

# FACT SHEET



Andrew M. Cuomo, Governor

A PUBLICATION OF NEW YORK STATE  
DIVISION OF HOUSING AND COMMUNITY RENEWAL  
OFFICE OF RENT ADMINISTRATION

## # 1 Rent Stabilization and Rent Control

### Introduction

A number of communities in New York State have rent regulation programs known as rent control and rent stabilization. Rent regulation is intended to protect tenants in privately-owned buildings from illegal rent increases and allow owners to maintain their buildings and realize a reasonable profit.

Rent control is the older of the two systems of rent regulation. It dates back to the housing shortage immediately following World War II and generally applies to buildings constructed before 1947. Rent stabilization generally covers buildings built after 1947 and before 1974, and apartments removed from rent control. It also covers buildings that receive J-51 and 421-a tax benefits. Outside New York City, rent stabilization is also known as ETPA, short for the Emergency Tenant Protection Act and is applicable in some localities in Nassau, Westchester and Rockland counties.

### RENT STABILIZATION

Rent stabilization provides protections to tenants besides limitations on the amount of rent. Tenants are entitled to receive required services, to have their leases renewed, and may not be evicted except on grounds allowed by law. Leases may be renewed for a term of one or two years, at the tenant's choice. Tenants can file relevant complaints on a variety of forms created by the Division of Housing and Community Renewal (DHCR). DHCR is required to serve the complaint on the owner, gather evidence and then can issue a written order which is subject to appeal.

If a tenant's rights are violated, DHCR can reduce rents and levy civil penalties against the owner. Rents may be reduced if services are not maintained. In cases of overcharge, DHCR may assess penalties of interest or treble damages payable to the tenant.

### Rent Increases

The Rent Guidelines Boards (one in New York City and one each in Nassau, Westchester, and Rockland counties) each set rates for rent increases in stabilized apartments. These guidelines rates are set once a year and are effective for leases beginning on or after October 1st of each year. New York State Law sets vacancy lease increases for new tenants who sign vacancy leases.

Both in New York City and the ETPA counties, rents can be increased during the lease period in any one of three ways, so long as the lease provides for the collection of an increase during the lease term:

1. with the written consent of the tenant in occupancy, if the owner increases services or equipment, or makes improvements to an apartment;
2. with DHCR approval, if the owner installs a building-wide major capital improvement; or
3. in cases of hardship with DHCR approval.

### **Rent Overcharges**

For rent stabilized apartments, owners may be ordered to refund excess rent collected based upon a finding of a rent overcharge. A finding by DHCR of a willful rent overcharge by the owner may result in the assessment of treble (triple) damages payable to the tenant. DHCR is generally prohibited from investigating issues concerning rent overcharges and registrations for years occurring more than four years before the filing of a rent overcharge complaint.

### **Rent Reductions for Decreases in Services**

Rents may be reduced if the owner fails to provide required services, or fails to make necessary repairs for an individual apartment or on a building-wide basis. Examples of such conditions are lack of heat/hot water, unsanitary common areas (halls, lobby), and broken door locks. If a tenant receives a rent reduction from DHCR, the owner cannot collect any rent increases until services are restored and DHCR restores the rent.

### **Harassment**

The law prohibits harassment of rent regulated tenants. Owners found guilty of intentional actions to force a tenant to vacate an apartment can be denied decontrol and lawful rent increases and may be subject to both civil and criminal penalties. Owners found guilty of tenant harassment are subject to fines of up to \$5,000 for each violation.

### **Rent Registration**

Within 90 days after an apartment first becomes subject to rent stabilization, an owner is required to file an initial registration. After the initial registration, owners must file an annual registration statement giving the April 1st rent for each unit and provide tenants with a copy of their respective apartment's registration form. Owners who do not file initial or annual statements will not be eligible for rent increases and are subject to additional penalties.

However, upon the service and filing of a late registration, an owner cannot be found to have collected an overcharge for the period of non-registration, provided the increases in the rent were lawful except for the failure to file a timely registration. The penalty of treble damages cannot be assessed against an owner based solely on that owner's failure to file a timely registration.

## **RENT CONTROL**

Rent control limits the rent an owner may charge for an apartment and restricts the right of any owner to evict tenants. Tenants are also entitled to receive essential services. Owners are not required to offer renewal leases, as tenants are considered "statutory" tenants. Tenants may file relevant complaints on a variety of forms created by DHCR. DHCR is required to serve the complaint on the owner, gather evidence and then can issue a written order which is subject to appeal.

If a tenant's rights are violated, DHCR can reduce rents and levy civil penalties against the owner. Rents may be reduced if services are not maintained. In cases of overcharge, DHCR may establish the lawful collectible rent.

### **Rent Increases**

In New York City, rent control operates under the Maximum Base Rent (MBR) system. A maximum base rent is established for each apartment and adjusted every two years to reflect changes in operating costs. Owners, who certify that they are providing essential services and have removed violations, are entitled to raise rents up to 7.5 percent each year until they reach the MBR. Tenants may challenge the proposed increase on the grounds that the building has violations or that the owner's expenses do not warrant an increase.

For New York City rent controlled apartments, rents can also be increased because of increases in fuel costs (passalongs) and in some cases, to cover higher labor costs. Outside New York City, the New York State Division of Housing and Community Renewal (DHCR) determines maximum allowable rates of rent increases under rent control. Owners may apply for these increases periodically.

Rents can also be increased in any one of three ways, both inside and outside of New York City:

1. with the written consent of the tenant in occupancy, if the owner increases services or equipment, or makes improvements to an apartment;
2. with DHCR approval, if the owner installs a building-wide major capital improvement;  
or
3. in cases of hardship with DHCR approval.

## **Rent Overcharges**

For rent controlled apartments, complaints submitted by tenants will result in an order by DHCR that establishes the Maximum Collectible Rent and directs that any overcharge be refunded for a period of no greater than two years before the filing of the complaint. If the refund is not made, the tenant can proceed to court to calculate the overcharge and enforce the order.

## **Rent Reductions for Decreases in Services**

Please refer to the section above under Rent Stabilization.

## **Harassment**

Please refer to the section above under Rent Stabilization.

## **Rent Registration**

Apartments subject to Rent Control are not required to be registered annually with DHCR.

## **HIGH-RENT VACANCY DEREGULATION AND HIGH-RENT HIGH-INCOME DEREGULATION**

The rent laws provide for the deregulation of apartments based on rents and occupants' incomes reaching certain levels.

The Deregulation Rent Threshold (DRT) can be adjusted on January 1st of each year based on the one year renewal lease guideline percentage issued the prior year by the local rent guidelines boards.

The Deregulation Rent Thresholds for 2018, for both kinds of deregulation are:

New York City	\$2,733.75
Nassau	\$2,747.42
Rockland	\$2,733.75
Westchester	\$2,774.72 (\$2,759.70 if tenant pays for heat or hot water)

The Deregulation Income Threshold, which is not adjusted annually, is \$200,000. Deregulation of an apartment for High-Rent High-Income requires the issuance of a written order by DHCR.

For more information or assistance, call the DHCR Rent InfoLine,  
or visit your Borough Office or call or visit your County Rent Office.

**Queens**

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6th Floor  
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163 W. 125th Street  
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75 South Broadway  
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