

Rent rise looming over city

By Erik Ortiz

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For many New Yorkers, rent can be the biggest monthly scourge - an unavoidable expense impacting 75 percent of city residents.

So it's no surprise that a final vote by the city's Rent Guidelines Board on Monday to raise rents on about 1 million units has become an emotionally charged proposal each year.

Neighborhood	Market rate	Rent-stabilized	Median household income
Upper West Side	\$3,040	\$1,100	\$105,766
Greenwich Village/Financial District	\$2,988	\$1,700	\$101,794
Stuyvesant Town/Turtle Bay	\$2,855	\$1,350	\$98,701
Chelsea/Clinton	\$2,675	\$1,479	\$81,767
Upper East Side	\$2,630	\$1,595	\$98,817

SOURCE: FURMAN CENTER, BASED ON 2008-09 DATA

"I don't think the landlords should be granted a large increase. They don't need it, and so many people are struggling to make ends meet already," said Emily Pinkowitz, 30, an advocate who lives in rent-stabilized housing in Prospect Heights.

Countered Jack Freund of the Rent Stabilization Association, which represents 25,000 owners: "In the real world, when 40 percent of your operating costs as a landlord are costs imposed by the city and keep going up every year, you need an increase."

This year's proposal would raise rents from 3 to 5.75 percent for a one-year lease and 6 to 9 percent for a two-year lease. There's also a plan to add a temporary 1 percent fuel surcharge.

A board spokeswoman did not return a call for comment. Observers expect the final numbers to fall in the middle of the ranges. Rent hikes take effect on Oct. 1.

What does this mean in actual dollars? The average median rent for a market-rate unit is \$1,350, compared to \$1,030 for a rent-stabilized unit, according to 2008 data from the Furman Center for Real Estate and Urban Policy.

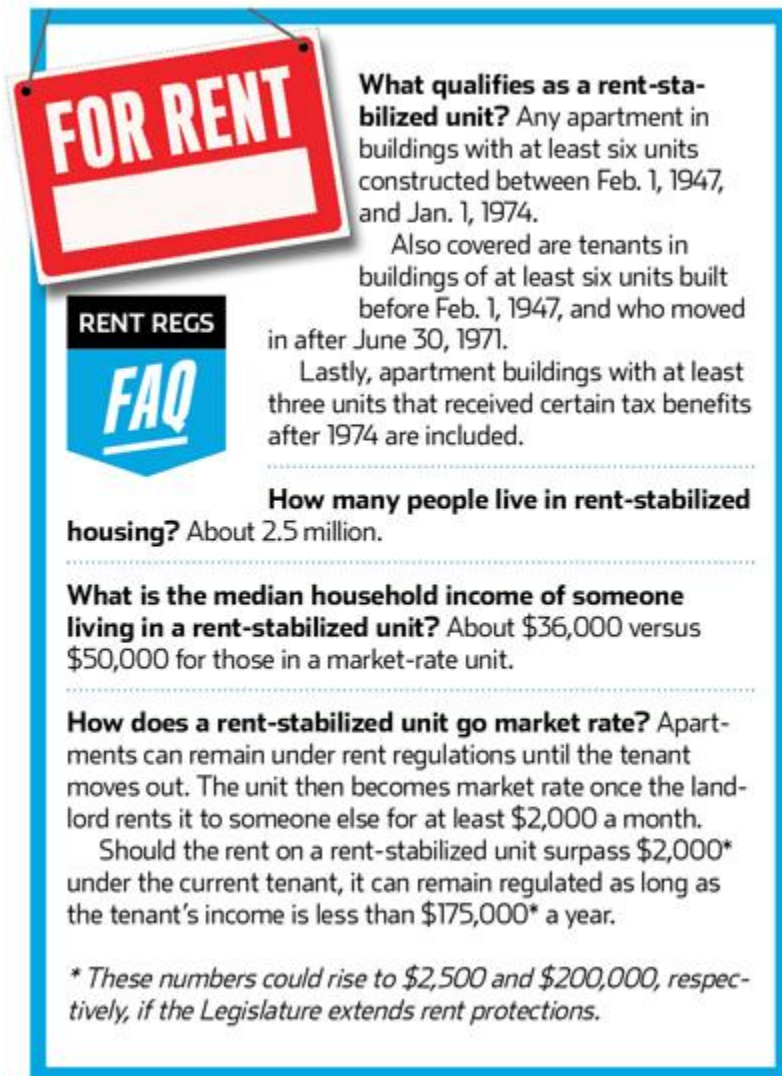
Based on the proposal before the board, monthly rents could rise an extra \$30.90 to \$59.23 on a one-year lease and \$61.80 to \$92.70 on a two-year lease.

Gary Malin, president of Citi Habitats, said Manhattan landlords are already charging 8 to 12 percent more in rent than a year ago. Rental prices will continue to spiral because people still want to live in New York, he added.

"Demand is far outstripping the supply, but we live in a city that has limited ability to keep on growing," Malin said.

Tenant advocates said tightening rent regulations to protect renters is essential to ensure people of lower and moderate incomes can still afford to live in the Big Apple.

Some landlords would prefer the government impose no requirements on what they can charge. They argue that an unfettered and competitive market will lower rents across the board.



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What qualifies as a rent-stabilized unit? Any apartment in buildings with at least six units constructed between Feb. 1, 1947, and Jan. 1, 1974.

Also covered are tenants in buildings of at least six units built before Feb. 1, 1947, and who moved in after June 30, 1971.

Lastly, apartment buildings with at least three units that received certain tax benefits after 1974 are included.

How many people live in rent-stabilized housing? About 2.5 million.

What is the median household income of someone living in a rent-stabilized unit? About \$36,000 versus \$50,000 for those in a market-rate unit.

How does a rent-stabilized unit go market rate? Apartments can remain under rent regulations until the tenant moves out. The unit then becomes market rate once the landlord rents it to someone else for at least \$2,000 a month.

Should the rent on a rent-stabilized unit surpass \$2,000* under the current tenant, it can remain regulated as long as the tenant's income is less than \$175,000* a year.

** These numbers could rise to \$2,500 and \$200,000, respectively, if the Legislature extends rent protections.*