

August 24, 2008

What You Need to Know Before You Rent

By ELIZABETH A. HARRIS

RENTING an apartment in [New York City](#) can seem incredibly daunting. But clearly, it's not impossible — about two thirds of New Yorkers rent their homes, according to 2006 census data, and although the vacancy rate is relatively low, there are always thousands of apartments on the market.

The current vacancy rate in [Manhattan](#) for all residential rental buildings with five units or more is 3.6 percent, according to Property and Portfolio Research, a real estate research and advisory firm. That translates to more than 15,000 available apartments.

The question is, how do you find the one that is right for you?

The first step is to be brutally honest about how much you can spend and then to look at apartments in that price range.

In all New York City buildings with five units or more, the average asking rental price is about \$2,700 a month, according to Property and Portfolio Research. In [Brooklyn](#), the average is about \$2,400 and in Manhattan it is near \$4,000. (By contrast, in comparable buildings in Washington, the average rent is \$1,500, and in sections of Boston where most of the universities and transportation stops are, it is around \$1,700.)

Renters of one-bedrooms in Manhattan could expect to pay \$2,691, on average, according to the July listings by Citi Habitats, though that figure has jumped to \$3,462 in a doorman building.

For decades, the big prize has been the rent-stabilized apartment, where rent increases are regulated annually by the city and state. Although the number of these apartments has steadily declined — largely because after they reach a certain rent level they are taken out of regulation — rent-stabilized apartments make up about half of all rental apartments in the city and about a third of the 3.26 million units of housing over all.

People living in regulated units tend to stay there longer than those in market-rate apartments. Still, roughly 10 percent of stabilized units turn over each year, according to the New York City Housing and Vacancy Survey in 2005, the most recent available.

When those apartments do become available, some of them can be switched to market-rate status. Under the laws, deregulation can take place if the rent exceeds \$2,000 a month (and if the tenants earn more than \$175,000 annually for two consecutive years).

While regulated apartments are a bargain in pricey areas, in less expensive neighborhoods the maximum

legal stabilized rent may be more than the market rate for the apartment. In that case, the landlord will usually charge less than he is legally allowed.

“So why does it feel like there aren’t any regulated apartments?” asked Vicki Been, the director of the Furman Center for Real Estate and Urban Policy at [New York University](#). “In some areas of the city, the difference between the market rate and the regulated rent is really nonexistent.”

Landlords and city officials suggest that people often find stabilized apartments simply by word of mouth.

The Rent Guidelines Board has a list of buildings on its Web site (housingnyc.com) that have at least one stabilized apartment. (In the “Housing Resources” section, select “Stabilized Building List.”) There is a separate list for each borough, which is organized by ZIP code. You can search for a desired street and then scroll through the addresses looking for a particular building. (The listing does not disclose whether there are stabilized units available for rent in those buildings.)

Andrew McLaughlin, the executive director of the Rent Guidelines Board, suggests that renters ask building managers or superintendents if any regulated units will be available soon. On [Craigslist](#), using the keyword search for “stabilized” may produce listings, too.

Real estate brokers might have stabilized apartments to rent as well. “It exists, but it’s certainly not the biggest part of the business,” said Gary L. Malin, the president of Citi Habitats.

Using a broker might be the easiest and most efficient way to find a rental, but the convenience comes at a price. In Manhattan, brokers often charge 15 percent of the first year’s rent, according to Klara Madlin, the president of the Manhattan Association of Realtors.

Real estate brokers have access to more apartment listings and can offer guidance to clients on how to make themselves the most appealing applicants. Sometimes, they can help negotiate with the owner.

The Rent Guidelines Board also has a list of Web sites to help with the search, including Apartment Source, Metro List Express (MLX), CityRealty.com, [StreetEasy.com](#) and Craigslist. They range from free online bulletin boards to services that require registration and fees. (That list is available in the “Apartment Guide” section of its Web site under “Finding an Apartment.”)

Be ready, though, to pounce when the right listing is found. “You don’t get a second chance to make a good first impression — come prepared,” said Jerry Weinstein, the founder and president of Manhattan Apartments.

Mr. Weinstein suggests having a letter from an employer, two pay stubs and enough cash to cover the first and last month’s rent and a security deposit. Some landlords also request income tax returns. And, of course, you should be prepared to undergo a credit check.

In general, a New York City landlord will want a renter to earn at least 40 times the monthly rent each year — so if the rent is \$1,000 a month, you should make at least \$40,000, experts say. If you don’t, or if you have bad credit, you should line up a guarantor — who will usually be responsible for the lease if you fail to pay the rent — who earns at least 80 times the monthly rent. A guarantor who is a family member or someone who lives in the metropolitan area is often viewed as a bonus.

When the application is approved, it's time to peruse the lease. One thing you might ask for is a specific mention of when you will receive your security deposit at the end of the lease — 30 to 60 days is reasonable. You can also ask for an option to renew or an early termination clause. Many leases in New York City, however, are take it or leave it.

“Negotiating? It depends on how good the market is,” said Nicholas Petras, who owns a dozen buildings in New York City and is the president of a trade organization for apartment building owners called the Community Housing Improvement Program.

Mr. Malin of Citi Habitats says landlords are currently being more flexible about the rent, either by asking for lower rents in the first place or offering signing incentives, like paying the brokers' fee. But in more popular places like SoHo or the West Village, you may have a difficult time bargaining.

If you decide to negotiate with a landlord over the rent, make sure to present yourself as the best possible candidate, with your finances in good order. It can help to be able to move in quickly, and to make only reasonable requests. (A 25 percent reduction in the rent might not fall into the “reasonable” category.)

Once a lease is signed, however, there are services you have a right to expect, experts say. The apartment owner is responsible, for example, for providing smoke and carbon monoxide detectors, repairing cracks in the sidewalk and ensuring that your home is safe for young children, which means window bars and no lead paint. The landlord must also repaint every three years and make available basic services like heat and hot water.

What if something breaks inside the apartment? Landlords are typically responsible for repairing and maintaining permanent fixtures like toilets. If they don't do so in a timely manner, you can report the problem to 311.

Tenants have to keep their end of the bargain as well, and that essentially means paying the rent on time. Otherwise, they could face eviction.

In general, you cannot be evicted in New York without being taken to court, and those proceedings usually take several months. Your lease might be up by the time the court proceedings have concluded.

What if you want to leave temporarily? In most cases, under [New York State](#) law, you have the right to sublet the apartment.

Sarah Calabi and her husband, Gregory Woods, are hoping to sublet their rent-stabilized apartment in Astoria, [Queens](#), while Mr. Woods gets his master's degree at [Princeton University](#). “It's been challenging to find out what the rules are,” Ms. Calabi said.

The landlord has to approve the arrangement in advance, but the parameters are vague as to what constitutes a reasonable rejection.

In general, according to state law, eligible renters must live in a building with four or more units and provide subletters who can pay the rent (assume that they must meet the same financial requirements as the renter). Subletting for rent-stabilized units is limited to two years in a four-year period.

The primary renter is usually responsible for seeing that the rent is paid. You might, therefore, continue paying the landlord yourself and have the subletter write you checks.

(If your apartment is rent stabilized, your landlord can tack on a 10 percent subleasing surcharge, and if the apartment is fully furnished, you can throw in another 10 percent to cover the wear and tear of your belongings, according to Michael B. Rosenblatt, the assistant commissioner for rent administration at the state Division of Housing and Community Renewal.)

There is some flexibility built into the law for tenants. For example, you have the right to have your partner or even a roommate move in — provided there is enough space. (According to the Department of Housing Preservation and Development, tenants must have at least 80 square feet to themselves, excluding bathrooms and hallways, among other things.)

In other ways, the law is less forgiving. You don't have the right to break a lease, though in some instances a landlord may allow it. "If the current rent charge on that apartment is significantly below market rent or anywhere near the \$2,000-a-month mark," said Dov Treiman, a Manhattan real estate lawyer, "the landlord will be inclined to hand the tenant a bottle of Champagne on their way out."

If you're paying more than the prevailing market rate, the landlord is likely to insist that you continue to pay.

Rebecca Hood, a real estate analyst originally from Texas, had no trouble leaving her Upper East Side apartment when she moved to [Miami](#) with only three weeks' notice this summer. It was a tiny rent-stabilized studio for which she was paying \$1,468 a month. "In my opinion, the rent was under market," she said. "It was almost in my landlord's favor for me to break the lease."

She found a new tenant and was free to go.

When you move out, be sure to leave your apartment as you found it or you may not get your deposit back. If you feel that money has been unfairly deducted from the deposit, you can go to small claims court (or, for very large security deposits, to the regular part of the New York City Civil Court).

"New York is a very difficult place to do almost any business transaction," said Adam Leitman Bailey, a real estate lawyer. "But you don't have to be a real estate professional to have a pleasant living experience. Renters should be thankful the law goes so far to protect them."

Although many new renters are people who cannot afford to buy, others have enough money but are waiting for the market to stabilize.

"You looked at housing prices in the rest of the country and everything was going south," said Thomas Elliott, a bond trader at Cantor Fitzgerald who is relocating his family to New York City. "At some point, my thinking was, New York was going to have a similar trend as the rest of the country."

Instead of buying an apartment when they moved from Charlotte, N.C., Mr. Elliott and his wife, Lark, have rented an apartment on the Upper East Side.

The Elliotts aren't the only ones sitting on the fence. "We're getting a sense that there's a number of people

sitting it out to see what happens," said Fritz Frigan, an executive director of sales and leasing for Halstead Property. "But they must have a home, so we will have some influx in demand to the rental market."

That will not, however, "have an effect on rental prices," Mr. Frigan said. They are more dependent on the job market and the overall economy.
