

# FACT SHEET



George E. Pataki, Governor

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DIVISION OF HOUSING AND COMMUNITY RENEWAL  
OFFICE OF RENT ADMINISTRATION

## #1 Rent Control and Rent Stabilization

### Rent Control

The rent control program generally applies to residential buildings constructed before February 1947 in municipalities that have not declared an end to the postwar rental housing emergency. A total of 51 municipalities have rent control, including New York City, Albany, Buffalo and various cities, towns, and villages in Albany, Erie, Nassau, Rensselaer, Schenectady and Westchester counties.

For an apartment to be under rent control, the tenant must have been living in that apartment continuously since before July 1, 1971. When a rent controlled apartment becomes vacant, it either becomes rent stabilized, or, if it is in a building with fewer than six units, it is generally removed from regulation. An apartment in a one- or two-family house must have a tenant in continuous occupancy since March 31, 1953 in order to be subject to rent control. Once it is vacated after that date, it is no longer subject to regulation. Previously controlled apartments may have been decontrolled on various other grounds.

Rent control limits the rent an owner may charge for an apartment and restricts the right of an owner to evict tenants. It also obligates the owner to provide essential services and equipment. See Fact Sheet #3, on "*Required and Essential Services*," for additional information on this topic.

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.

In NYC, rent control operates under the Maximum Base Rent (MBR) system. A maximum base rent is established for each apartment and is adjusted every two years to reflect changes in operating costs. Owners who certify that they are providing essential services and have removed violations may raise rents by up to 7.5% each year until the MBR limit is reached.

Tenants may challenge the increase on the grounds that the building has violations, the owner's expenses do not warrant an increase, or the owner is not maintaining essential services. See Fact Sheet #22, "*Maximum Base Rent Program*" for additional information.

Rents may be increased in other ways: (1) if the owner increases services or substantially rehabilitates a building or installs a major capital improvement; (2) hardship; (3) increased labor costs; (4) in NYC, increased fuel costs (passalongs).

Rents may be decreased in certain cases by DHCR. Such cases include: substantial, uncorrected code violations and reductions in services including facilities, space or equipment, or ancillary services.

### Rent Stabilization

In NYC, rent stabilized apartments are those apartments in buildings of six or more units built between February 1, 1947 and January 1, 1974. Tenants in buildings of six or more units built before February 1, 1947, who moved in after June 30, 1971 are also covered by rent stabilization. A third category of rent stabilized apartments covers buildings with three or more apartments constructed or extensively renovated since 1974 with special tax benefits. Generally, these buildings are stabilized only while the tax benefits continue.

Outside NYC, rent stabilization applies to non-rent-controlled apartments in buildings of six or more units built before January 1, 1974 in the localities that adopted the Emergency Tenant Protection Act (ETPA) in Nassau, Rockland and Westchester counties. Some municipalities limit ETPA to buildings of a specific size, but never fewer than six units. Stabilization also applies to formerly rent controlled apartments located in ETPA localities where the unit was vacated on or after June 30, 1971. For a list of the ETPA localities, see Fact Sheet #31, "*Guide to Rent Increases for Rent Stabilized Apartments in Nassau, Rockland and Westchester Counties*."

The local Rent Guidelines Boards in NYC and in Nassau, Rockland and Westchester counties set maximum rates for rent increases once a year which are effective for leases beginning on or after October 1st of each year.

The Rent Regulation Reform Act of 1993 (RRRA) provides for the deregulation of apartments with legal rents of \$2,000 or more at any time between July 7, 1993 and October 1, 1993 that were or become vacant on or after July 7, 1993. In New York City, Local Law No. 4 of 1994 further provided for deregulation for apartments with legal rents of \$2,000 or more at any time which were or become vacant on or after April 1, 1994.

Both the RRRA and Local Law No. 4 in New York City further provided for deregulation of high rent apartments occupied by high income tenants. In New York City, Local Law No. 4 provides for deregulation of apartments whenever the legal rent for those apartments reach \$2,000 or more and are occupied by tenants with an income in excess of \$250,000 in each of the two successive years prior to the owner's application for deregulation. Outside NYC, the RRRA provides for the deregulation of apartments with legal rents of \$2,000 or more on October 1, 1993 which are occupied by tenants who either at that time or at a later date have an income in excess of \$250,000 in each of the two years preceding the owner's application. See Operational Bulletin 95-3, "Implementing Rent Regulation Reform Act of 1993 and New York City Local Law 1994, No. 4", for more details.

The RRRA of 1997 reduced the income threshold to \$175,000 for New York City and New York State effective January 1, 1998.

Like rent control, stabilization provides other protections to tenants besides limitations on rents. Tenants are entitled to receive required services and to have their leases renewed, and may not be evicted except on grounds allowed by law. Leases must be entered into and renewed for one- or two-year terms, at the tenant's choice.

If the tenant's rights are violated, DHCR may reduce rents and impose civil penalties on the owner. Rents may be reduced if services are not maintained. In cases of overcharges, DHCR may assess penalties of interest or, in the case of willful overcharges, treble damages, payable to the tenant.

The Omnibus Housing Act required owners to initially register with DHCR the rent and services for all rent stabilized apartments that were occupied on April 1, 1984 by June 30, 1984. Owners were required to serve a copy of the registration upon tenants, who had 90 days to challenge the information provided by the owner.

For apartments becoming subject to rent stabilization after 1984, owners must initially register all apartments within 90 days after they become subject to rent stabilization. In New York City, tenants may file a challenge to the initial registration concerning the rent of formerly rent controlled apartments now becoming subject to rent stabilization for the first time. This challenge is known as a "Fair Market Rent Appeal." For further information, see Fact Sheet #6, "Fair Market Rent Appeals."

Owners are also required to register annually or they may be denied rent increases. Owners must provide tenants with a copy of the annual registration.

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

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**Upper Manhattan**  
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North side of 110th St. and above

**Staten Island**  
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