

# TENANTS & NEIGHBORS

## WHAT ALL TENANTS SHOULD KNOW ABOUT RENT REGULATION

### What is rent regulation?

In New York City and its suburban counties, there is a severe housing shortage. Currently, less than three percent of units are vacant and available for rent. Anything less than five percent is considered to be a housing emergency. When there is a housing shortage, it is easy for landlords to charge very high rents and/or retaliate against tenants who complain about conditions issues or organize a tenant association by refusing to renew their leases. Rent regulation was designed to protect tenants from the negative impacts of the housing emergency we face, limiting the amount that rents can be increased and giving tenants the right to a renewal lease.

Regulated tenants' rights include:

- The right to a lease renewal and protection against baseless eviction
- The right to know your legal rent and to obtain the complete rent history of your apartment from the state housing agency, New York Homes and Community Renewal (HCR)
- The right to complain to HCR if you think you are being overcharged or your rights are being violated
- The right to pass the lease of your apartment on to a relative if that relative has been living with you for two years (one year if you are a senior or have a disability)

### How do I know if my apartment is rent regulated?

There are two types of rent regulation: rent stabilization and rent control

- 1) If you pay less than \$2,500 in monthly rent and live in a building with six or more apartments that was built before 1974, you may be rent stabilized. About one million units in New York City are rent stabilized. If you are rent stabilized, you should ideally have a lease that indicates that you are rent stabilized, what the legal regulated rent is, and what your rent is, if it is less than the legal regulated rent.

***Note:** You can be rent regulated in apartments renting for more than \$2,500 if your landlord receives a 421a tax credit or a J-51 tax credit. You will be rent regulated for the length of time your landlord is receiving the benefits. Additionally, if you've been living in your apartment for some time, the rent may increase over \$2,500 and you would still be regulated.*

- 2) If you have been living in your apartment since before 1971 and your building was built before 1947, you are probably rent controlled. About 38,000 tenants in New York City are rent controlled. Rent controlled tenants do not have leases, but they receive special orders from HCR when their landlord applies to raise their rent.

Call HCR if you have questions about your apartment's status.

### **How are rent increases calculated in rent stabilized apartments?**

Before you moved into your stabilized apartment, your landlord likely did many calculations to come up with your rent.

To determine a new tenant's monthly rent, landlords are allowed to increase the monthly rent of the previous tenant by 20% and add 1/60 of the cost of improvements done while the apartment was vacant, or 1/40 in buildings under 35 units. They also get a bonus if the previous tenant lived in the apartment for more than 8 years.

If you have lived in your apartment for fewer than four years, call HCR to find out what the previous tenant of your apartment paid. Submit an overcharge complaint if you think your rent was raised illegally-- if you were overcharged, you could get your money back, potentially with damages, and get your rent rolled back to the appropriate amount.

***Note:** While there is generally a four year statute of limitations on overcharge complainants, even if you have lived in your apartment for more than four years, it may be worthwhile to get the rental history, because a recent court case suggested that HCR might have to look beyond four years if there was evidence that the landlord engaged in a fraudulent scheme.*

Once you sign your lease, the landlord is allowed to raise your rent only in three instances:

- When you renew your lease, the landlord can raise the rent according to the amount set annually by the Rent Guidelines Board (RGB). Members of the RGB are appointed by the Mayor; their job is to decide how much landlords of stabilized apartments can raise rents when tenants renew their leases.
- If your landlord receives permission from HCR to charge a Major Capital Improvement (MCI) rent increase he can raise your rent in the middle of your lease term. This is a permanent rent increase charged to tenants in buildings where landlords have made a substantial renovation that benefited the whole building.
- To make an individual apartment improvement that you authorize. This is also a permanent rent increase.



## **How are rent increases calculated in rent controlled apartments?**

Rent increases for rent controlled tenants currently follow the “maximum base rent” (MBR) system. A maximum base rent is established for each apartment and adjusted every two years to reflect changes in the landlord’s operating costs. Landlords are entitled to raise rents up to 7.5 percent each year until they reach the MBR, but tenants can stop the rent increases if they are not receiving essential services.

## **Does my landlord have to renew the lease for my stabilized apartment?**

Landlords must offer renewal leases three to five months before your lease expires. If you don’t receive a lease renewal in this period, send a certified letter to the landlord requesting it. If you don’t receive your lease soon after this, file a complaint with DHCR.

## **How are apartments removed from rent regulation?**

When a stabilized tenant moves out of his or her apartment and the legal regulated rent reaches \$2,500, the apartment can be removed from regulation. The landlord can then rent this apartment for whatever amount he or she wants. The new tenant will not have the right to renew the lease or have protection from future rent increases. This mechanism for deregulating apartments is called vacancy deregulation.

Another type of decontrol is high rent high income deregulation. If the legal regulated rent reaches \$2,500 and the current tenant’s household income exceeds \$200,000 for two consecutive years, the apartment can be removed from regulation. In order to deregulate apartments in this way, landlords must ask tenants to complete an Income Certification Form.

Since the rent of deregulated apartments can be raised to market levels, landlords often take advantage of loopholes to get their apartments out of regulation. This means less affordable housing for average New Yorkers.

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## **Contact HCR**

**Main helpline:** 1-866-ASK-DHCR

**All rent information:** 718-739-6400 / [RentInfo@nysdhcr.gov](mailto:RentInfo@nysdhcr.gov) / [www.dhcr.state.ny.us](http://www.dhcr.state.ny.us)

**Bronx Office:** One Fordham Plaza, 2<sup>nd</sup> Fl., Bronx, NY 10458 Ph: 718-563-5678

**Brooklyn Office:** 55 Hanson Pl., Rm. 702, Brooklyn, NY 11217 Ph: 718-722-4778

**Upper Manhattan Office** (North of 110<sup>th</sup>): 163 West 125<sup>th</sup> Street, 5<sup>th</sup> Floor, New York, NY 10027 Ph: 212-961-8930

**Lower Manhattan Office** (South of 110<sup>th</sup>): 25 Beaver Street, 5<sup>th</sup> Floor, New York, NY 10004 Ph: 212-480-6238

**Queens Office:** Gertz Plaza, 92-31 Union Hall St., Jamaica, NY 11433 Ph: 718-739-6400

**Take Action! Organize for Affordable Housing!**

Tenants across the state are fighting for their rights. Contact Tenants & Neighbors to learn how to get involved.

**For more information, contact Tenants & Neighbors!**

[www.tandn.org](http://www.tandn.org)

twitter: @tenantneighbor

236 West 27th Street 4th Floor New York NY 10001-5906 212-608-4320 212 619-7476 fax