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(202) 455-0510 - info@socialists.us – https://socialists.us

SDA Statement Regarding 2022 Rent Guidelines Board Rent Increases

On June 21, 2022, the New York Rent Guidelines Board approved the highest increase in rents of the city's rent-stabilized apartments since 2008. The increases, effective from Oct. 1, 2022, to Sept. 30, 2023, are: 3.25% on 1-year leases, and 5% on 2-year leases.

But Why?

One of the major arguments by Rent Stabilization Organization, the landlord lobbying group, is that small building owners are facing financial hardships. But so are tenants. And landlords already have in place solutions, if they can prove the financial hardships their lobbying organization claims.

The New York City Lease Rider for Rent Stabilized Tenants (Section 3, paragraph 4C), issued by the state Division of Housing and Community Renewal's Rent Administration Office, says a building owner may apply to increase the rents of all rent-stabilized apartments if:

- The landlord can prove that the current rent income isn't enough to generate at least a five percent profit (operating expenses minus rent revenue).
- Or the landlord can prove that rents aren't sufficient to enable him to generate the same average annual net income over a three-year period as he earned during the three years from 1968 through 1970. If the building was completed after 1968, the average annual net income would be based on the first three years of operation or the first three years the owner owned the building if that data isn't available.

If an application for a rent increase based on a major capital improvement or hardship is granted, the owner may charge the increase during the term of an existing lease only if the lease contains a clause specifically authorizing the owner to do so.

So What's the Real Problem?

So if there's already a solution, what is the real problem? The problem is that the median rent in New York City already is up 24% from a year ago. And the problem is that Mayor Eric Adams, who appoints the members of the Rent Guidelines Board, has received substantial donations from New York real estate interests. He is beholden to a strong lobby that controls most of the city's planning and development, always in the name of maximizing profit and rarely for sensible city planning that would accommodate New Yorkers and visitors.

Almost all development completely disregards the affordable housing shortage, especially in New York City, and any environmental vision and action (East River Park destruction, Governor's Island, etc.)

So, who does Mayor Adam represent? Those two-thirds of New Yorkers who rent rather than own their homes (a third of whom spend more than half their income on rent). Or those major real estate investors who, studies show, are more often the owners of rent-regulated buildings and are more often responsible for evictions than the "mom and pop" landlords the lobbyists claim to represent.

SDA NYC Downtown Branch