

THE CITY OF NEW YORK
RENT GUIDELINES BOARD

Order Number 4 – Rent Levels July 1, 1972 through June 30, 1973

PURSUANT TO THE AUTHORITY VESTED IN IT BY THE RENT

Stabilization Law of 1969, the Rent Guidelines Board hereby establishes and adopts the following levels of fair rent increase over lawful rents charged and paid on June 30, 1972, (including the "stabilizer", if any), for dwelling units covered by such law (other than hotel dwelling units).

Lease Renewals

In addition to a one-half of one per cent increase here referred to as a "stabilizer", which is subject to adjustment in subsequent years of the lease as explained below:

- For *one year leases* expiring before July 1, 1974: *6 per cent*;
- For *two-year leases* expiring before July 1, 1975: *8 per cent*;
- For *three-year leases* expiring before July 1, 1976: *10 per cent*

Stabilizer

The one-half of one per cent increase affecting all leases to be known as a "stabilizer" is designed to equalize changes in the yield on capital invested in real estate governed by the Rent Stabilization Law with changes in the yields paid by other long term investments. This charge for 1972-73 is subject to adjustment by the Rent Guidelines Board on any anniversary date of this Order. No such adjustment will increase or decrease the rent (including stabilizer) by more than one per cent in any year of the lease.

The stabilizer governing leases entered into pursuant to Orders Number 2 or 3 of the Rent Guidelines Board is hereby decreased by one-half of one per cent effective upon the next succeeding anniversary date of any such lease.

Leases on dwelling units receiving partial tax exemption pursuant to Section 421 of the Real Property Tax Law

Where a dwelling unit is in a structure subject to the Partial Tax Exemption Program, under Section 421 of the Real Property Tax Law, permissible percentage increases for renewal leases will be:

- For *one year leases* expiring before July 1, 1974: *4 per cent*
- For *two-year leases* expiring before July 1, 1975: *6 per cent*
- For *three-year leases* expiring before July 1, 1976: *8 per cent*

However, where such unit is vacated on or after June 30, 1972, the levels of fair rent increase governing the new tenancy are the same levels over the rental charged on the last date on which rent was paid prior to such vacancy as those set forth in this section for lease renewals, plus 5 per cent.

Furthermore, nothing in this Order shall prohibit the inclusion of a lease provision for an annual or other periodic rent increase over the initial rent at an average rate of not more than 2.2% per annum where the dwelling unit is receiving partial tax exemption pursuant to Section 421 of the Real Property Tax Law and the Regulations adopted pursuant thereto. This cumulative but not compounded charge of up to 2.2% per annum is in addition to the amount permitted under this section of the Guideline Order for renewal leases.

Subleases

Where a dwelling unit is subleased pursuant to a clause which provides that upon the exercise of the privilege of subletting, the rent payable to the owner effective upon the date of subletting may be established as if the renewal lease had been a vacancy lease, the levels of fair rent increases governing such tenancy are the same levels over rentals charged on June 30, 1972 as those set forth in this Order for lease renewals (including "stabilizer"), plus 5 per cent.

Fractional Terms

Except as to leases on vacant apartments, for the purpose of these guidelines any lease or tenancy for a period up to and including one year shall be deemed a one year lease or tenancy; the same for a period over one year and up to and including two years shall be deemed a two year lease; and the same for a period over two years and up to and including three years shall be deemed a three year lease. As to leases on vacant apartments subject to the Partial Tax Exemption Program, for the purpose of these guidelines any lease for a period from one year to less than two years shall be deemed a one year lease; the same for a period from two years to less than three years shall be deemed a two year lease; and the same for a period of three years or more shall be deemed a three year lease.

Escalator Clauses

Where a lease for a dwelling unit in effect on May 31, 1968 contained an escalator clause for increased costs of operation and such clause is still in effect, the lawful rental on June 30, 1972 over which the fair rent under this Order is computed shall include the increased rental, if any, due under such clause.

Decontrolled Units

The permissible percentage increases for decontrolled units under Order 3A remains in effect for units covered by such order.

Credits

Rental charged and paid in excess of the levels of fair rent increase established by this Order shall be fully credited against the next month's rent.

Dated: June 16, 1972

Filed with City Clerk
June 21, 1972

Roger Starr
Chairman,
Rent Guidelines Board