

THE CITY OF NEW YORK  
RENT GUIDELINES BOARD

Hotel Order No. 4—Rent Levels for Hotel Units, January 1, 1974 Through  
December 31, 1974

PURSUANT TO THE AUTHORITY VESTED IN IT BY THE RENT STABILIZATION Law of 1969, as amended by Local Law No. 51 for the year 1969, the Rent Guidelines Board hereby establishes and adopts the following guidelines for rent levels covered by the Law:

Applicability

This Order shall apply to any hotel unit subject to the Rent Stabilization Law and occupied by a permanent hotel tenant. It shall be effective as of January 1, 1974, with respect to such tenants who do not have a lease. Where a lease is in effect, unless the parties have contracted to be bound by this Order as of January 1, 1974, or a subsequent date, this Order shall govern the rent increases upon expiration of such lease on or after December 31, 1973. Where a hotel unit having been voluntarily vacated by a tenant was vacant on such date or becomes vacant thereafter, it may be offered for rental at any price notwithstanding the provisions of this Order.

Guideline for Rent Increases

The level of fair rent increases over the lawful rent actually charged and paid on December 31, 1973, shall be 5.5 per cent.

Additional Charges

It is expressly understood that any rents increased under the terms of this Order are intended to compensate in full for all services provided without extra charge on May 31, 1968, or at the commencement of the tenancy if subsequent thereto. No additional charges may be made to tenant for such services however such charges may be called or identified.

Excluded Units

This increase shall not apply where 40 per cent or more of the dwelling units in a hotel are vacant and unoccupied on December 31, 1973. In such case the owner will not be allowed the increase unless he can prove to the satisfaction of the Conciliation and Appeals Board that he has attempted in good faith to rent said units.

Decontrolled Units

Rent Guidelines Board Order No. 2a shall govern, insofar as applicable, rent increase in hotel dwelling units covered by the Law.

EXPLANATORY STATEMENT ON HOTEL ORDER NO. 4

Pursuant to the Rent Stabilization Law, it is the responsibility of the Rent Guidelines Board to establish guidelines for hotel rent increases as of January 1, 1971 and annually thereafter. The above Hotel Order No. 4 establishes the guideline increase for hotel units for the period January 1, 1974 through December 31, 1974. As with previous Orders it is based upon material gathered from a number of sources including data prepared by certified public accountants for the Metropolitan Hotel Industry Stabilization Association, Inc., which was reviewed by the staff of the Housing and Development Administration as to accuracy and representative quality.

In determining the relevant price index, the Rent Guidelines Board reviewed various cost components including payroll and related costs, laundry, linen replacement, fuel, utilities, real estate taxes, insurance, and other operating costs. Once the Board had calculated the cost increments, these findings had to be transcribed into a percentage increase in rents which would be required to meet the increase in operating costs. In establishing 5.5 per cent as the appropriate level of fair rent increase the Rent Guidelines Board also considered, to the extent appropriate, economic condition of the industry, the cost and availability of financing and the overall supply of accommodations and vacancy rates.

Dated: December 27, 1973.

ROGER STARR, Chairman, Rent Guidelines Board.

Filed with the City Clerk: December 27, 1973.

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Corrected Notice

WHEREAS, the City of New York Rent Guidelines Board (the "Board"), pursuant to the authority vested in it by the Rent Stabilization Law of 1969, duly promulgated Order No. 4, dated June 16, 1972 ("Order No. 4") and Order No. 5, dated June 25, 1973 ("Order No. 5"); and

WHEREAS, the sixth subdivision of each of such Orders entitled "Escalator Clauses" contained a technical omission which the Board desires to correct; now, THEREFORE,

The Board hereby establishes and adopts the following corrected subdivisions in substitution for such previously enacted provisions:

1. The sixth subdivision of Order No. 4 is hereby corrected to read as follows:

"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. Moreover, where a lease contained such an escalator clause, unless the owner elects or has elected in writing to delete such clause, effective no later than July 1, 1972 from the existing lease and all subsequent leases for such dwelling unit, the increased rental, if any,

due under such escalator clause shall be offset against the amount of increase permissible under this Order."

2. The sixth subdivision of Order No. 5 is hereby amended to read as follows:

"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, 1973 over which the fair rent under this Order is computed shall include the increased rental, if any, due under such clause. Moreover, where a lease contained such an escalator clause, unless the owner elects or has elected in writing to delete such clause, effective no later than July 1, 1973 from the existing lease and all subsequent leases for such dwelling unit, the increased rental, if any, due under such escalator clause shall be offset against the amount of increase permissible under this Order."

Dated: December 27, 1973.

ROGER STARR, Chairman, Rent Guidelines Board.

Filed with the City Clerk: December 27, 1973.

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