Queens | 93 | 145 | 1,580 | 174 | 301 | 2,663 | 92 | 166 | 1,521 |
| Staten Island | 3 | 3 | 28 | 7 | 10 | 40 | 1 | 1 | 4 |
| TOTAL | 234 | 331 | 5,895 | 497 | 811 | 11,007 | 327 | 477 | 10,856 |

Buildings Receiving J-51 Tax Abatements and Exemptions, 2010-2012

| | 2010 | | | 2011 | | | 2012 | | |
|---------------|--------------|---------------|---------------------------|--------------|---------------|---------------------------|--------------|---------------|---------------------------|
| | Buildings | Units | Certified Cost (\$1,000s) | Buildings | Units | Certified Cost (\$1,000s) | Buildings | Units | Certified Cost (\$1,000s) |
| Bronx | 198 | 16,661 | 20,545 | 202 | 12,001 | 18,391 | 218 | 12,455 | 30,607 |
| Brooklyn | 320 | 9,333 | 27,945 | 346 | 17,713 | 36,993 | 293 | 12,149 | 22,430 |
| Manhattan | 173 | 6,806 | 28,739 | 172 | 5,622 | 20,560 | 115 | 5,265 | 17,586 |
| Queens | 640 | 17,354 | 15,113 | 833 | 19,387 | 14,588 | 555 | 16,017 | 12,072 |
| Staten Island | 1 | 109 | 215 | 2 | 52 | 232 | 0 | 0 | 0 |
| TOTAL | 1,332 | 50,263 | 92,557 | 1,555 | 54,775 | 90,764 | 1,181 | 45,886 | 82,695 |

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

7. Tax Incentive Programs – Units Receiving Initial Benefits, 1981-2012

| Year | 421-a | J-51 | Year | 421-a | J-51 |
|------|--------|---------|-------------|---------------|---------------|
| 1981 | 3,505 | -- | 1997 | 2,099 | 145,316 |
| 1982 | 3,620 | -- | 1998 | 2,118 | 103,527 |
| 1983 | 2,088 | -- | 1999 | 6,123 | 82,121 |
| 1984 | 5,820 | -- | 2000 | 2,828 | 83,925 |
| 1985 | 5,478 | -- | 2001 | 4,870 | 81,321 |
| 1986 | 8,569 | -- | 2002 | 4,953 | 70,145 |
| 1987 | 8,286 | -- | 2003 | 3,782 | 74,005 |
| 1988 | 10,079 | 109,367 | 2004 | 6,738 | 117,503 |
| 1989 | 5,342 | 64,392 | 2005 | 5,062 | 66,370 |
| 1990 | 980 | 113,009 | 2006 | 3,875 | 66,010 |
| 1991 | 3,323 | 115,031 | 2007 | 4,212 | 55,681 |
| 1992 | 2,650 | 143,593 | 2008 | 4,521 | 64,478 |
| 1993 | 914 | 122,000 | 2009 | 4,613 | 37,867 |
| 1994 | 627 | 60,874 | 2010 | 5,895 | 50,263 |
| 1995 | 2,284 | 77,072 | 2011 | 11,007 | 54,775 |
| 1996 | 1,085 | 70,431 | 2012 | 10,856 | 45,886 |

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

8. Building Demolitions in New York City, 1985-2012

| Year | Bronx | | Brooklyn | | Manhattan | | Queens | | Staten Island | | Total | |
|-------------|----------|------------|----------|------------|-----------|------------|----------|------------|---------------|------------|----------|--------------|
| | 5+ Units | Total | 5+ Units | Total | 5+ Units | Total | 5+ Units | Total | 5+ Units | Total | 5+ Units | 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 | - | 1,128 | - | 547 | - | 2,745 |
| 2005 | - | 245 | - | 1,080 | - | 145 | - | 1,545 | - | 477 | - | 3,492 |
| 2006 | - | 334 | - | 1,109 | - | 259 | - | 1,485 | - | 381 | - | 3,568 |
| 2007 | - | 302 | - | 984 | - | 282 | - | 1,407 | - | 308 | - | 3,283 |
| 2008 | - | 206 | - | 925 | - | 252 | - | 1,082 | - | 215 | - | 2,680 |
| 2009 | - | 166 | - | 467 | - | 153 | - | 663 | - | 177 | - | 1,626 |
| 2010 | - | 121 | - | 326 | - | 76 | - | 464 | - | 129 | - | 1,116 |
| 2011 | - | 93 | - | 308 | - | 124 | - | 463 | - | 141 | - | 1,129 |
| 2012 | - | 121 | - | 284 | - | 144 | - | 434 | - | 139 | - | 1,122 |

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 through 1995 are solely residential buildings.

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