

# FY 2025

## RPIE 2022 Income and Expense Distributions

Prepared by the Property Division

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Special Thanks to the Property Modeling and Research Group

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# RPIE 2022

## Citywide by Property Type

### Income, Expense, and Year-Year Change Distribution

3

Property Type	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
<b>INDUSTRIAL</b>	3,255	<b>Income</b>	\$12.16	\$17.40	\$23.63	\$21.62
		<b>Income % Change</b>	0.00%	2.99%	11.68%	4.33%
		<b>Expense</b>	\$1.65	\$3.16	\$5.60	\$5.01
		<b>Expense % Change</b>	-15.84%	2.16%	25.79%	9.02%
<b>OFFICE</b>	3,011	<b>Income</b>	\$23.25	\$35.64	\$53.00	\$43.24
		<b>Income % Change</b>	-3.75%	1.80%	10.21%	2.99%
		<b>Expense</b>	\$5.55	\$10.64	\$18.50	\$13.32
		<b>Expense % Change</b>	-7.33%	5.33%	22.07%	8.38%
<b>RENTAL</b>	13,533	<b>Income</b>	\$15.66	\$20.67	\$32.39	\$26.37
		<b>Income % Change</b>	0.00%	3.11%	10.16%	4.72%
		<b>Expense</b>	\$8.02	\$10.23	\$13.52	\$11.47
		<b>Expense % Change</b>	-2.74%	6.16%	17.12%	6.70%
<b>RETAIL</b>	8,841	<b>Income</b>	\$20.84	\$32.09	\$49.76	\$43.06
		<b>Income % Change</b>	-1.40%	2.44%	12.65%	5.19%
		<b>Expense</b>	\$3.84	\$6.95	\$11.74	\$9.61
		<b>Expense % Change</b>	-11.98%	3.03%	24.29%	8.86%

**Notes:**

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2021 and RPIE 2022

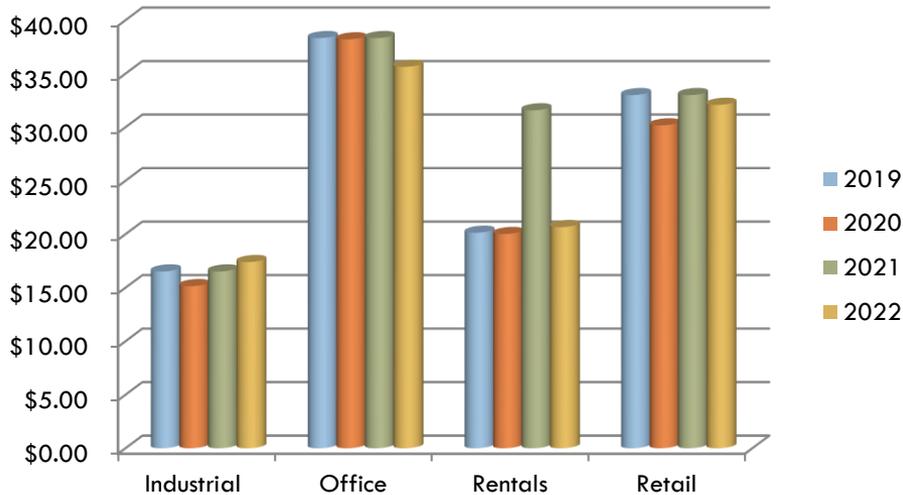
Rental Apartments with greater than 10 units

Does not include outlier filers and /or partial year filers

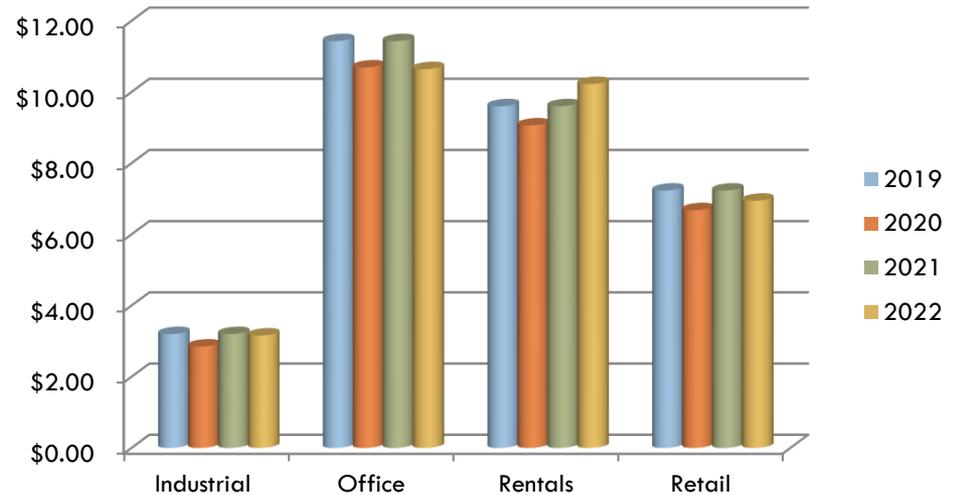
# RPIE 2019 - 2022

## Citywide by Property Type

### Median Income Per Square Foot



### Median Expense Per Square Foot



### Number of Filings

Number of Filings	2019	2020	2021	2022
Industrial	2,840	2,589	2,511	3,255
Office	2,890	2,644	3,126	3,011
Rentals	13,865	13,319	12,454	13,533
Retail	8,983	7,953	7,754	8,841

Does not include outlier filers and /or partial year filers

# RPIE 2022

## Citywide by Borough

### Income, Expense, and Year-Year Change Distribution

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Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
Manhattan	7,387	Income	\$24.38	\$39.85	\$55.43	\$47.99
		Income % Change	0.00%	6.22%	16.89%	7.62%
		Expense	\$10.02	\$13.76	\$18.72	\$15.70
		Expense % Change	-5.66%	5.86%	19.32%	7.25%
Bronx	4,907	Income	\$13.52	\$17.24	\$24.99	\$22.50
		Income % Change	-1.71%	1.36%	6.51%	1.76%
		Expense	\$6.31	\$8.53	\$10.94	\$8.98
		Expense % Change	-3.21%	6.72%	19.18%	8.59%
Brooklyn	8,364	Income	\$15.42	\$20.98	\$32.09	\$26.72
		Income % Change	0.00%	2.47%	9.18%	4.27%
		Expense	\$4.34	\$7.39	\$10.40	\$8.20
		Expense % Change	-6.94%	4.19%	18.47%	7.34%
Queens	6,804	Income	\$17.92	\$24.24	\$35.78	\$31.46
		Income % Change	-0.21%	2.52%	10.15%	4.30%
		Expense	\$3.80	\$7.22	\$10.82	\$8.62
		Expense % Change	-8.30%	4.43%	21.93%	8.35%
Staten Island	1,178	Income	\$14.93	\$22.02	\$34.10	\$30.29
		Income % Change	-2.11%	0.17%	8.30%	2.44%
		Expense	\$2.87	\$5.74	\$9.13	\$7.83
		Expense % Change	-13.85%	1.44%	21.32%	8.20%

**Notes:**

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2021 and RPIE 2022

Rental Apartments with greater than 10 units

Does not include outlier filers and /or partial year filers

# RPIE 2022

## Industrial Properties by Borough

### Income, Expenses, and Year-Year Change Distribution

6

Major Building Category	Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
INDUSTRIAL	Manhattan	32	Income	\$11.76	\$19.53	\$39.75	\$31.40
			Income % Change	0.00%	3.00%	22.00%	9.00%
			Expense	\$1.16	\$3.73	\$7.17	\$4.60
			Expense % Change	-11.00%	0.00%	19.00%	0.00%
	Bronx	300	Income	\$9.56	\$14.44	\$19.51	\$16.88
			Income % Change	-3.00%	3.00%	11.00%	-1.00%
			Expense	\$1.43	\$2.68	\$4.93	\$3.86
			Expense % Change	-24.00%	2.00%	31.00%	9.00%
	Brooklyn	1,051	Income	\$12.40	\$17.00	\$22.85	\$19.92
			Income % Change	0.00%	3.00%	12.00%	6.00%
			Expense	\$1.82	\$3.38	\$5.90	\$5.06
			Expense % Change	-14.00%	3.00%	24.00%	10.00%
Queens	1,001	Income	\$13.34	\$19.50	\$25.85	\$25.26	
		Income % Change	0.00%	3.00%	11.00%	4.00%	
		Expense	\$1.60	\$3.27	\$5.65	\$5.56	
		Expense % Change	-16.00%	2.00%	28.00%	9.00%	
Staten Island	127	Income	\$10.58	\$14.74	\$17.78	\$16.75	
		Income % Change	0.00%	0.00%	8.00%	3.00%	
		Expense	\$1.39	\$2.34	\$3.88	\$3.29	
		Expense % Change	-17.00%	0.00%	18.00%	6.00%	

**Notes:**

Income = Gross Income per square foot

Expense = Total Expense per square foot

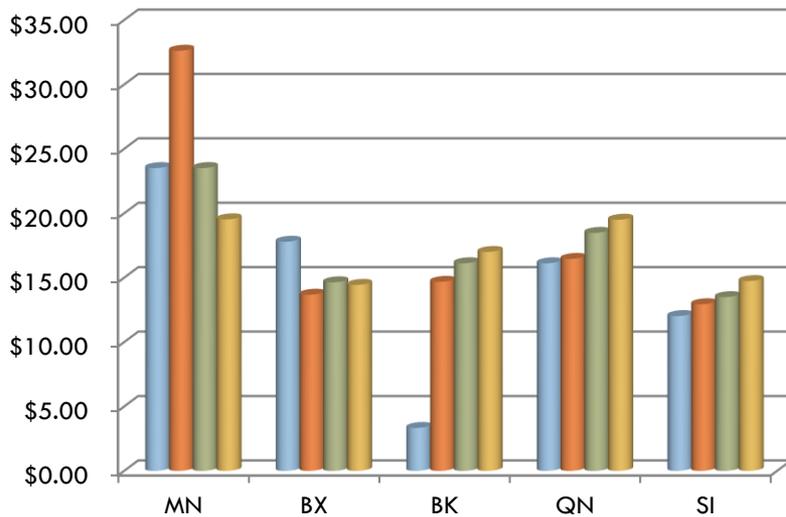
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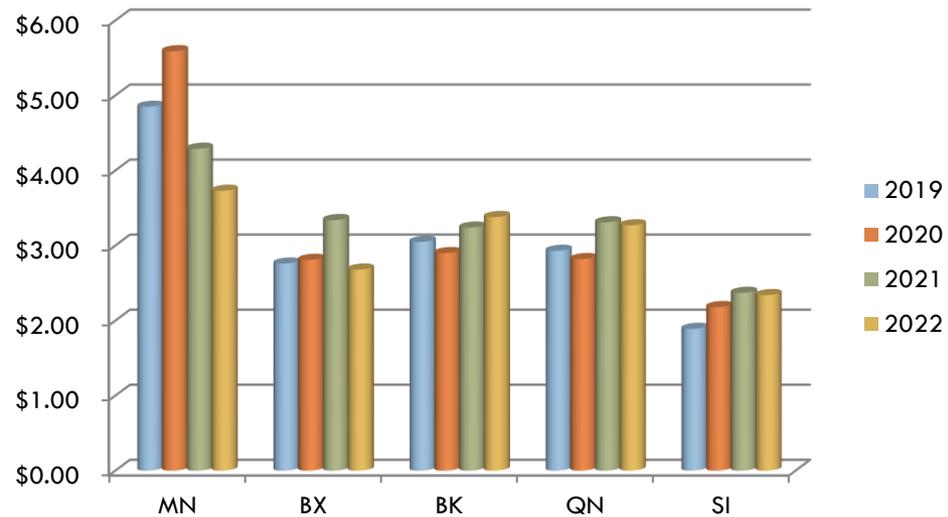
# RPIE 2019 - 2022

## Industrial Properties by Borough

Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2019	2020	2021	2022
Manhattan (MN)	44	35	32	33
Bronx (BX)	363	318	300	413
Brooklyn (BK)	1,178	1,139	1,051	1,333
Queens (QN)	1,132	992	1,001	1,303
Staten Island (SI)	123	111	127	173

Does not include outlier filers and /or partial year filers

# RPIE 2022

## Office Properties by Borough

### Income, Expenses, and Year-Year Change Distribution

8

Major Building Category	Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
OFFICE	Manhattan	1,266	Income	\$35.03	\$50.25	\$69.75	\$59.51
			Income % Change	-4.00%	3.00%	13.00%	4.00%
			Expense	\$12.30	\$18.22	\$25.32	\$19.78
			Expense % Change	-3.00%	7.00%	21.00%	10.00%
	Bronx	241	Income	\$20.25	\$29.83	\$42.32	\$32.84
			Income % Change	-2.00%	2.00%	9.00%	2.00%
			Expense	\$3.77	\$6.83	\$10.27	\$8.29
			Expense % Change	-14.00%	3.00%	22.00%	6.00%
	Brooklyn	677	Income	\$19.09	\$28.36	\$39.90	\$31.65
			Income % Change	-2.00%	1.00%	9.00%	2.00%
			Expense	\$3.85	\$6.53	\$10.63	\$8.33
			Expense % Change	-10.00%	4.00%	25.00%	9.00%
	Queens	605	Income	\$19.30	\$28.49	\$39.86	\$31.98
			Income % Change	-4.00%	1.00%	10.00%	2.00%
			Expense	\$4.26	\$7.44	\$12.43	\$9.24
			Expense % Change	-13.00%	4.00%	24.00%	7.00%
Staten Island	222	Income	\$17.38	\$25.33	\$35.65	\$27.78	
		Income % Change	-2.00%	0.00%	5.00%	1.00%	
		Expense	\$3.59	\$7.02	\$10.86	\$8.24	
		Expense % Change	-16.00%	1.00%	20.00%	5.00%	

**Notes:**

Income = Gross Income per square foot

Expense = Total Expense per square foot

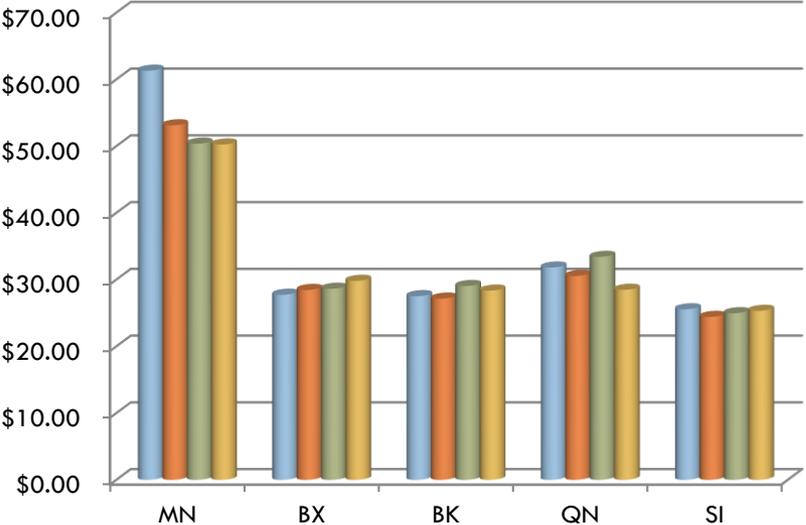
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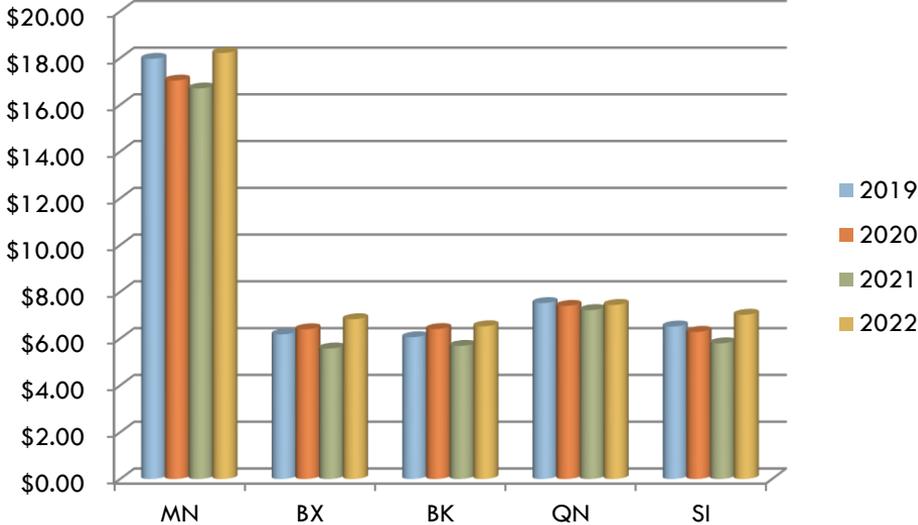
# RPIE 2019 - 2022

## Office Properties by Borough

Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2019	2020	2021	2022
Manhattan (MN)	1,177	1,510	1,526	1,266
Bronx (BX)	196	181	200	241
Brooklyn (BK)	646	606	617	677
Queens (QN)	689	624	608	605
Staten Island (SI)	182	181	175	222

Does not include outlier filers and /or partial year filers

# RPIE 2022

## Rental Apartments By Borough

### Income, Expense, and Year-Year Change Distribution

Major Building Category	Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
RENTAL APARTMENTS	Manhattan	4,970	Income	\$21.79	\$35.22	\$48.69	\$37.19
			Income % Change	0.00%	7.00%	17.00%	8.00%
			Expense	\$10.24	\$13.34	\$17.31	\$14.40
			Expense % Change	-5.00%	6.00%	17.00%	6.00%
	Bronx	2,935	Income	\$12.88	\$15.34	\$18.66	\$16.34
			Income % Change	-2.00%	1.00%	5.00%	1.00%
			Expense	\$7.71	\$9.15	\$11.00	\$9.62
			Expense % Change	0.00%	8.00%	18.00%	9.00%
	Brooklyn	3,647	Income	\$14.92	\$18.60	\$24.97	\$21.67
			Income % Change	0.00%	3.00%	8.00%	4.00%
			Expense	\$7.13	\$8.87	\$11.12	\$9.68
			Expense % Change	-3.00%	5.00%	15.00%	6.00%
	Queens	1,861	Income	\$17.90	\$21.40	\$25.28	\$22.32
			Income % Change	0.00%	2.00%	7.00%	4.00%
			Expense	\$7.56	\$9.44	\$11.67	\$9.92
			Expense % Change	-2.00%	7.00%	17.00%	7.00%
Staten Island	120	Income	\$14.91	\$17.18	\$21.10	\$28.65	
		Income % Change	-1.00%	1.00%	6.00%	0.00%	
		Expense	\$6.20	\$8.42	\$10.27	\$13.70	
		Expense % Change	-3.00%	4.00%	13.00%	3.00%	

**Notes:**

Income = Gross Income per square foot

Expense = Total Expense per square foot

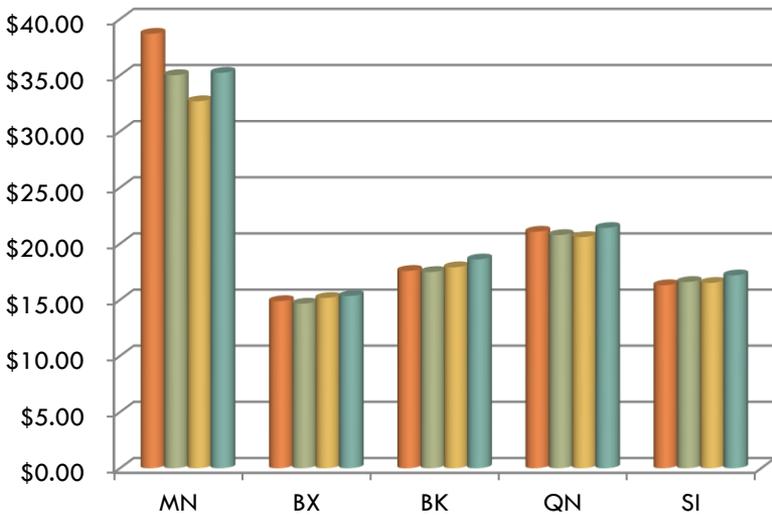
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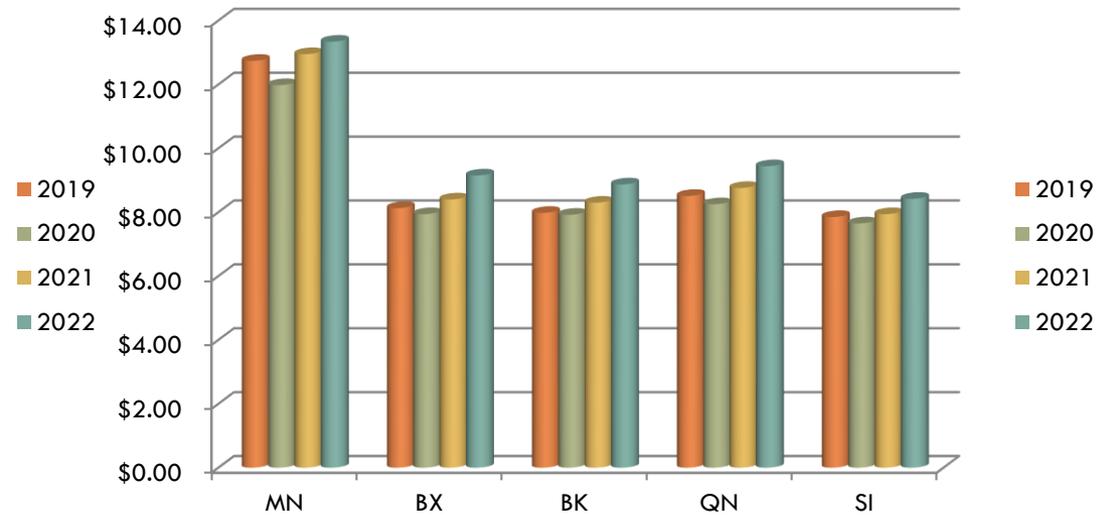
# RPIE 2019 - 2022

## Rental Properties by Borough

Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2019	2020	2021	2022
Manhattan (MN)	5,167	5,076	5,423	4,970
Bronx (BX)	3,116	2,916	2,747	2,935
Brooklyn (BK)	3,578	3,458	3,210	3,647
Queens (QN)	1,894	1,752	1,732	1,861
Staten Island (SI)	110	104	113	120

Does not include outlier filers and /or partial year filers

# RPIE 2022

## Rent Regulated Rental Apartments By Borough Income, Expense, and Year-Year Change Distribution

12

Major Building Category	Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
RENTAL APARTMENTS	Manhattan	2,099	Income	\$17.24	\$23.06	\$34.55	\$27.09
			Income % Change	0.00%	5.00%	13.00%	6.00%
			Expense	\$9.26	\$11.61	\$14.75	\$12.44
			Expense % Change	-2.00%	7.00%	18.00%	7.00%
	Bronx	2,263	Income	\$12.80	\$15.08	\$18.13	\$15.84
			Income % Change	-2.00%	1.00%	5.00%	1.00%
			Expense	\$7.63	\$8.99	\$10.76	\$9.37
			Expense % Change	1.00%	9.00%	19.00%	10.00%
	Brooklyn	2,491	Income	\$14.64	\$17.89	\$22.34	\$20.04
			Income % Change	0.00%	2.00%	7.00%	3.00%
			Expense	\$6.98	\$8.59	\$10.66	\$9.27
			Expense % Change	-2.00%	6.00%	16.00%	7.00%
	Queens	1,480	Income	\$17.80	\$20.94	\$24.64	\$21.68
			Income % Change	0.00%	2.00%	7.00%	4.00%
			Expense	\$7.64	\$9.45	\$11.50	\$9.79
			Expense % Change	-2.00%	7.00%	18.00%	8.00%
	Staten Island	61	Income	\$14.17	\$17.16	\$20.94	\$17.66
			Income % Change	-1.00%	1.00%	6.00%	0.00%
			Expense	\$6.73	\$8.47	\$9.99	\$8.65
			Expense % Change	-2.00%	5.00%	13.00%	6.00%

**Notes:**

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2021 and RPIE 2022

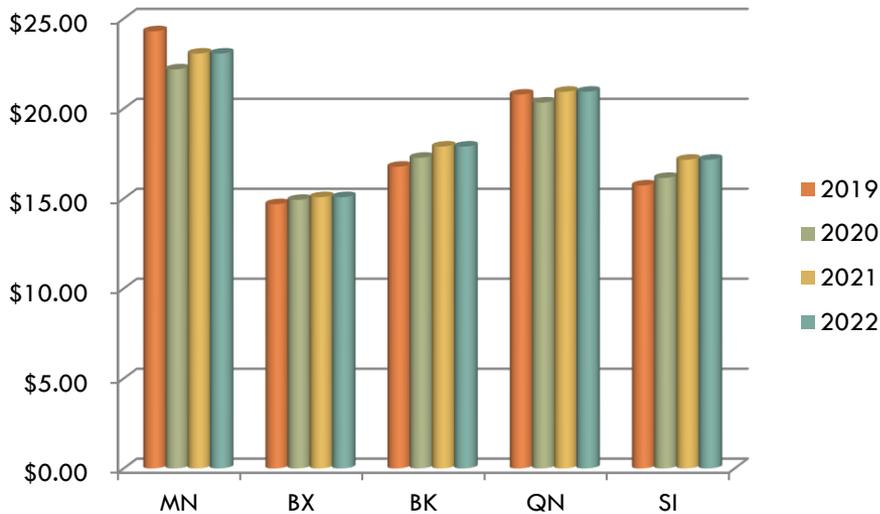
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# RPIE 2019 - 2022

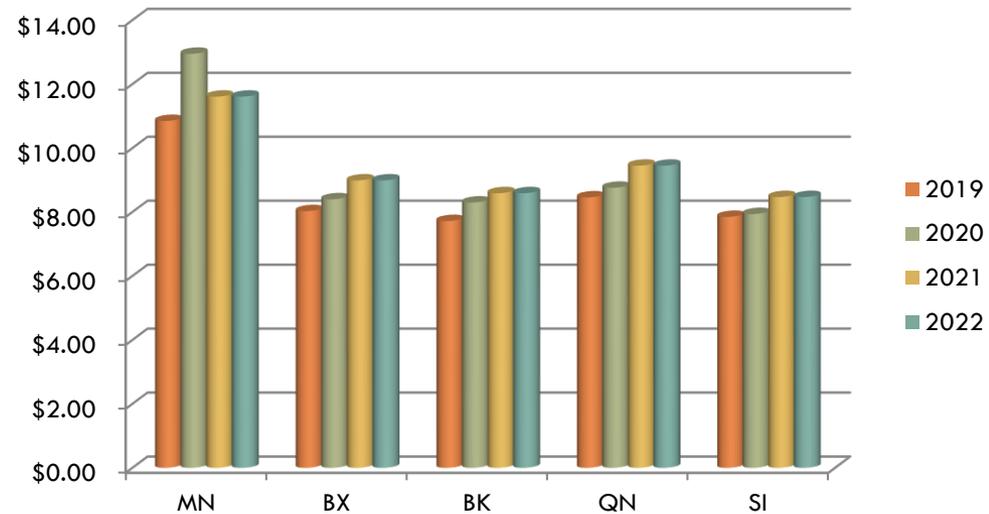
## Rent Regulated Rental Properties by Borough

13

### Median Income Per Square Foot



### Median Expense Per Square Foot



### Number of Filings

	2019	2020	2021	2022
Manhattan (MN)	2,365	2,228	1,905	2,099
Bronx (BX)	2,826	2,614	2,025	2,263
Brooklyn (BK)	2,886	2,738	2,290	2,491
Queens (QN)	1,618	1,468	1,322	1,480
Staten Island (SI)	63	64	54	61

Does not include outlier filers and /or partial year filers

# RPIE 2022

## Unregulated Rental Apartments By Borough Income, Expense, and Year-Year Change Distribution

14

Major Building Category	Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
RENTAL APARTMENTS	Manhattan	2,870	Income	\$32.24	\$43.48	\$54.19	\$44.58
			Income % Change	1.00%	10.00%	19.00%	10.00%
			Expense	\$11.52	\$14.87	\$18.92	\$15.83
			Expense % Change	-7.00%	4.00%	17.00%	4.00%
	Bronx	672	Income	\$13.53	\$16.43	\$20.52	\$18.01
			Income % Change	0.00%	1.00%	5.00%	1.00%
			Expense	\$7.98	\$9.77	\$11.92	\$10.46
			Expense % Change	-3.00%	7.00%	17.00%	7.00%
	Brooklyn	1,153	Income	\$15.89	\$21.93	\$32.09	\$25.20
			Income % Change	0.00%	3.00%	9.00%	4.00%
			Expense	\$7.54	\$9.56	\$12.72	\$10.55
			Expense % Change	-5.00%	4.00%	13.00%	4.00%
	Queens	380	Income	\$18.45	\$23.04	\$27.75	\$24.82
			Income % Change	0.00%	2.00%	9.00%	3.00%
			Expense	\$6.92	\$9.32	\$12.42	\$10.42
			Expense % Change	-4.00%	4.00%	16.00%	5.00%
Staten Island	59	Income	\$14.98	\$17.20	\$21.26	\$40.01	
		Income % Change	-2.00%	1.00%	6.00%	-1.00%	
		Expense	\$5.83	\$8.16	\$10.60	\$18.92	
		Expense % Change	-6.00%	3.00%	13.00%	0.00%	

**Notes:**

Income = Gross Income per square foot

Expense = Total Expense per square foot

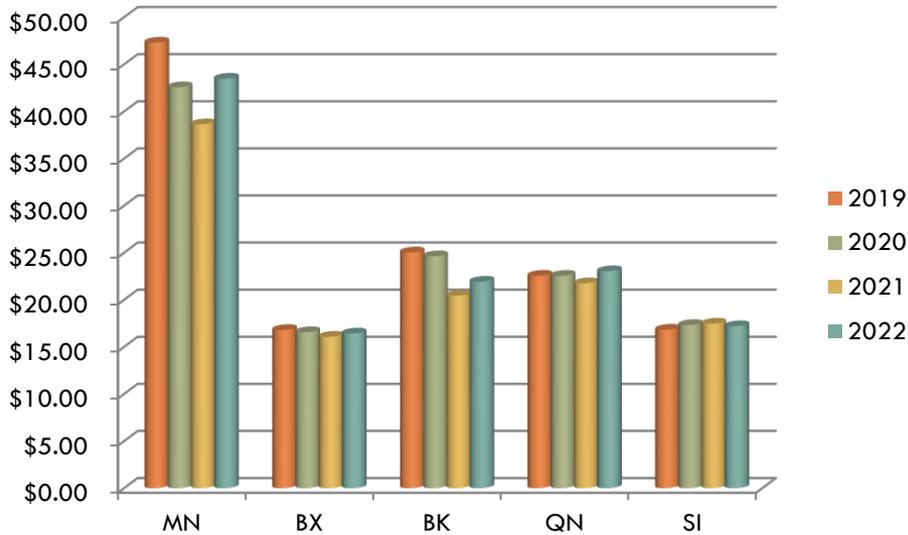
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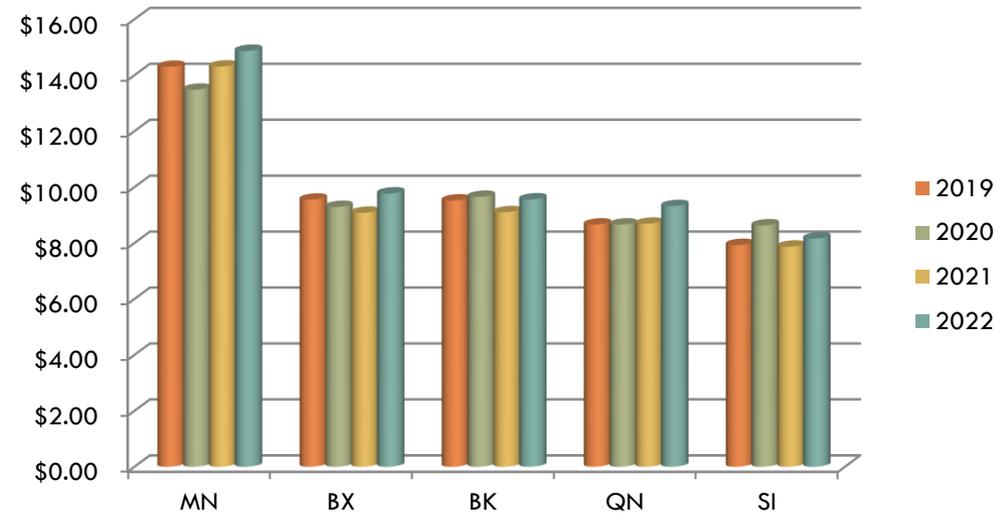
# RPIE 2019 - 2022

## Unregulated Rental Properties by Borough

Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2019	2020	2021	2022
Manhattan (MN)	2,812	2,848	2,884	2,870
Bronx (BX)	295	302	592	672
Brooklyn (BK)	703	720	1,007	1,153
Queens (QN)	281	283	324	380
Staten Island (SI)	47	40	44	59

Does not include outlier filers and /or partial year filers

# RPIE 2022

## Retail Properties By Borough

### Income, Expenses, and Year-Year Change Distribution

Major Building Category	Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
RETAIL	Manhattan	1,118	Income	\$32.97	\$56.95	\$92.85	\$83.42
			Income % Change	-2.00%	5.00%	21.00%	8.00%
			Expense	\$6.88	\$12.04	\$20.56	\$17.22
			Expense % Change	-12.00%	6.00%	31.00%	12.00%
	Bronx	1,318	Income	\$20.99	\$30.72	\$45.25	\$36.08
			Income % Change	-1.00%	2.00%	10.00%	4.00%
			Expense	\$4.51	\$7.62	\$12.08	\$9.29
			Expense % Change	-12.00%	3.00%	22.00%	8.00%
	Brooklyn	2,707	Income	\$19.27	\$29.17	\$43.35	\$35.65
			Income % Change	-1.00%	2.00%	11.00%	5.00%
			Expense	\$3.36	\$5.94	\$9.88	\$7.74
			Expense % Change	-13.00%	3.00%	22.00%	8.00%
	Queens	3,035	Income	\$21.25	\$32.18	\$48.94	\$39.61
			Income % Change	-1.00%	3.00%	13.00%	5.00%
			Expense	\$3.68	\$6.77	\$11.41	\$9.01
			Expense % Change	-11.00%	3.00%	24.00%	9.00%
Staten Island	663	Income	\$17.09	\$25.95	\$38.55	\$34.96	
		Income % Change	-3.00%	1.00%	10.00%	3.00%	
		Expense	\$3.39	\$5.74	\$9.16	\$7.82	
		Expense % Change	-14.00%	2.00%	26.00%	11.00%	

**Notes:**

Income = Gross Income per square foot

Expense = Total Expense per square foot

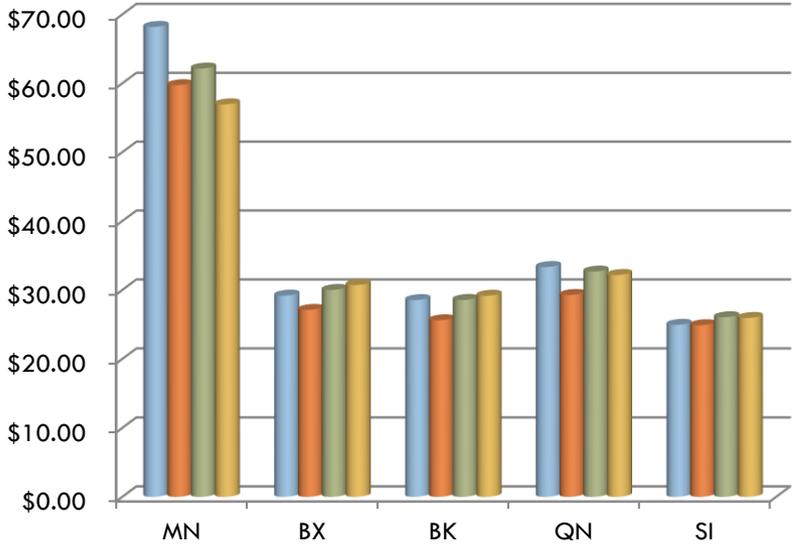
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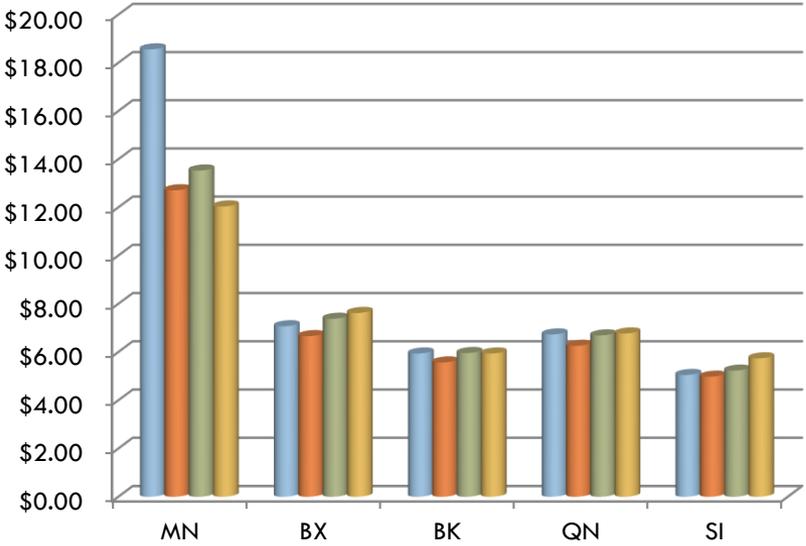
# RPIE 2019 - 2022

## Retail Properties by Borough

Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2019	2020	2021	2022
Manhattan (MN)	2,157	1,457	1,428	1,118
Bronx (BX)	1,190	1,075	1,117	1,318
Brooklyn (BK)	2,449	2,121	2,249	2,707
Queens (QN)	2,679	2,404	2,522	3,035
Staten Island (SI)	508	440	438	663

Does not include outlier filers and /or partial year filers

## Guideline Income, Expense, and Cap Rate Distributions

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Major Building Categories	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
<b>INDUSTRIAL</b>	Income	\$15.84	\$19.27	\$23.75	\$20.88
	Expense	\$2.67	\$3.98	\$5.59	\$4.37
	Cap Rate	14.23%	14.24%	14.27%	14.11%
<b>OFFICE</b>	Income	\$30.35	\$37.29	\$51.45	\$45.02
	Expense	\$6.68	\$9.85	\$15.07	\$12.24
	Cap Rate	14.91%	15.13%	15.14%	14.76%
<b>RENTAL</b>	Income	\$16.98	\$22.68	\$35.53	\$28.27
	Expense	\$7.93	\$10.05	\$13.03	\$10.95
	Cap Rate	12.55%	12.88%	13.54%	12.66%
<b>RETAIL</b>	Income	\$28.20	\$36.75	\$50.17	\$45.47
	Expense	\$5.04	\$7.39	\$10.79	\$9.00
	Cap Rate	15.23%	15.32%	16.14%	15.28%

**Notes:**

Income = Gross Income per square foot

Expense = Total Expense per square foot

## FY25 Capitalization Rate Methodology Tax Class 2

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- Capitalization Rate based on Ellwood formula

$$R_o = Y_o - \Delta_n^{(a_n)}$$



Fallout Capitalization Rate = return *on* capital (dividend yield) - return *of* capital (capital gain/loss)

Capitalization Rate based on earnings

- the higher the growth rate, the lower the fallout Capitalization Rate, the more valuable the property

\*Guideline Cap rates will not reflect future property appreciation

## FY25 Capitalization Rate Methodology Tax Class 2

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- $R_o$  and  $\Delta_n^{(an)}$  are *not* estimated for each property but are guideline curves that reflect median relationships with income.
- $R_o$  is estimated by a median regression of market Capitalization Rate on income per square foot.
- $\Delta_n^{(an)}$  is estimated by a median regression of annual sales growth of Class 2 rentals that were purchased between 1985 - 2023 and sold between 2012 - 2023.

## FY25 Capitalization Rate Methodology Tax Class 2

- Guideline curves are applied on *rental filer population*

### FY25 Market Cap Rate and Annual Growth Rate

Variable	25th Pctl	50th Pctl	75th Pctl	Mean
Ro	1.89%	3.13%	4.46%	3.35%
Δ	3.23%	3.95%	4.96%	4.07%

### FY25 versus FY24 Capitalization Rate

Variable	25th Pctl	50th Pctl	75th Pctl	Mean
Cap Rate FY25	6.91%	7.14%	7.71%	7.43%
Cap Rate FY24	6.91%	7.16%	7.75%	7.46%
Cap Rate FY25- Cap Rate FY24	0.00%	-0.02%	-0.04%	-0.03%

## FY25 Capitalization Rate Formulas and Example Tax Class 2

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- Capitalization Rate used reflects earnings-based return

$$Y_o = R_o + \Delta_n^{(a_n)}$$

$$R_o = \exp(-1.06603 * \ln(\text{income psf}))$$

$$\Delta_n^{(a_n)} = -0.030236745 + 0.02144592 * \ln(\text{income psf})$$

*Example:* income psf = **\$25.78**

$$R_o = \exp(-1.06603 * \ln(25.78)) = 3.13\%$$

$$\Delta_n^{(a_n)} = (-0.030236745 + 0.02144592 * \ln(25.78)) = 3.945\%$$

$$Y_o = 3.13\% + 3.945\% = **7.075%**$$

## FY25 Capitalization Rate Methodology Tax Class 4

Major Building Category	Flat Cap Rate Adjustment from FY24 (BPS)
OFFICE – MANHATTAN SOUTH OF 110TH STREET CLASS A/B/T AND DOWNTOWN BROOKLYN CLASS A	0
OFFICE – MANHATTAN SOUTH OF 110TH STREET Non CLASS A/B/T	0
OFFICE – MANHATTAN NORTH OF 110TH STREET AND OUTER BOROUGHES	0
RETAIL – MANHATTAN SOUTH OF 125TH STREET AND DOWNTOWN BROOKLYN	0
RETAIL – MANHATTAN NORTH OF 125TH STREET AND OUTER BOROUGHES	0
INDUSTRIAL	0
GARAGE	0

- Capitalization Rates are kept the same as FY24 levels.