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Blog Title: How does rent stabilization differ from rent control?

Rent control and rent stabilization differ depending on the number of units in the building, when the building was built, whether the building is refurbished and continues to enjoy special tax benefits and who occupies the apartment. This topic will outline the differences and define the types of apartments affected.

New York state is well known for having what is probably the largest concentration of rent regulated apartments in the nation, estimated in 2014 to exceed 1,050,000 in 51 different communities throughout the state.

The most restricted apartments, those deemed "rent controlled" are actually much less numerous - about 27,000 - than the much more common "rent stabilized" variety - numbering about 1,030,000.

Rent controlled and rent stabilized apartments differ in several important respects.

Rent Controlled Properties

For apartments and other properties subject to rent control, rent control regulations limit the amount of rent a landlord can charge the tenant and also limits the circumstances under which a tenant can be evicted. Tenants also enjoy other rights.

To qualify for rent control, an apartment must meet the following conditions:

- The apartment building was constructed before February 1947.
- The community in which the apartment building is located has not declared an end to the post-World War II housing emergency.
- The tenant must have lived in the apartment continuously since before July 1, 1970.
- The apartment can be in the possession of the tenant's lawful successor, such as a family member, spouse or adult lifetime partner.
- Once a rent controlled apartment is vacated, it becomes rent stabilized. If the building has fewer than six units, it will cease to be rent regulated.

An apartment in a one or two family house can also be subject to rent control if the tenant has been in continuous occupancy since April 1, 1953. When it becomes vacant, it will no longer be subject to rent regulation.

How a landlord can go about raising the rent depends on whether the property is located inside or outside New York City. In New York City, landlords can raise the rent only 7.5 percent a year or to account for increased fuel costs, and some labor costs. Outside of New York City, owners will apply for rent increases to the the New York State Division of Housing and Community Renewal (DHCR).

Owners can also raise rents if they 1) obtain the tenant's permission and increase services or equipment or make improvements to the apartment; 2) obtain permission of DHCR and make major capital improvements to the property, or 3) obtain DHCR approval in cases of hardship.

Rent Stabilized Properties

Once a year, Rent Guideline Boards set rent increases for rent stabilized apartments. New York state law sets how much the rent can be increased when a stabilized property is vacated. Tenants of rent stabilized properties are afforded additional rights.

Like rent controlled properties, owners of rent stabilized properties can raise rents if they 1) obtain the tenant's permission and increase services or equipment or make improvements to the apartment; 2) obtain permission of DHCR and make major capital improvements to the property, or 3) obtain DHCR approval in cases of hardship.

To qualify as a rent stabilized property, the apartment must meet the following conditions:

- In New York City, most rent stabilized apartments are in buildings of six or more units and were constructed between February 1, 1947 and January 1, 1974.
- If a building of six or more units was built before February 1, 1947, and the tenant moved in after June 30, 1971, the apartment is rent stabilized.
- Buildings constructed or extensively renovated since 1974 with special tax benefits can also qualify as rent stabilized, at least as long as the tax benefits are in force.

Rental properties can be deregulated depending on the legal rent for the apartment. Likewise, in buildings that have been converted into co-ops are no longer regulated.

These are but a few of the rules and regulations that apply to rent regulated properties. If you are a landlord or owner, it is imperative that you understand your responsibilities and the rights of your tenants. Our business is [landlord/tenant law](#) in New York and New Jersey. We understand the nuances of rent regulation and many other New York and New Jersey laws that govern the landlord/tenant relationship. Do not hesitate to [contact](#) the law offices of Griffin Alexander P.C.