

# **TENANTS & NEIGHBORS**

## WHAT ALL TENANTS SHOULD KNOW ABOUT RENT REGULATION

### **What is rent regulation?**

Rent regulation is a system of laws that limits rent increases and grants tenants rights. Elected officials created rent regulation because landlords were taking advantage of the high competition for apartments by charging very high rents.

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, the Division of Housing and Community Renewal (DHCR)
- The right to complain to DHCR 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 \$2,000 in monthly rent and live in a building with 6 or more apartments that was built before 1974, you are probably rent stabilized. About 1 million tenants in New York City are rent stabilized. If you are rent stabilized, you should have a current lease that indicates that you are rent stabilized.

**Note:** You can be rent regulated in apartments renting for more than \$2,000 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 \$2,000 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 40,000 tenants in New York City are rent controlled. Rent controlled tenants do not have leases, but they receive special orders from DHCR when their landlord applies to raise their rent.

Call DHCR 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 1/40 of the cost of improvements done while the apartment was vacant. 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 DHCR 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 can get your money back.

Once you sign your lease, however, the landlord is allowed to raise your rent only in two 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 DHCR 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.



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

Rent increases for rent controlled tenants 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 by complaining to DHCR.

## **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 rent can be raised to \$2,000, the apartment is 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 is called vacancy decontrol.

Another type of decontrol is high income decontrol. If the current tenant's household income exceeds \$175,000 and the landlord can raise the rent to \$2,000 the apartment can be removed from regulation.

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. Tenants & Neighbors is fighting to repeal vacancy decontrol and raise the threshold for high income decontrol.

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### **Contact DHCR (Division of Housing and Community Renewal)**

**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.

To find out who your elected officials are, go to  
<http://nymap.elections.state.ny.us/nysboe/> or [www.tandn.org](http://www.tandn.org).

**For more information, contact Tenants & Neighbors!**  
[www.tandn.org](http://www.tandn.org)

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