

FACT SHEET



George E. Pataki, Governor

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DIVISION OF HOUSING AND COMMUNITY RENEWAL
OFFICE OF RENT ADMINISTRATION

#26 Guide to Rent Increases for Rent Stabilized Apartments in New York City

This is a guide to rent increases for **Rent Stabilized Apartments in New York City**.

A tenant may separately request from the New York State Division of Housing and Community Renewal (DHCR) a printout of the rent registration information on file for the tenant's apartment and it will be sent to the tenant in a separate mailing. This printout and this guide will assist the tenant in reviewing the rental history of the tenant's apartment.

The rent registration printout will show the rents the building owner registered with DHCR for the tenant's apartment for the last four years. Rent changes occurring after April 1 of a given year will be included in the rent shown for April 1 of the following year.

In addition to the rent increases discussed in this fact sheet, a tenant's rent may be affected by prior cases relating to the tenant's apartment. The tenant may request from DHCR a printout showing any prior cases affecting the rent of the tenant's apartment. This printout, as well as the rent registration printout mentioned above, may be obtained by visiting one of DHCR's offices and speaking to a counselor. The reverse side of this fact sheet lists DHCR's offices.

Three common ways owners may increase rents are:

1. Lease Increases approved by the New York City Rent Guidelines Board (NYC RGB).

When an apartment is rented to a new tenant, the owner is allowed to increase the last tenant's rent by the most recently approved guidelines adjustment for the one- or two-year lease term, whichever the new tenant chooses, **plus** an adjustment called the vacancy allowance. When a tenant signs a renewal lease, the rent increase for the renewal lease will only be the adjustment for a one- or two-year lease. Listed below are increases approved by the NYC RGB for leases commencing since October 1, 1992.

For Leases Starting Between	-----Types of Leases-----			New Lease Vacancy Allowance
	1 Year	2 year		
10 / 1 / 92 - 9 / 30 / 93	3 %	5 %	5 %	(Applies to apts. with rents of less than \$500.00 per month on 9/30/93)
10 / 1 / 93 - 9 / 30 / 94	3 %	5 %	5 %*	
			3 %*	(Applies to apts. with rents of \$500.00 - \$999.99 per month on 9/30/93)
10 / 1 / 94 - 9 / 30 / 95**	2 %	4 %	5 %*	(Applies to apts. with rents of less than \$1,000.00 per month on 9/30/94)
			10 %*	(Applies to apts. with rents of less than \$400.00 per month on 9/30/94 in buildings with 30 apts. or less)

For Leases Starting Between	-----Types of Leases-----		
	1 Year	2 year	New Lease Vacancy Allowance
10 / 1 / 95 - 9 / 30 / 96**	2 %	4 %	8.5 %
10 / 1 / 96 - 9 / 30 / 97**	5%	7%	9%

Notes:

*The NYC RGB did not authorize a vacancy allowance for apartments with rents of \$1,000.00 or more per month on 9/30/93 and 9/30/94.

**In certain years, in addition to the renewal and vacancy guideline increases, the NYC RGB has ordered an additional amount ("supplementary adjustment") for apartments renting at or below a certain amount on the September 30th prior to the start of the lease. For example, an apartment renting for \$400.00 or less on September 30, 1995, or on September 30, 1996, is eligible for a \$20.00 per month increase in addition to the guidelines and vacancy allowance increases.

9 / 30 / 94	Present Rent =		\$450.00
10 / 1 / 94	1 Yr. Renewal Rent =	$\$450 \times \{1 + .020\}$	= \$459.00
10 / 1 / 94	2 Yr. Renewal Rent =	$\$450 \times \{1 + .040\}$	= \$468.00
10 / 1 / 94	2 Yr. Vacancy Rent =	$\$450 \times \{1 + .040 + .050\}$	= \$490.50

2. Major Capital Improvement rent increases approved by DHCR.

Where an owner makes a building-wide improvement, such as the installation of a new boiler, the owner may be entitled to collect from each rent stabilized tenant in the building a major capital improvement (MCI) rent increase. The MCI increase may not be charged until a DHCR order is issued authorizing the charge and setting the amount. The MCI increase is allocated on a per-room basis, and becomes part of the legal regulated rent for the purpose of computing future lawful increase. (See Fact Sheet # 11 , "Rent Increases for Major Capital Improvements," for additional information.)

3. Individual Apartment Improvement rent increase.

Where an owner installs a new appliance in, or makes an improvement to, an apartment, the owner may be entitled to increase the rent of that apartment for the new appliance or improvement.

If an apartment has a tenant in occupancy, the owner can only receive a rent increase for the individual apartment improvement if the tenant consents in writing to pay an increase for the improvement(s). However, if the apartment is vacant, tenant consent is not required. The increase to the tenant's rent is 1/40th of the total cost of the improvement including installation. For example, if a new refrigerator is installed in an apartment, and the owner's expense is \$320.00, the tenant's rent would increase by: $1/40 \times \$320.00 = \8.00 per month. The increase, if taking place on a vacancy, is not compounded by the guidelines increases, but rather should be added to the lawful rent after application of the guidelines increases. [See Fact Sheet # 12, "Rent Increases for New Services, New Equipment or Improvements to An Apartment," for additional information.]

If a tenant believes that his or her rent exceeds the lawful rent, DHCR recommends that the tenant discuss this with the building's owner or managing agent before filing an overcharge complaint with DHCR. If the

tenant is unable to resolve the problem with the owner, and the tenant has reason to believe that his or her rent exceeds the lawful rent, the tenant may file an overcharge complaint with DHCR. An overcharge complaint form may be obtained by calling DHCR's Rent InfoLine at (718) 739-6400 or by visiting a Borough Rent Office.

A tenant's complaint must be filed with DHCR within four years of the first overcharge alleged. A tenant's failure to comply with the time limit for filing an overcharge complaint will result in the tenant's inability to challenge the lawfulness of the rent.

Security Deposit

The amount of a security deposit is usually equal to one month's rent. However, if a tenant deposited a two-month security deposit with the owner when the apartment first came under rent stabilization, the owner may continue to collect from that tenant a security deposit equal to two months rent. The next rent stabilized tenant, however, may not be required to deposit more than one month's rent as security.

When a lease is renewed at a higher rent, or the rent is increased during the term of the lease, the owner may collect additional money from the tenant to bring the security deposit up to the new monthly rent.

If after the tenant vacates the apartment, the tenant disagrees with the owner over the payment of interest or the return of the security deposit, and such disagreement cannot be resolved between the owner and the tenant, the tenant may contact the Consumer Frauds and Protection Bureau of the New York State Attorney General's Office or begin a proceeding in a court of competent jurisdiction (usually, small claims court.)

For more information or assistance call the DHCR Rent InfoLine, or visit your Borough Rent Office.

Central
92-31 Union Hall Street
4th Floor
Jamaica, NY 11433
(718) 739-6400

Lower Manhattan
156 William Street
9th Floor
New York, NY 10038
Southside of 110th St. and below

Brooklyn
55 Hanson Place
7th Floor
Brooklyn, NY 11201

Bronx
1 Fordham Plaza
2nd Floor
Bronx, NY 10458

Upper Manhattan
163 W. 125th Street
5th Floor
New York, NY 10027
Northside of 110th St. and above

Staten Island
60 Bay Street
7th Floor
Staten Island, NY 10301