NYC Rent-Regulated Portfolio Data Brief
2020-2024

Community Preservation Corporation

BUILDING EXPENSES

CPC conducts a yearly survey of our New York City borrowers to gather property income and expense data for the previous year. The data reflected in this survey was gathered in early 2024 and reflects **actual building expenses during calendar year 2023,** from a representative sample of 361 respondents (~60% of portfolio) representing 14,500 rent-stabilized units and $886M in debt.

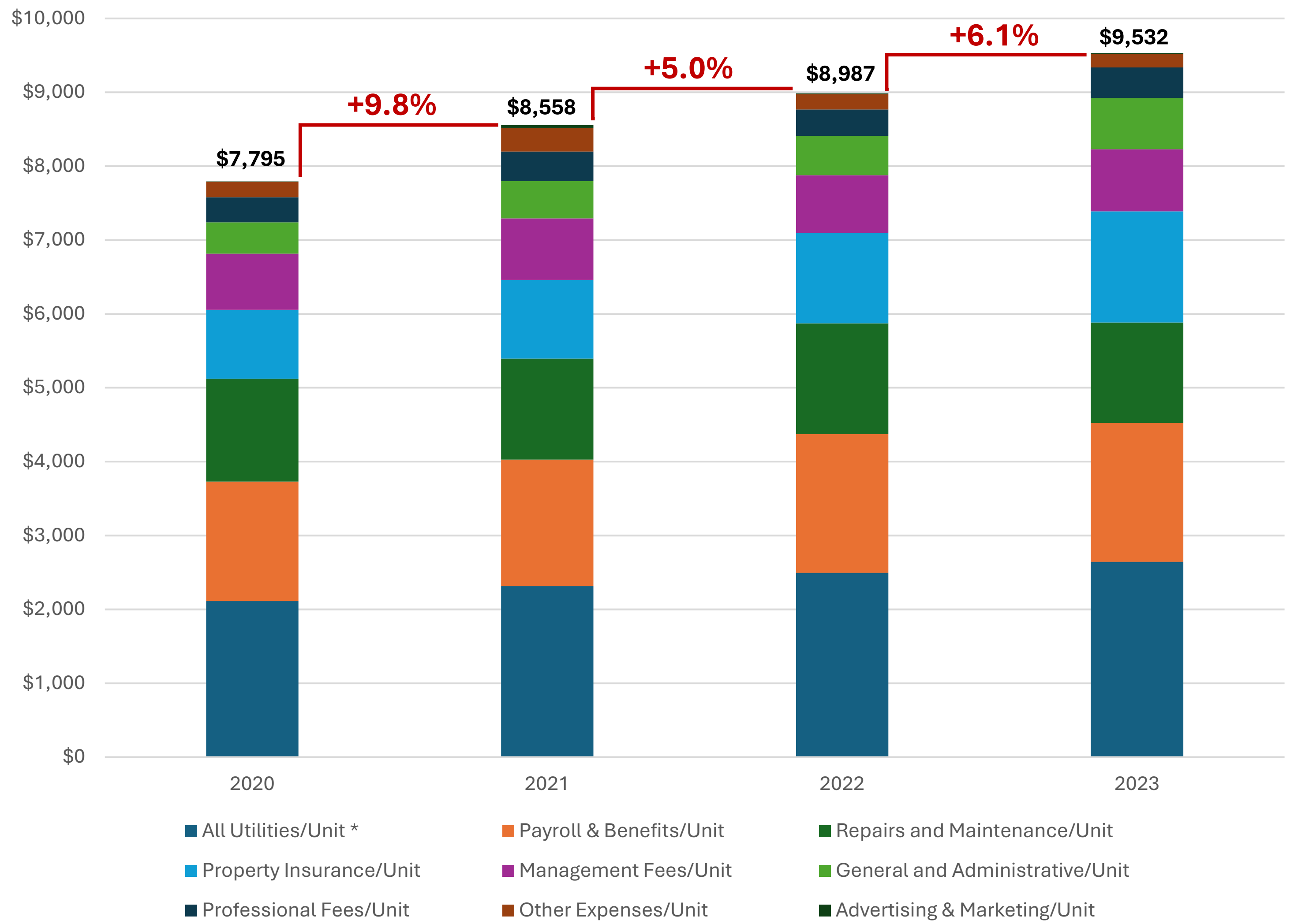
In 2023, **CPC's borrowers saw a 6% increase over 2022 expenses,** with changes to insurance and general & administrative expenses accounting for much of the increase**.**

Looking back to previous annual expense data, per unit **expenses across CPC's portfolio have increased 22% since 2020.**

Cumulative Increase Per Unit Since 2020:

+52% Property Insurance

+55% General & Admin



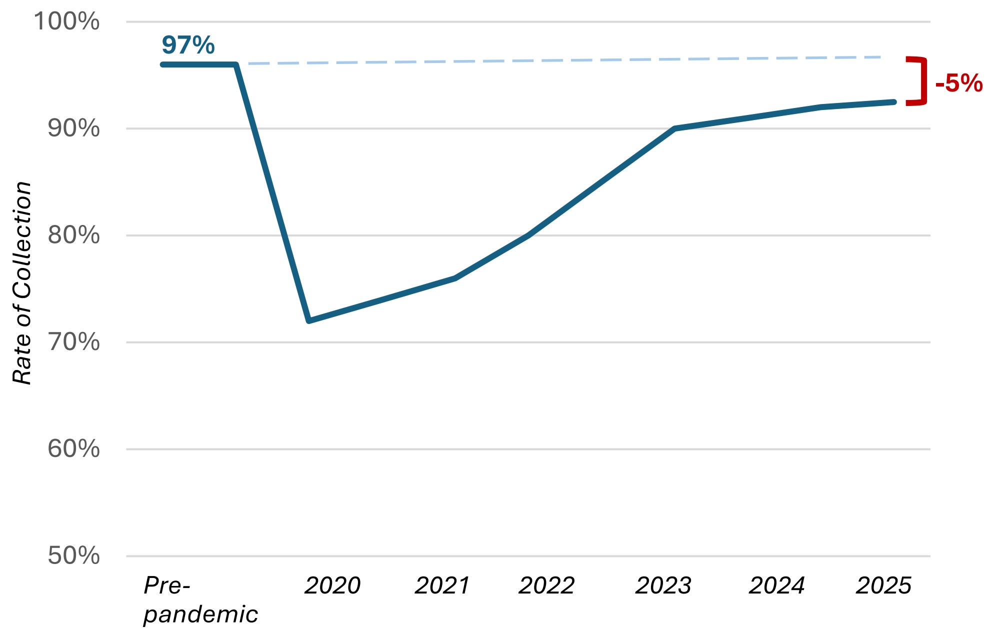
Note: Property taxes are excluded from this analysis. The expense category "Utilities" rolls up all expenses reported under electricity, fuel, utilities, water, and oil.

REVENUE & COLLECTIONS

Pre-pandemic: monthly collections were reliably above 95%, and occupancy and collections moved in lockstep – **if a building was occupied at 95%, it had a collections rate of 95%.**

2020-2022: Buildings started experienced collections losses during the pandemic, and **it was not uncommon for collections to drop into the low 70%'s.**

2023-today: Typical collections in our construction portfolio have slowly rebounded to 92%. However, buildings in our portfolio still have ongoing collections losses**,** and 95% occupancy no longer guarantees 95% collection.



Source: NYC Construction Portfolio

SIGNS OF STRESS

DSCR: CPC underwrites our financing to a debt service coverage ratio (DSCR) sufficient to ensure that the building will generate adequate net operating income (NOI) to service its debt over the term of the loan. When DSCR falls below 1.0, NOI fails to cover debt service, signaling financial stress. In 2023, **28% of surveyed loans had a DSCR below 1.0**, up from 11% the previous year.

ENFORCEMENT: Prior to 2020, CPC virtually never undertook enforcement actions. As of December 2024, **16 loans, representing 3% of total unpaid balance, underwent enforcement actions** (accelerations and foreclosures), up from 2 loans in the previous year.

DELINQUENCIES: Non-payment of 60 or more days continue to rise in our entire CPC permanent servicing portfolio.

As of December 2024, the delinquency rate was **8% of unpaid principal balance (UPB),** up from 3.7% in 2023.

Delinquency Across CPC's Portfolio, As of Year End 2024

	Loan Count		UPB		Units	
	#	%	$	%	#	%
Performing	543	91%	$1.21B	92%	20,585	91%
DQ	**53**	**9%**	**$109M**	**8%**	**2,043**	**9%**
TOTAL	*596*	*100%*	*$1.32B*	*100%*	*22,628*	*100%*

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EXPENSE VS. RENT GROWTH

As expenses continue to rise, avenues for generating sufficient revenue in rent stabilized units are controlled by the Rent Guidelines Board (RGB), which sets the annual allowable rent increases.

CPC adamantly supports the protection of affordable rents as well as the long-term preservation of this essential part of New York City's housing stock, recognizing that both are crucial to sustaining vibrant and inclusive communities. As expenses rise and rent increases remain restricted, we are seeing challenges play out on the financial and physical health of the rent stabilized stock. While some of these stressors are due to the lingering impacts and market adjustments as a result of the COVID-19 pandemic, we are alarmed by the distress coming to bare across CPC's portfolio and the broader industry.

Since 2020, CPC's per unit expenses have grown 22%, while the Rent Guidelines Board permitted a roughly 11% increase to rent stabilized rents over that same time. This mismatch is illustrative of the key problem facing the rent stabilized housing in NYC, and is further exacerbated by a 2.2% decrease in average real (adjusted for inflation) wages for New Yorkers since 2020. Over time, this suppresses Net Operating Income and eventually makes it impossible for buildings to operate.

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Expense growth vs. allowable rent increase

RGB Rent Increases		2020	2021	2022	2023	2024	Approximate Increase since 2020
1 year lease	0-6mo	0%	0%	3.25%	3%	3%	**11%**
	6-12mo		1.5%				

Source: New York City Rent Guidelines Board. *Apartment/Loft Orders & Explanatory Statements*. 2020-2024.

CPC Per Unit Expenses *Excluding taxes*	2020	2021	2022	2023	% Change since 2020
TOTAL	$7,795	$8,558	$8,987	$9,532	**22%**

Average Real Wage Rates for NYC	2020	2021	2022	2023	2024	% Change since 2020
TOTAL	$119,871	$127,973	$125,320	$117,690	$117,209	**-2.2%**

Source: New York City Rent Guidelines Board. *2025 Income and Affordability Study*. April 10, 2025.