

FY 2026

RPIE 2023 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 2023

Citywide by Property Type

Income, Expense, and Year-Year Change Distribution

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Property Type	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
INDUSTRIAL	3,162	Income	\$13.21	\$18.86	\$25.24	\$23.24
		Income % Change	-0.66%	2.41%	8.97%	2.97%
		Expense	\$1.78	\$3.42	\$6.10	\$5.34
		Expense % Change	-14.64%	1.89%	25.40%	9.96%
OFFICE	3,063	Income	\$26.16	\$39.21	\$58.01	\$46.72
		Income % Change	-2.59%	2.16%	8.76%	2.35%
		Expense	\$6.30	\$12.17	\$20.48	\$14.83
		Expense % Change	-9.04%	2.58%	16.14%	4.50%
RENTAL	15,004	Income	\$16.68	\$22.25	\$37.77	\$29.35
		Income % Change	0.67%	4.57%	9.86%	4.78%
		Expense	\$8.44	\$10.74	\$14.41	\$12.16
		Expense % Change	-5.95%	3.10%	12.77%	3.16%
RETAIL	8,577	Income	\$23.16	\$35.83	\$55.05	\$48.04
		Income % Change	-0.71%	2.34%	9.56%	3.42%
		Expense	\$4.37	\$7.83	\$13.32	\$11.26
		Expense % Change	-11.41%	3.40%	23.66%	8.42%

Notes:

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2022 and RPIE 2023

Rental Apartments with greater than 10 units

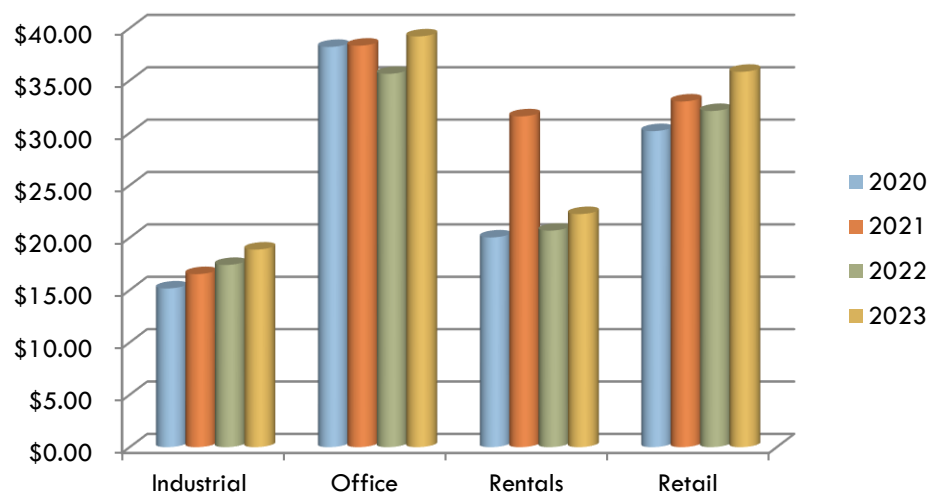
Does not include outlier filers and /or partial year filers

RPIE 2020 - 2023

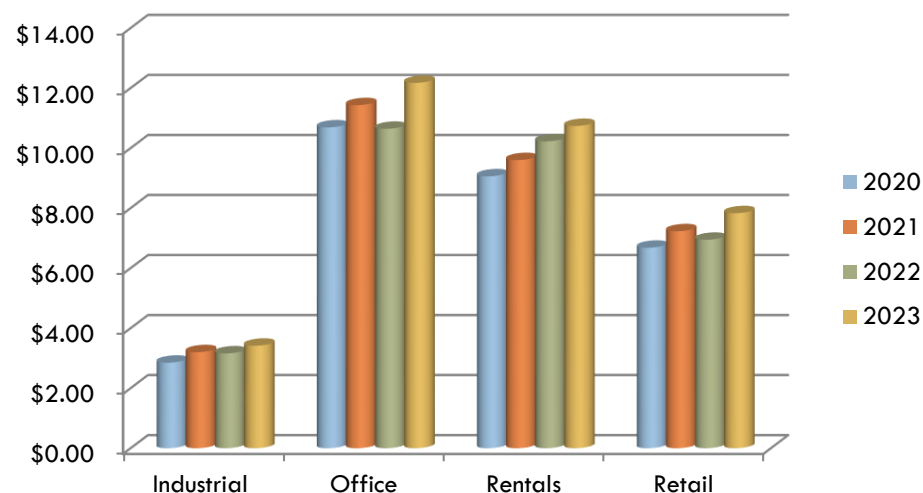
Citywide by Property Type

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Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

Number of Filings	2020	2021	2022	2023
Industrial	2,589	2,511	3,255	3,162
Office	2,644	3,126	3,011	3,063
Rentals	13,319	12,454	13,533	15,004
Retail	7,953	7,754	8,841	8,577

Does not include outlier filers and /or partial year filers

RPIE 2023

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	8,424	Income	\$27.67	\$45.19	\$62.47	\$53.11
		Income % Change	0.36%	6.00%	12.58%	5.78%
		Expense	\$10.94	\$14.84	\$20.32	\$17.39
		Expense % Change	-7.84%	3.21%	15.07%	4.09%
Bronx	5,186	Income	\$14.20	\$18.01	\$25.37	\$23.39
		Income % Change	-1.17%	2.41%	7.59%	2.72%
		Expense	\$6.87	\$9.01	\$11.31	\$9.51
		Expense % Change	-6.08%	3.46%	15.62%	5.98%
Brooklyn	8,327	Income	\$16.42	\$22.17	\$34.22	\$28.54
		Income % Change	0.00%	3.22%	8.54%	3.69%
		Expense	\$5.05	\$7.90	\$10.96	\$8.87
		Expense % Change	-7.90%	3.13%	16.46%	6.14%
Queens	6,779	Income	\$19.28	\$25.85	\$38.76	\$33.61
		Income % Change	0.00%	2.86%	8.49%	3.19%
		Expense	\$4.28	\$7.86	\$11.52	\$9.32
		Expense % Change	-9.58%	2.55%	18.26%	6.27%
Staten Island	1,090	Income	\$16.40	\$23.33	\$36.47	\$31.97
		Income % Change	-0.47%	1.38%	7.00%	2.33%
		Expense	\$3.28	\$6.24	\$10.22	\$7.83
		Expense % Change	-13.59%	0.39%	17.88%	5.31%

Notes:

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2022 and RPIE 2023

Rental Apartments with greater than 10 units

Does not include outlier filers and /or partial year filers

RPIE 2023

Industrial Properties by Borough

Income, Expenses, and Year-Year Change Distribution

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Major Building Category	Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
INDUSTRIAL	Manhattan	32	Income	\$13.64	\$23.51	\$39.58	\$147.05
			Income % change	-16.88%	1.40%	16.01%	-0.72%
			Expense	\$1.27	\$4.29	\$8.44	\$114.28
			Expense % change	-23.47%	0.44%	22.84%	-6.02%
	Bronx	300	Income	\$11.07	\$14.64	\$19.77	\$17.70
			Income % change	0.00%	3.23%	13.56%	7.55%
			Expense	\$1.60	\$3.34	\$5.19	\$4.09
			Expense % change	-16.71%	4.15%	32.55%	14.89%
	Brooklyn	1,051	Income	\$11.96	\$16.12	\$21.71	\$18.83
			Income % change	-0.75%	3.00%	14.15%	7.21%
			Expense	\$1.82	\$3.24	\$5.61	\$4.51
			Expense % change	-15.11%	4.09%	30.68%	13.03%
	Queens	1,001	Income	\$12.60	\$18.48	\$24.49	\$21.94
			Income % change	-1.35%	3.55%	13.77%	5.64%
			Expense	\$1.72	\$3.31	\$5.51	\$4.47
			Expense % change	-16.58%	6.51%	30.29%	14.06%
	Staten Island	127	Income	\$9.71	\$13.49	\$16.18	\$13.81
			Income % change	-0.19%	1.38%	12.60%	5.40%
			Expense	\$1.39	\$2.37	\$3.47	\$3.01
			Expense % change	-17.13%	5.13%	32.82%	13.79%

Notes:

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2022 and RPIE 2023

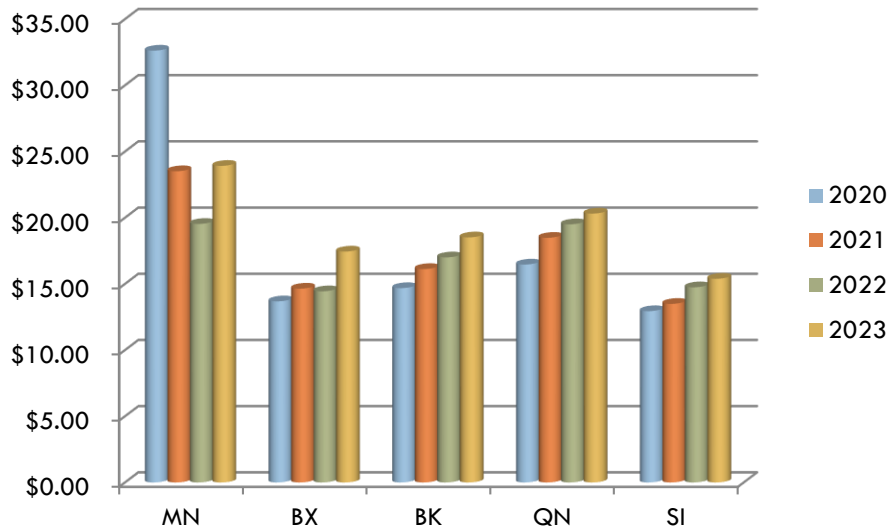
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RPIE 2020 - 2023

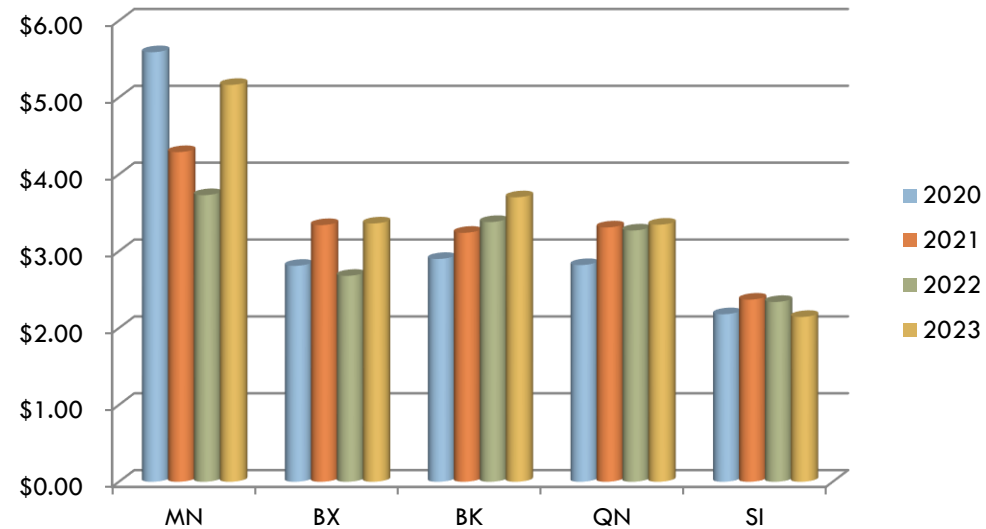
Industrial Properties by Borough

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Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2020	2021	2022	2023
Manhattan (MN)	35	32	33	44
Bronx (BX)	318	300	413	402
Brooklyn (BK)	1,139	1,051	1,333	1,289
Queens (QN)	992	1,001	1,303	1,285
Staten Island (SI)	111	127	173	142

Does not include outlier filers and /or partial year filers

RPIE 2023

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	1,417	Income	\$38.63	\$53.65	\$74.27	\$61.96
			Income % Change	-4.00%	3.00%	10.00%	3.00%
			Expense	\$13.10	\$19.21	\$27.00	\$21.21
			Expense % Change	-7.00%	4.00%	15.00%	5.00%
	Bronx	247	Income	\$20.46	\$30.05	\$41.17	\$33.27
			Income % Change	-3.00%	2.00%	8.00%	1.00%
			Expense	\$4.04	\$7.86	\$11.11	\$8.79
			Expense % Change	-13.00%	2.00%	16.00%	3.00%
	Brooklyn	642	Income	\$20.99	\$30.51	\$42.50	\$34.13
			Income % Change	0.00%	3.00%	8.00%	3.00%
			Expense	\$4.34	\$7.01	\$11.73	\$9.16
			Expense % Change	-11.00%	2.00%	18.00%	4.00%
	Queens	568	Income	\$21.02	\$30.78	\$43.18	\$34.54
			Income % Change	-2.00%	2.00%	7.00%	2.00%
			Expense	\$4.46	\$8.12	\$12.63	\$9.89
			Expense % Change	-11.00%	1.00%	18.00%	3.00%
	Staten Island	189	Income	\$19.68	\$28.06	\$37.23	\$29.41
			Income % Change	-1.00%	1.00%	8.00%	2.00%
			Expense	\$4.10	\$7.83	\$11.89	\$9.01
			Expense % Change	-14.00%	1.00%	18.00%	5.00%

Notes:

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2022 and RPIE 2023

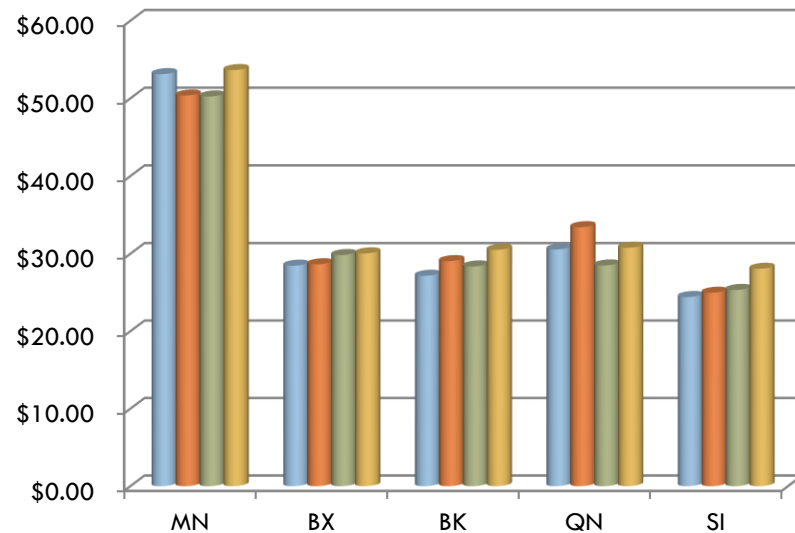
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RPIE 2020 - 2023

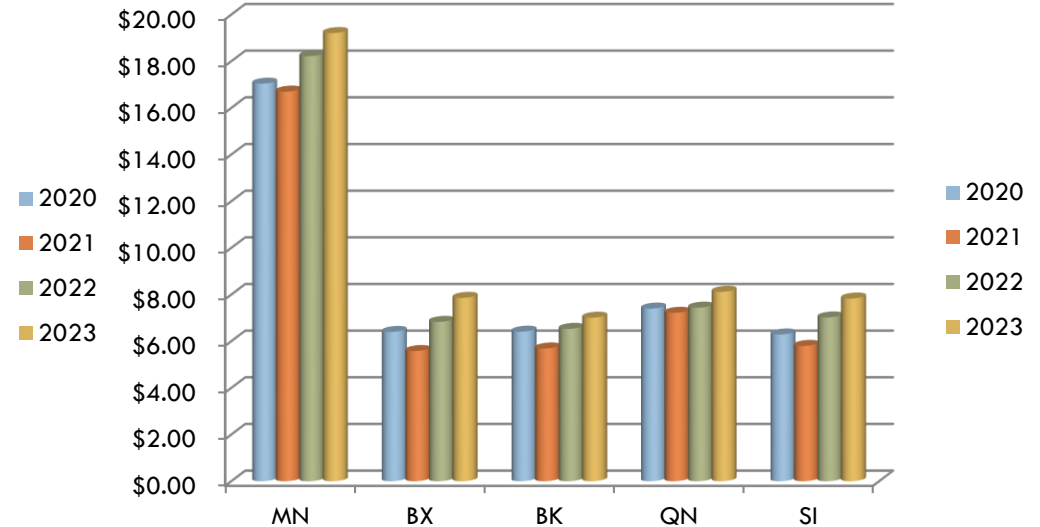
Office Properties by Borough

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Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2020	2021	2022	2023
Manhattan (MN)	1,510	1,526	1,266	1,417
Bronx (BX)	181	200	241	247
Brooklyn (BK)	606	617	677	642
Queens (QN)	624	608	605	568
Staten Island (SI)	181	175	222	189

Does not include outlier filers and /or partial year filers

RPIE 2023

Rental Apartments By Borough

Income, Expense, and Year-Year Change Distribution

10

Major Building Category	Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
RENTAL APARTMENTS	Manhattan	5,760	Income	\$24.26	\$40.78	\$56.08	\$42.56
			Income % Change	2.00%	7.00%	13.00%	7.00%
			Expense	\$11.04	\$14.36	\$18.57	\$15.54
			Expense % Change	-7.00%	3.00%	14.00%	3.00%
	Bronx	3,225	Income	\$13.50	\$16.17	\$19.51	\$17.22
			Income % Change	-1.00%	3.00%	7.00%	3.00%
			Expense	\$7.99	\$9.43	\$11.25	\$9.97
			Expense % Change	-4.00%	4.00%	13.00%	4.00%
	Brooklyn	3,892	Income	\$15.66	\$19.42	\$26.72	\$23.08
			Income % Change	1.00%	4.00%	9.00%	4.00%
			Expense	\$7.41	\$9.17	\$11.61	\$10.05
			Expense % Change	-6.00%	3.00%	12.00%	3.00%
	Queens	2,004	Income	\$19.02	\$22.66	\$26.88	\$23.72
			Income % Change	1.00%	4.00%	8.00%	4.00%
			Expense	\$7.93	\$9.73	\$12.07	\$10.26
			Expense % Change	-7.00%	2.00%	11.00%	2.00%
	Staten Island	123	Income	\$15.20	\$18.19	\$23.13	\$19.24
			Income % Change	0.00%	4.00%	7.00%	2.00%
			Expense	\$6.87	\$8.88	\$10.98	\$9.31
			Expense % Change	-8.00%	3.00%	9.00%	0.00%

Notes:

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Income and Expense % changes based on information filed in RPIE 2022 and RPIE 2023

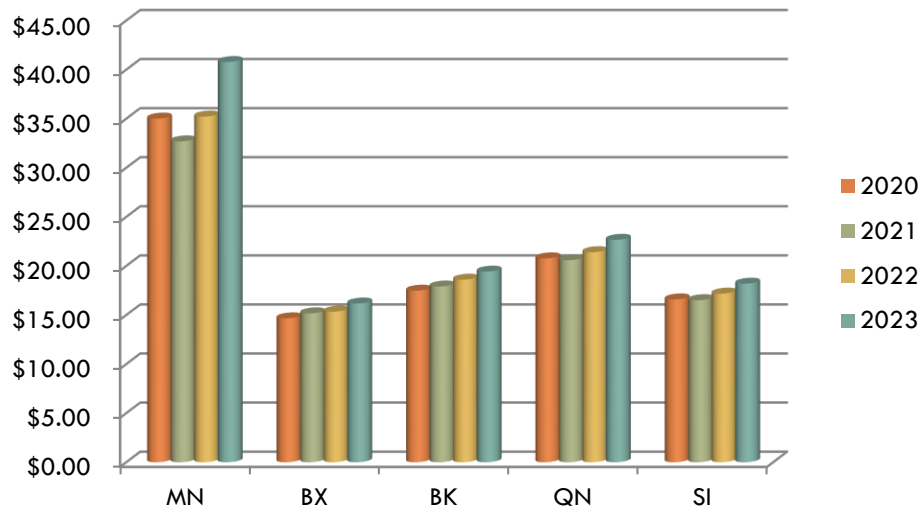
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RPIE 2020 - 2023

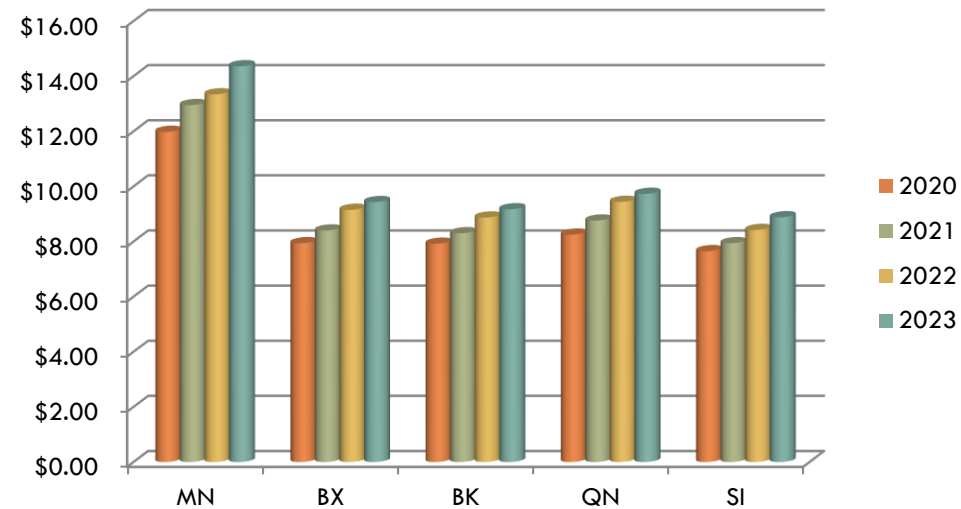
Rental Properties by Borough

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Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2020	2021	2022	2023
Manhattan (MN)	5,076	5,423	4,970	5,760
Bronx (BX)	2,916	2,747	2,935	3,225
Brooklyn (BK)	3,458	3,210	3,647	3,892
Queens (QN)	1,752	1,732	1,861	2,004
Staten Island (SI)	104	113	120	123

Does not include outlier filers and /or partial year filers

RPIE 2023

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	2,375	Income	\$18.85	\$25.06	\$39.16	\$30.21
			Income % Change	1.00%	5.00%	10.00%	4.00%
			Expense	\$9.78	\$12.18	\$15.40	\$13.22
			Expense % Change	-6.00%	3.00%	14.00%	3.00%
	Bronx	2,568	Income	\$13.34	\$15.83	\$18.86	\$16.68
			Income % Change	-1.00%	2.00%	7.00%	2.00%
			Expense	\$7.93	\$9.34	\$10.95	\$9.76
			Expense % Change	-4.00%	4.00%	13.00%	4.00%
	Brooklyn	2,671	Income	\$15.21	\$18.60	\$22.85	\$20.83
			Income % Change	0.00%	4.00%	8.00%	4.00%
			Expense	\$7.28	\$8.85	\$10.86	\$9.51
			Expense % Change	-6.00%	3.00%	12.00%	3.00%
	Queens	1,611	Income	\$18.80	\$22.12	\$26.13	\$22.96
			Income % Change	1.00%	4.00%	7.00%	4.00%
			Expense	\$7.99	\$9.74	\$11.97	\$10.17
			Expense % Change	-7.00%	2.00%	11.00%	2.00%
	Staten Island	61	Income	\$15.33	\$18.36	\$21.65	\$18.68
			Income % Change	0.00%	3.00%	7.00%	1.00%
			Expense	\$7.20	\$8.95	\$10.98	\$9.46
			Expense % Change	-2.00%	7.00%	13.00%	5.00%

Notes:

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2022 and RPIE 2023

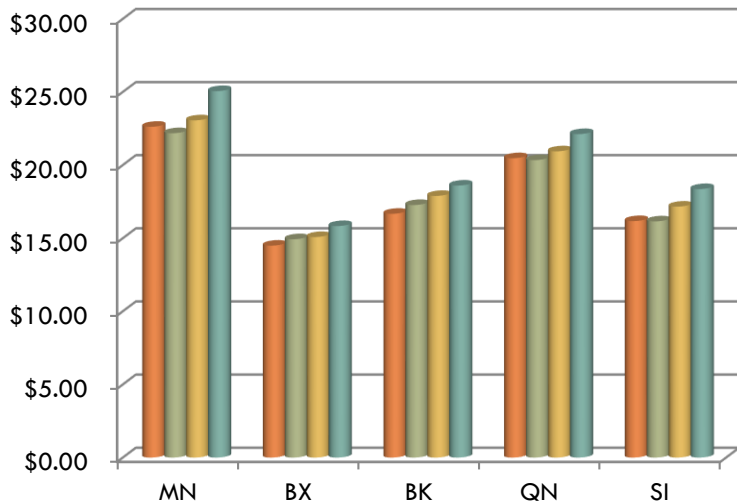
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RPIE 2020 - 2023

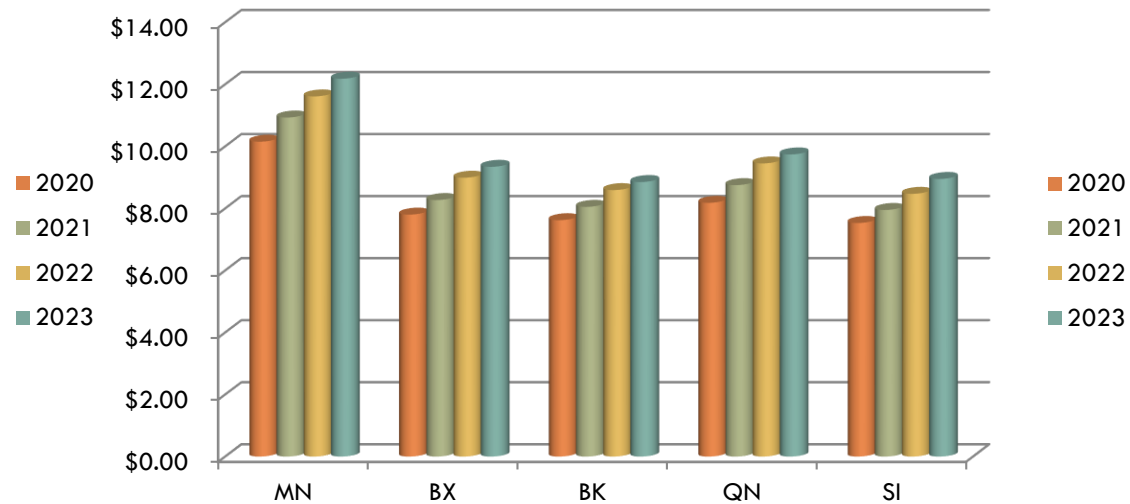
Rent Regulated Rental Properties by Borough

13

Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2020	2021	2022	2023
Manhattan (MN)	2,228	1,905	2,099	2,375
Bronx (BX)	2,614	2,025	2,263	2,568
Brooklyn (BK)	2,738	2,290	2,491	2,671
Queens (QN)	1,468	1,322	1,480	1,611
Staten Island (SI)	64	54	61	61

Does not include outlier filers and /or partial year filers

RPIE 2023

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	3,384	Income	\$37.66	\$50.04	\$62.55	\$51.22
			Income % Change	3.00%	9.00%	14.00%	8.00%
			Expense	\$12.47	\$16.04	\$20.38	\$17.17
			Expense % Change	-7.00%	3.00%	15.00%	3.00%
	Bronx	657	Income	\$14.45	\$17.79	\$21.61	\$19.35
			Income % Change	0.00%	3.00%	8.00%	3.00%
			Expense	\$8.37	\$10.04	\$12.13	\$10.83
			Expense % Change	-5.00%	3.00%	12.00%	3.00%
	Brooklyn	1,219	Income	\$17.25	\$24.27	\$35.69	\$28.02
			Income % Change	1.00%	5.00%	10.00%	5.00%
			Expense	\$7.76	\$10.20	\$13.48	\$11.26
			Expense % Change	-6.00%	4.00%	12.00%	3.00%
	Queens	392	Income	\$20.97	\$25.29	\$30.84	\$26.86
			Income % Change	1.00%	4.00%	9.00%	5.00%
			Expense	\$7.67	\$9.71	\$12.60	\$10.65
			Expense % Change	-8.00%	2.00%	11.00%	1.00%
	Staten Island	61	Income	\$15.44	\$18.19	\$24.03	\$20.05
			Income % Change	1.00%	4.00%	7.00%	2.00%
			Expense	\$6.39	\$8.87	\$11.52	\$9.27
			Expense % Change	-12.00%	-1.00%	5.00%	-5.00%

Notes:

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2022 and RPIE 2023

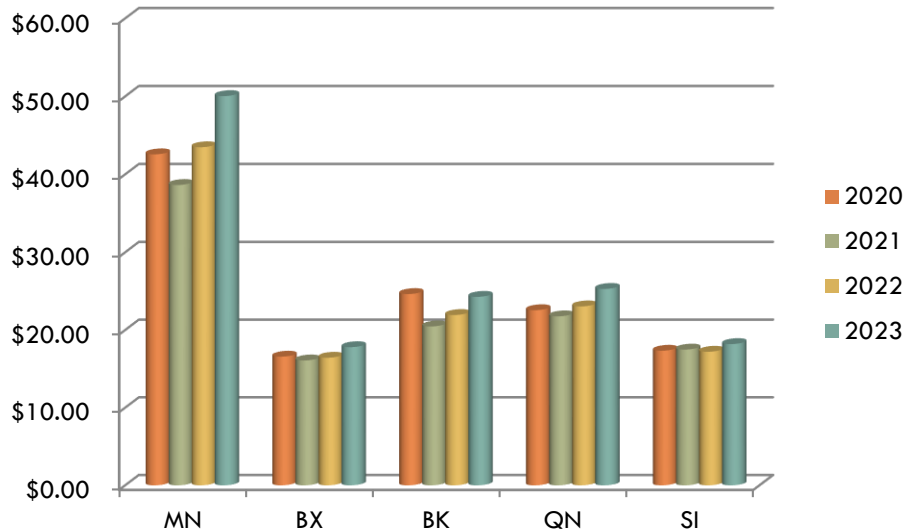
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RPIE 2020 - 2023

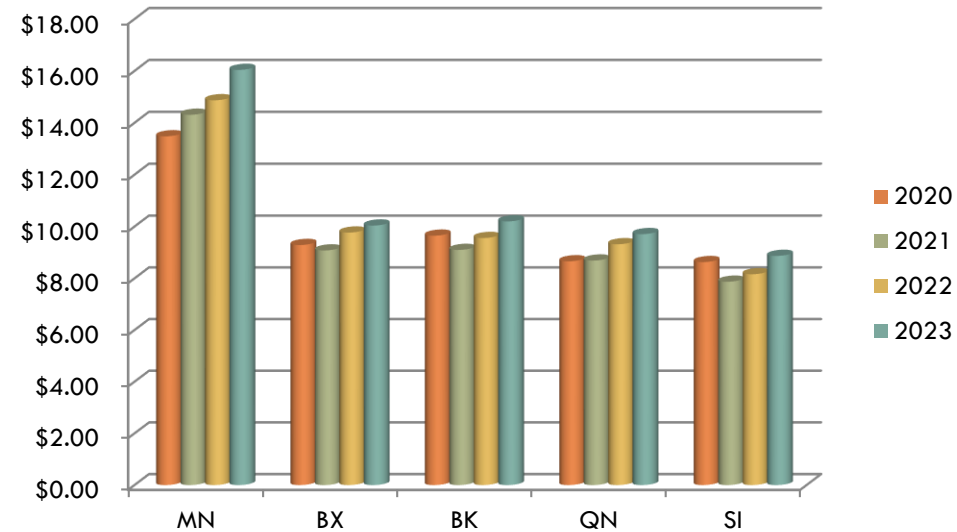
Unregulated Rental Properties by Borough

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Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2020	2021	2022	2023
Manhattan (MN)	2,848	2,884	2,870	3,384
Bronx (BX)	302	592	672	657
Brooklyn (BK)	720	1,007	1,153	1,219
Queens (QN)	283	324	380	392
Staten Island (SI)	40	44	59	61

Does not include outlier filers and /or partial year filers

RPIE 2023

Retail Properties By Borough

Income, Expenses, and Year-Year Change Distribution

16

Major Building Category	Borough	Count	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
RETAIL	Manhattan	1,203	Income	\$39.85	\$65.42	\$104.64	\$93.92
			Income % Change	-2.00%	4.00%	15.00%	5.00%
			Expense	\$7.93	\$14.06	\$25.05	\$22.04
			Expense % Change	-16.00%	3.00%	21.00%	7.00%
	Bronx	1,312	Income	\$22.16	\$33.21	\$47.44	\$37.81
			Income % Change	-2.00%	2.00%	9.00%	3.00%
			Expense	\$4.92	\$8.21	\$13.13	\$10.06
			Expense % Change	-9.00%	4.00%	25.00%	10.00%
	Brooklyn	2,504	Income	\$21.50	\$31.86	\$47.71	\$39.14
			Income % Change	0.00%	2.00%	8.00%	3.00%
			Expense	\$3.80	\$6.74	\$10.91	\$8.71
			Expense % Change	-12.00%	4.00%	24.00%	9.00%
	Queens	2,922	Income	\$23.70	\$36.25	\$53.85	\$43.47
			Income % Change	0.00%	2.00%	10.00%	3.00%
			Expense	\$4.21	\$7.55	\$12.57	\$10.22
			Expense % Change	-10.00%	4.00%	25.00%	9.00%
	Staten Island	636	Income	\$19.12	\$27.67	\$40.96	\$38.39
			Income % Change	-1.00%	0.00%	7.00%	2.00%
			Expense	\$3.56	\$5.95	\$9.96	\$8.18
			Expense % Change	-14.00%	0.00%	18.00%	3.00%

Notes:

Income = Gross Income per square foot

Expense = Total Expense per square foot

Income and Expense % changes based on information filed in RPIE 2022 and RPIE 2023

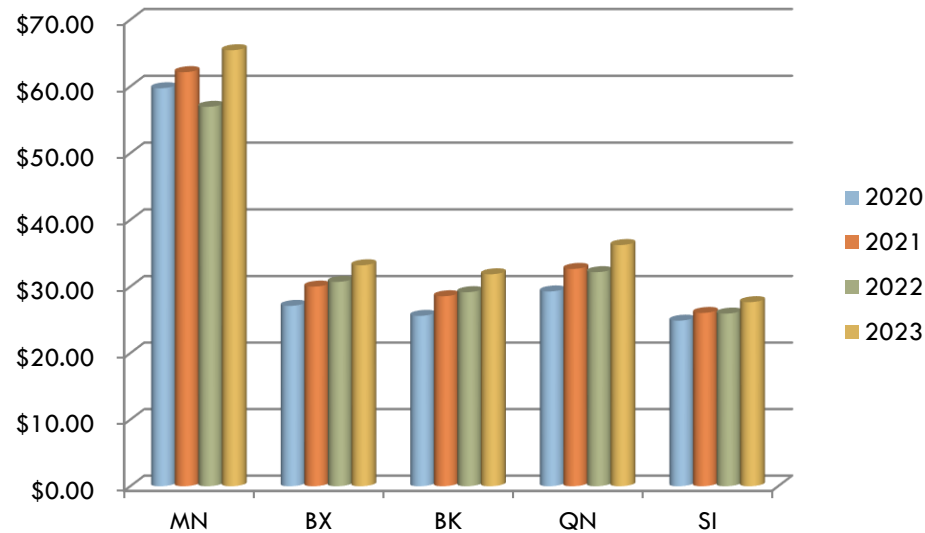
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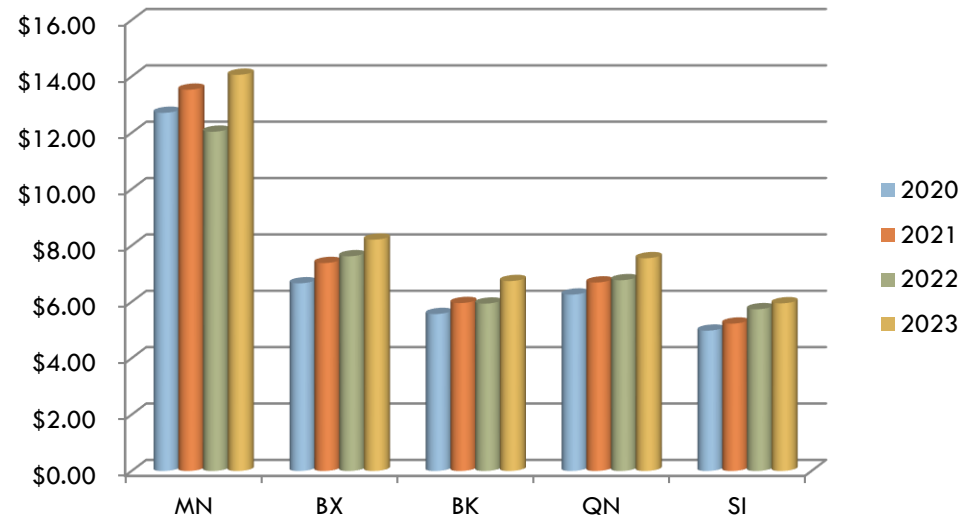
Retail Properties by Borough

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Median Income Per Square Foot



Median Expense Per Square Foot



Number of Filings

	2020	2021	2022	2023
Manhattan (MN)	2,343	2,157	1,457	1,787
Bronx (BX)	1,252	1,190	1,075	1,309
Brooklyn (BK)	2,466	2,449	2,121	2,521
Queens (QN)	2,769	2,679	2,404	2,925
Staten Island (SI)	505	508	440	638

Does not include outlier filers and /or partial year filers

Guideline Income, Expense, and Cap Rate Distributions

18

Major Building Categories	Variable	25th Pctl	50th Pctl	75th Pctl	Mean
INDUSTRIAL	Income	\$16.99	\$20.56	\$25.01	\$22.02
	Expense	\$2.96	\$4.36	\$5.95	\$4.76
	Cap Rate	14.30%	14.32%	14.34%	14.20%
OFFICE	Income	\$31.47	\$39.24	\$53.32	\$46.29
	Expense	\$7.30	\$10.55	\$15.96	\$12.64
	Cap Rate	14.96%	15.09%	15.21%	14.85%
RENTAL	Income	\$17.77	\$24.20	\$38.65	\$30.48
	Expense	\$8.29	\$10.57	\$14.16	\$11.82
	Cap Rate	12.61%	12.91%	13.54%	12.62%
RETAIL	Income	\$29.20	\$37.76	\$52.61	\$47.79
	Expense	\$5.48	\$8.05	\$11.73	\$9.94
	Cap Rate	15.29%	15.39%	16.21%	15.39%

Notes:

Income = Gross Income per square foot

Expense = Total Expense per square foot

FY26 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

FY26 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 - 2024 and sold between 2013 - 2024.

FY26 Capitalization Rate Methodology Tax Class 2

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- Guideline curves are applied on *rental filer population*

FY26 Market Cap Rate and Annual Growth Rate

Variable	25th Pctl	50th Pctl	75th Pctl	Mean
Ro	1.89%	3.14%	4.41%	3.31%
Δ	3.31%	4.00%	5.03%	4.16%

FY26 versus FY25 Capitalization Rate

Variable	25th Pctl	50th Pctl	75th Pctl	Mean
Cap Rate FY26	6.99%	7.21%	7.72%	7.47%
Cap Rate FY25	6.91%	7.12%	7.67%	7.41%
Cap Rate FY26- Cap Rate FY25	0.08%	0.09%	0.05%	0.06%

FY26 Capitalization Rate Formulas and Example Tax Class 2

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- Capitalization Rate used reflects earnings-based return

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

$$R_o = \exp(-1.05693 * \ln(\text{income psf}))$$

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

Example: income psf = **\$26.47**

$$R_o = \exp(-1.05693 * \ln(26.47)) = 3.135\%$$

$$\Delta_n^{(a_n)} = (-0.030236745 + 0.02144592 * \ln(26.47)) = 4.002\%$$

$$Y_o = 3.135\% + 4.002\% = \mathbf{7.137\%}$$

<p>FY26 Capitalization Rate Methodology</p> <p>Tax Class 4</p>
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Major Building Category	Flat Cap Rate Adjustment from FY25 (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 FY25 levels.