

High rents keep movers, brokers in business

by Margot Slade and Teri Rogers | 4/13/11 - 8:08 AM

Apparently bed bugs, break-ups, and college grads aren't the only things that keep the NYC rental market brisk. High rents also keep things humming.

According to NYU's Furman Center densely packed annual **State of New York City's Housing and Neighborhoods** report, NYC rent-regulated tenants move on average every dozen years (logging in a median tenancy of 8 years), while **market-rate renters hit the streets after 4 years on average (median stay of just 2 years)**. Owners, meanwhile, move every 16 years (median of 11 years).

The report, released yesterday, observes that renters of recent vintage (2005+) are likely to be paying substantially more rent than neighbors who moved in--and stayed put--a decade earlier.

"There is a dramatic and growing disparity in rent paid by households living in multi-family rental properties that moved into their units in the past 10 years and the rent paid by households that moved into their units in prior years...." finds the Furman Center. **"The most dramatic difference is found in Manhattan, where households that moved in between 2005 and 2008 currently pay median rents nearly double that of their neighbors who moved in ten years earlier.** It is likely that much of this disparity is due to the effects of rent regulation."

Is rent-regulation also to blame for the huge uptick in foreclosures of entire rental buildings, particularly smaller ones?

The Furman report says that in the last two years, about 2,100 rental buildings, potentially affecting 44,000 households, received foreclosure notices, more than any time since the early 1990s. The report also found that living conditions deteriorated in buildings suffering financial distress.

A **comment recently left by a landlord** on BrickUnderground explains it this way: "The cost of running a building has increased far more than the yearly rent increases that the rent board approves. That leaves me less money for renovations and repairs. Luckily I can still afford to maintain the building (I have a full time job and the mortgage has been paid off), but anyone who bought a building recently (before 1998) has to be in deep water now. Its a lot easier to just stop making mortgage payments and walk away from the building. Let the bank try and manage it."