
Rental Vacancy Rate Study

A Survey for the City of Rochester, NY

Executive Summary

October 2021

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Executive Summary

The City of Rochester initiated a survey of rental properties in the city that were potentially eligible for rent stabilization under New York State's Emergency Tenant Protection Act (ETPA) in April 2021 to determine whether or not the net rental vacancy rate is lower than 5.0 percent. This is the threshold that would be required for the City to declare an emergency and opt-in to rent stabilization under the ETPA.

In general, buildings with six or more legally established residential units built prior to January 1, 1974 are potentially eligible for rent stabilization under the ETPA, except for certain building types that are called out as being *not* subject to regulation, such as:

- Buildings that are owned or operated by Rochester Housing Authority
- Buildings in which rentals are fixed by or subject to regulation through one of New York State's affordable housing programs
- Buildings that were built as commercial prior to 1974 and converted to residential after 1974
- Buildings that were built as residential prior to 1974 with less than six units and converted to six or more units after 1974
- Buildings owned by institutions like hospitals, colleges, or non-profits and operated for charitable or educational purposes

On April 20, 2021, the City of Rochester sent surveys, along with a letter from the Mayor explaining the survey and asking for a response by May 11, to all 668 properties in the city that were determined to be potentially eligible for rent-stabilization under the ETPA. According to City records, these properties included a total of 10,248 residential units. The survey included questions on the total number of residential rental units, the number of units that were rented/occupied, the number of units that were vacant and available for rent, and the number of units that were vacant but not available for rent because they were uninhabitable, under renovation, or being used for a non-residential purpose such as storage.

By the time the initial survey period ended on May 11, 2021, 111 surveys had been returned (17 percent of properties surveyed). Given the scale of follow-up needed (557 non-response properties), it was not feasible to conduct in-person site visits to every non-response property after the initial survey period. But all rental property owners in Rochester are required to have a phone number listed with the City as part of the Building Owner's Registry, so it was determined that phone calls were the best method of follow-up given the scale of effort needed.

After two months of follow-up outreach and multiple phone calls being made by the consultant as well as City staff from code enforcement, planning, law, and housing to non-response properties in an attempt to increase the response rate, the rental vacancy survey was closed on July 15. At that point the City had received 254 survey submissions, which represented a 38 percent response rate (more than double the initial response rate in May).

After data clean-up and additional follow-up for validation of some survey responses, the final response to the City's rental vacancy survey included:

- 245 properties with accepted survey responses (a 37 percent final accepted survey response rate)
- 9 properties with rejected surveys due to incomplete unit or vacancy/occupancy information being submitted
- 414 non-response properties

Based on the information provided by the 245 accepted responses to the rental vacancy survey, the estimated net vacancy rate among properties that are potentially eligible for rent-stabilization in Rochester is 9.0 percent. Because there was a final accepted survey response rate of 37 percent, the reported net vacancy rate of 9.0 percent should be considered an estimate. However:

- Nearly two-thirds of accepted responses reported an individual property-level net vacancy rate below 5.0 percent, which indicates that there is not significant bias in the survey response (these respondents reported information that goes against their self-interest rather than opting out and not responding to the survey)
- Accepted survey response data generally reflects the total population that was surveyed by property size, city geography, and property owner location, which further supports the finding of no significant bias in the survey response
- The net vacancy rates calculated from accepted survey response data by survey period (initial vs. follow-up), property size, city geography, and property owner location do not show a net vacancy rate at or below 5.0 percent for any category of analysis, and
- For the reported net vacancy rate of 9.0 percent to be driven down to the legal threshold of below 5.0 percent, the net vacancy rate across *all* non-response properties would have to be 2.97 percent or less, which is unlikely to be possible since every category of analysis for current responses showed that net vacancy was above – or significantly above – 5.0 percent.

The analyses and findings in the full rental vacancy report show that there is no compelling evidence that proves bias in the survey data received or suggests that a higher survey response could drive the overall net vacancy rate below 5.0 percent. In addition, because the survey was conducted during a period when eviction moratoria were in place (which tend to *lower* vacancy rates), it is likely that the net vacancy rate reported by this study is lower than it would be otherwise.

Therefore, this study concludes that Rochester does not meet the legal threshold required by the ETPA to declare an emergency and opt-in to rent stabilization at this time.