



FURMAN CENTER FACT BRIEF

Locating Landlords: An Analysis of Rental Property Registration Compliance in New York City

In a city where over two thirds of the population lives in homes that are owned and maintained by others, it is important to keep track of who owns those rental buildings. The city's Property Registration Unit, part of the Department of Housing Preservation and Development (HPD), is charged with doing just that. Owners of rental properties are required to register so that HPD can reach them in the event of emergency conditions in their buildings. The devastation wrought by Hurricane Sandy has highlighted the importance of this system. The registry can also serve other important public purposes. It can help the city quickly reach landlords in order to identify emergency housing available for people displaced by a disaster. It can also provide the city with the information it needs to track an owner's management and maintenance across multiple buildings. Yet, data from the city shows that many of the landlords who are required to register fail to do so.

New York City's administrative code¹ requires that the owners of buildings containing three or more dwelling units register with HPD.² The ordinance requires that owners of one- and two-unit properties register as well if the owner, or a family member of the owner, does not occupy the dwelling.³ As part of their registration, individual owners are required to provide their name and address, as well as the contact information for the property's managing agent (if one has been retained). When the owner of a registered property is a corporation, the officers of the entity must be named.⁴ All registrations (individual or corporate) must also include a telephone number for at least one emergency contact. Registration information for individual buildings

¹ See generally N.Y.C. Admin. Code §§ 27-2097 - 27-2109.1.

² N.Y.C. Admin. Code § 27-2097(b)(1).

³ N.Y.C. Admin. Code § 27-2097(b)(3).

⁴ As of January 31, 2011, corporate owners must include in their registrations the names and addresses of any person owning more than a 25 percent share in the entity holding the property. See N.Y.C. Admin. Code § 27-2098(a)(2).



is publicly available online through HPDONLINE, 167.153.4.70/HPDonline/provide_address.aspx, but emergency contact phone numbers are not available to the public on this site. However, for buildings of three units or more, state law requires that owners display their contact information in a “conspicuous place” in the building.⁵

There are two primary penalties for noncompliance with the registration requirement.⁶ First, HPD may levy a fine on owners of \$250 to \$500. Second, owners who fail to register their properties as required are precluded from using the courts to evict their tenants for nonpayment of rent during the period of noncompliance. Housing court judges are also granted the discretion to stay any proceedings to recover back rent until the landlord complies with the ordinance.

An analysis of registration data provided by HPD shows that only about 23 percent of all properties that are required to register have done so.⁷ Figure 1 shows that compliance is considerably higher among larger buildings, reaching as high as 85 percent for buildings with 50 or more units. Conversely, our analysis shows virtually no compliance among one- and two-unit buildings that are required to register,⁸ which together account for over half of the properties that fall under the ordinance. Figure 2A shows the share of rental *properties* required to register broken down by building size; and Figure 2B shows the share of all rental *units* in properties required to register broken down by the

⁵ N.Y. Mult. Dwell. Law § 329.

⁶ N.Y.C. Admin. Code § 27-2107.

⁷ To find the overall compliance rate, we determined the total number of properties in New York City that are subject to the HPD ordinance based on the size of the building and whether it is owner occupied and matched them with registrations that were current as of June 2012. Cooperative buildings and condos were excluded from the calculation.

⁸ We identified owner occupied 1- and 2-family buildings as those that receive a School Tax Relief Exemption (STAR), which is only available to home owners.

Figure 1: Registration Compliance Rate, by Building Size

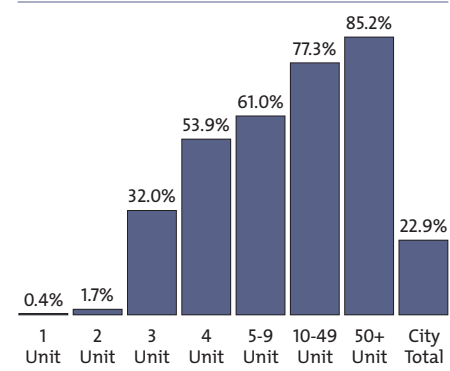


Figure 2A: Distribution of Rental Properties Required to Register, by Building Size

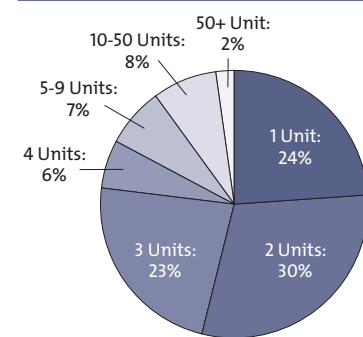
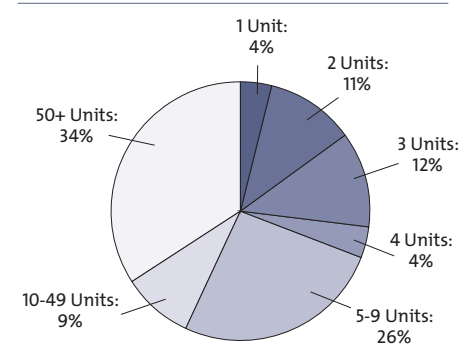


Figure 2B: Distribution of Rental Units in Properties Required to Register, by Building Size





number of units in each property. While compliance is lower among buildings with fewer than four units—and such buildings make up over 75 percent of the properties required to register—only one quarter of renters live in these small buildings. Nonetheless, across all building types, only 61 percent of renters live in buildings with current registrations.

As these data show, there is a significant lack of compliance with the city’s registration ordinance. The particularly low registration rate of small-building landlords (who may not be as familiar with the rules as owners of multi-unit buildings are) may suggest that more outreach and education is needed to make landlords aware of their obligations and the importance of complying. While HPD provides written notice to property owners of the duty to register, the timing, form, and content of that notice may need to be revised to increase compliance.

Increasing the compliance rate may also require providing HPD with stronger enforcement tools. The existing penalty limiting landlords’ ability to use the courts to evict nonpaying tenants could be a powerful incentive for compliance, but the ease with which judges allow owners to

correct incomplete or absent registrations may limit the penalty’s deterrent effect. In practice, owners can quickly cure a missing or incomplete registration and proceed with evictions with minimal delay. Moreover, failure to register properly does not preclude owners from bringing a “holdover eviction,” which occurs when landlords seek to evict tenants for reasons other than nonpayment of rent. In addition to ensuring that owners have adequate notice and compliance opportunities, preventing owners from undertaking eviction proceedings until they have been in compliance with the registration requirement for some minimum period of time might drive up registration rates.

New York City’s property registration ordinance provides a valuable resource to the city in times of emergency or crisis. The ordinance’s effectiveness, however, is dependent on property owners’ compliance. As long as registration rates remain low, the ordinance will not be as useful as it could be in assisting HPD and the public during an emergency.

About the Furman Center and Moelis Institute for Affordable Housing Policy

The Furman Center for Real Estate and Urban Policy is a joint center of the New York University School of Law and the Robert F. Wagner Graduate School of Public Service at NYU. Since its founding in 1995, the Furman Center has become a leading academic research center devoted to the public policy aspects of land use, real estate development, and housing. The Furman Center launched the Moelis Institute for Affordable Housing Policy to improve the effectiveness of affordable housing policies and programs by providing housing practitioners and policymakers with information about what is and is not working, and about promising new ideas and innovative practices.

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