

CPC's New York City Rent Stabilized Portfolio Data Brief

April 2026



Community Preservation Corporation

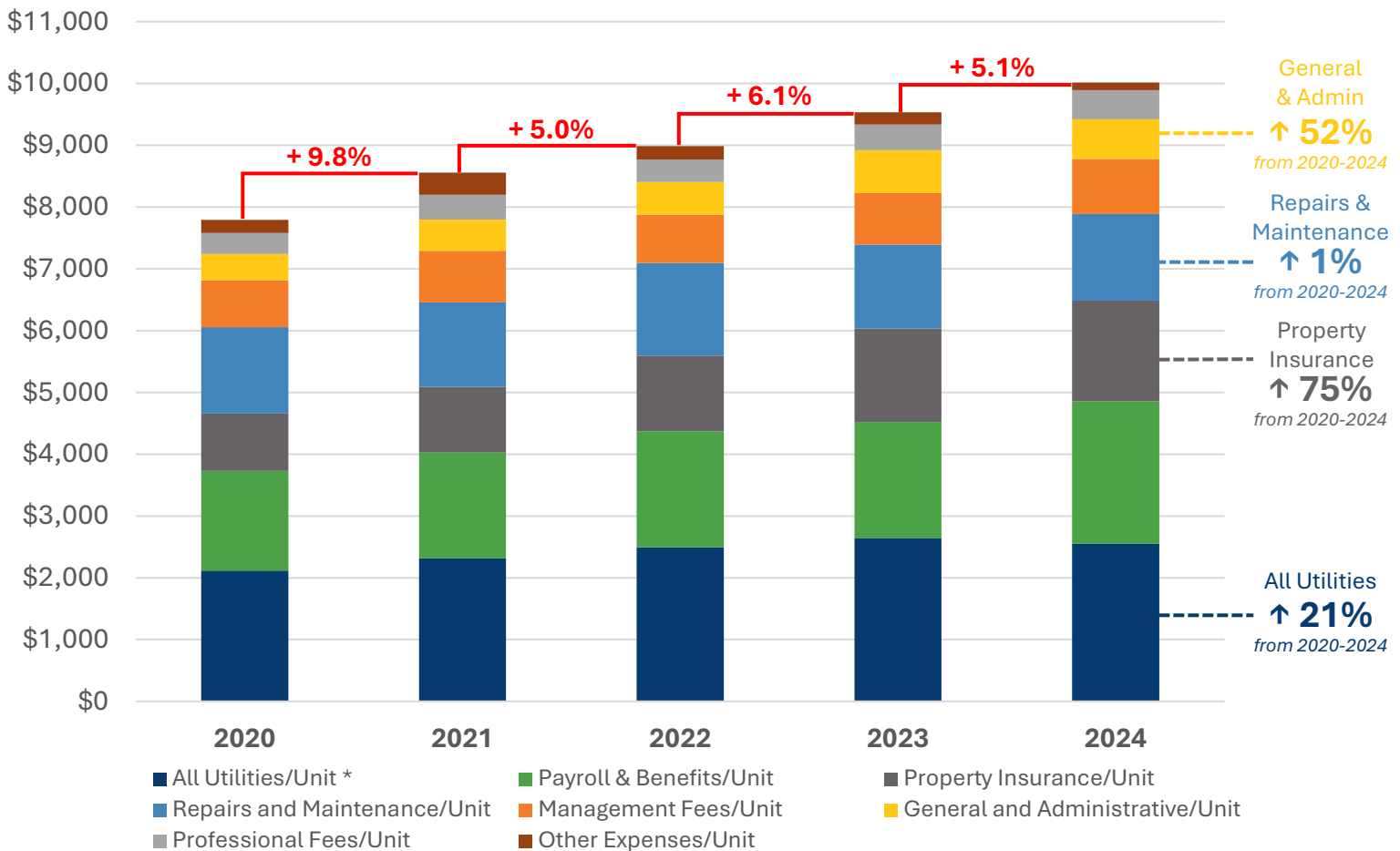
BUILDING EXPENSES

CPC conducts a yearly survey of our New York City borrowers to gather property income and expense data from the previous year. The data reflected in this year's survey was gathered in early 2025 and reflects actual building expenses during calendar year 2024 from **a representative sample of 324 loans (~55% of portfolio) encompassing 14,552 rent-stabilized units and \$706M in unpaid principal balance.**

This sample of CPC's borrowers includes both for-profit and non-profit owners with buildings overwhelmingly located outside core Manhattan. CPC's portfolio skews to smaller owners, with an average building size of 45 units. While CPC does not collect tenant data, the 2023 NYC Housing and Vacancy Survey found the citywide median household income for rent stabilized tenants was \$60,000 and the median rent was \$1,500. 71% of stabilized households are non-white, and 31% of stabilized units house older adults¹.

In 2024, **CPC's borrowers reported a 5% increase over 2023 per unit expenses for a total of \$10,016**, with General and Administrative, Utilities, and Property Insurance showing large increases. Notably, investments in Repairs and Maintenance increased only 3.4%, the third consecutive year of essentially flat growth in this category. **Since 2020, total investment in Repairs and Maintenance has grown only 1%.**

Per Unit Expenses up 28% since 2020, with Annual Compounding Growth Rate of 6.5%

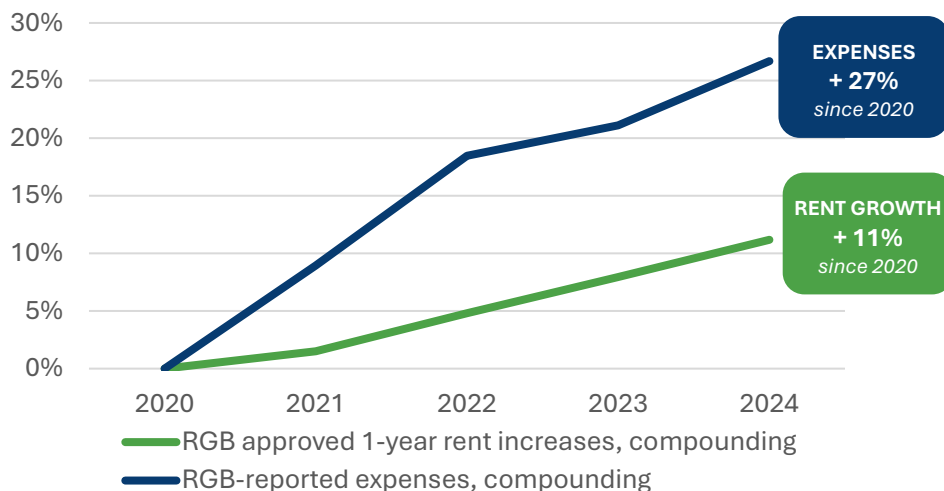


* The expense category "Utilities" rolls up all expenses reported under electricity, fuel, utilities, water, and oil.
 Note: Property taxes are intentionally excluded from this analysis.

REVENUE: RENTAL COLLECTIONS AND INCREASES

To maintain a financially healthy and physically stable building, the rent charged and collected must at least cover accrued expenses and ideally generate modest revenue beyond break-even to support repairs, system replacements, and capital improvements throughout the building's life.

Prior to the 2020 COVID-19 pandemic, the long-held industry standard that a building occupied at 95% was all but guaranteed a rental collections rate of 95% came undone. In 2020, collections at fully occupied buildings dropped into the low 70%'s and while collections have rebounded some since, rental collections today sit in the low 90%'s – despite full occupancy. In addition to lagging rental collections,



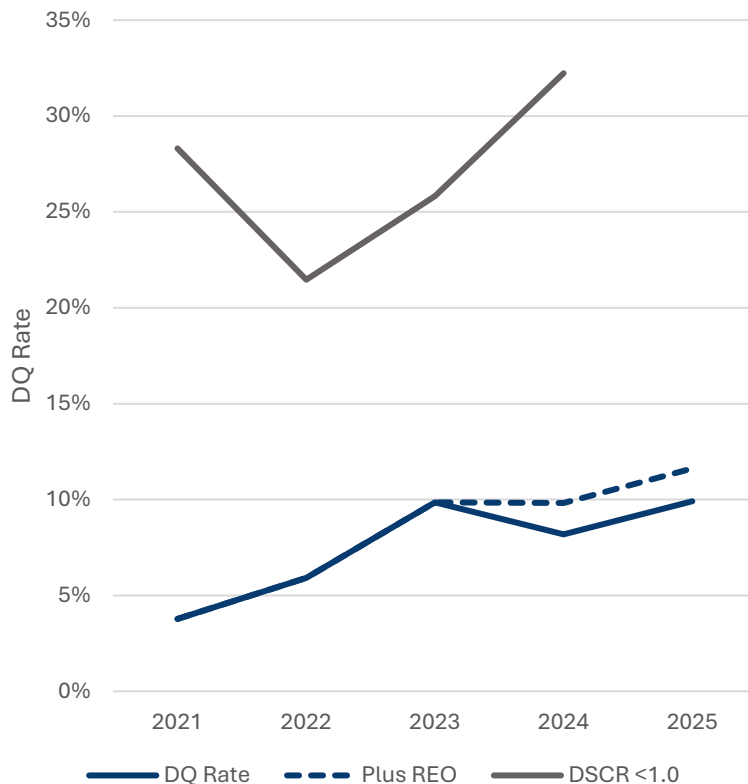
annual rental increases approved by the Rent Guidelines Board since 2020 have been outpaced by expense growth at a rate greater than two to one. While expenses have increased at a compound rate of 27% since 2020, rents have only been allowed to grow at a compounding rate of 11%. This widening gap is creating financial stress in rent stabilized buildings across New York City, the signs of which we are already seeing across CPC's portfolio.

SIGNS OF STRESS

Debt Service Coverage Ratio (DSCR): CPC underwrites our financing to a 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 2024, **32% of surveyed loans in CPC's NYC rent stabilized portfolio had a DSCR below 1.0**, up from 26% the previous year.

Delinquencies: Non-payments of 60 or more days continue to rise in CPC's portfolio. As of December 2025, the **delinquency rate including properties under REO was 12%**, up from 10% in 2024.

Enforcement Actions: When a loan is unable to perform, CPC may need to undertake legal pathways to enforcement actions – something that prior to 2020 CPC virtually never did. As of December 2025, **15 loans, representing 5.6% of total unpaid principal balance (UPB), were accelerated**, 13 of which are currently under foreclosure.





10 YEAR OUTLOOK

Given recent mismatches between expense growth and allowable rent increases, rent stabilized buildings with units that rent for the 2024 citywide average as reported by the Rent Guidelines Board (RGB)² are already showing signs of distress through decreasing net operating income (NOI). For buildings in the Bronx where the 2024 average rent stabilized rent is about \$500 lower than the citywide average³, stress has already arrived and is worsening quickly. **Flat revenue during years 1-4 would speed up the arrival of financial distress, especially for 100% rent stabilized buildings with rents below the citywide average.**

| | RENT: \$1,681 <i>Citywide rent stabilized average, 2024</i> | | | RENT: \$1,190 <i>Bronx rent stabilized average, 2024</i> | | |
|-------------------------------------|--|-----------------|-----------------|---|------------------|------------------|
| Year | 1 | 4 | 10 | 1 | 4 | 10 |
| Average Monthly Rent | \$1,681 | \$1,836 | \$2,193 | \$1,190 | \$1,300 | \$1,552 |
| | × 12 | 12 | 12 | × 12 | 12 | 12 |
| Annual Gross Revenue | = \$20,172 | \$22,042 | \$26,320 | = \$14,280 | \$15,604 | \$18,632 |
| Collections Loss | – \$1,614 | \$1,763 | \$2,106 | – \$1,142 | \$1,248 | \$1,491 |
| Effective Revenue | = \$18,558 | \$20,279 | \$24,214 | = \$13,138 | \$14,356 | \$17,142 |
| Operating Expenses | – \$10,016 | \$11,595 | \$15,538 | – \$10,016 | \$11,595 | \$15,538 |
| Real Estate Taxes | – \$4,034 | \$4,408 | \$5,264 | – \$2,856 | \$3,121 | \$3,726 |
| Net Operating Income | = \$4,508 | \$4,276 | \$3,412 | = \$266 | – \$360 | – \$2,123 |
| <i>Under flat revenue years 1-4</i> | | <i>\$2,929</i> | <i>\$1,804</i> | | <i>– \$1,313</i> | <i>– \$3,261</i> |

Notes: this illustrative financial outlook model uses market standards and CPC data to illustrate a hypothetical rent stabilized unit. This would scale to a building that is 100% rent stabilized with no supplement retail income.

ASSUMPTIONS

Average monthly rent: citywide and Bronx average monthly rent stabilized rent in 2024 as reported by the Rent Guidelines Board's 2026 Income and Expense Study.

Annual gross revenue: monthly rent multiplied by 12 to represent total annual revenue. Given the average increase allowed by the RGB since 2022, we assume annual rent increases of 3%.

Collections loss: despite a post-pandemic rebound, rent stabilized projects today are experiencing only 92% collections and carry an 8% collections loss.

Effective Revenue: annualized gross revenue less collections losses.

Operating expenses: year 1 operating expense uses the total per unit expenses as reported in CPC's borrower survey, reflected 2024 expense data. For out years, we assume annual expense increases of 5%, as has been the average within CPC's portfolio since 2021.

Real Estate Taxes: based on prevailing tax rates for rent stabilized buildings at 20% of revenue.

Net Operating Income: the income of a project after all other building costs have been deducted. Does not account for debt service payments.

SOLUTIONS

Today, two things are true: the rent in stabilized buildings is often too high for low-income tenants' limited budgets, and the rent collected is often too low for building owners to responsibly maintain and operate these buildings. While there is no one magic fix, advancing a comprehensive suite of tools to reduce operating expenses and increase revenue for rent-stabilized buildings has the potential to make meaningful impact and stave off the worst distress for this critical segment of New York City's housing stock.

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Property Taxes: Taxes are one of the few cost drivers where government intervention can directly influence building stability. A long-term, 100% property tax exemption for distressed stabilized buildings could slow financial decline and free up capital to support vital building improvements.

J-51: Reforming and reauthorizing the J-51 tax incentive, as proposed in Governor Hochul's FY27 budget, is a critical step in stabilizing the City's housing stock. For decades, J-51 has enabled owners of rent-stabilized and deeply affordable housing to undertake capital improvements that would otherwise be financially infeasible. A modernized J-51 can once again be a powerful preservation tool.

Insurance: Per-unit insurance premiums across CPC's portfolio have risen 75% since 2020 – and this increase is even higher for supportive and deeply affordable housing providers. The recent success of affordable housing insurance captives demonstrates the feasibility of alternative approaches, and should encourage continued cross-sector collaboration to address runaway costs.

Utilities: Erratic increases in water, sewer, and utility costs make expense forecasting increasingly difficult. Agencies and service providers should establish predictable rate-increase schedules, and government relief should be made available for the most distressed buildings when needed.

Marketing and Lease Up: Regulated affordable units should be occupied as quickly as possible upon completion or turnover, yet administrative bottlenecks and delays in the Housing Connect lottery significantly hinder timely occupancy. This system must be overhauled to speed up review of advertisements and applicants, remove repetitive documentation requirements, and better employ technology to shave off time while ensuring compliance.

Vouchers: Streamlining administration of federal, state, and city vouchers is critical. Wherever possible, efficiency, clear eligibility standards, and simplified documentation should be prioritized to reduce barriers for both tenants and owners, and maximize voucher success rates.

Right-size Rent at Turnover: Regulated affordable housing should be allowed to lease vacant units at the current year's AMI levels. This change would strengthen project financial stability without affecting existing tenants and bring online another tool to help ensure long-term preservation of regulated affordable housing.

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ABOUT THE COMMUNITY PRESERVATION CORPORATION (CPC): CPC is a nonprofit, multifamily finance company founded in 1974 to provide financial and technical resources to stabilize and revitalize underserved communities. Today, CPC uses its unique expertise in housing finance and public policy to expand access to affordable and workforce housing, advance diversity and equity within the development industry, and expand investment in high-performance and energy efficient housing. CPC has invested over \$16 billion to finance more than 276,000 units of affordable and workforce housing through our lending and investing platforms. Interested in learning more? Contact CPC to join the conversation.

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