

# TENANTS & NEIGHBORS

## WHAT SHOULD I DO IF I GET A 1/40<sup>TH</sup> RENT INCREASE?

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### What is a 1/40th rent increase?

A landlord is allowed to charge both current and new tenants more monthly rent if the landlord wants to renovate the apartment. The amount of this monthly rent increase is equal to 1/40 times the cost of the improvement. These increases are called “one fortieths” or “individual apartment improvement rent increases.”

Improvements include upgrades such as a new shower stall or new kitchen equipment. Basic maintenance, like painting and plastering, does not count as an improvement.



### How is a new tenant's rent calculated?

A landlord is allowed to add 1/40 of the cost of improvements to what the new tenant's monthly rent would have been otherwise.

For example, if a new tenant's rent would normally be \$900 and the landlord says he spent \$20,000 on improvements, the new rent will be \$1,400, since  $\$20,000 \times 1/40 = \$500$ , and  $\$500 + \$900 = \$1,400$ .

### How does a landlord get permission for a 1/40th rent increase?

Landlords do not have to get permission to do 1/40<sup>th</sup> increases if the apartment is vacant. The state housing agency, the Division of Housing and Community Renewal (DHCR), investigates only if tenants complain. Studies suggest that landlords sometimes claim they spent more on improvements than they actually did because they think they won't be caught. That is why it is important for tenants to know their rights.

If the apartment is not vacant, the landlord has to ask the current tenant to sign a document. Without the tenant's signature, the landlord cannot increase the rent.

### What can I do to make sure I'm paying the right rent?

If you moved into your apartment within the last four years, call DHCR to request a rent history and overcharge form (contact information is below).

If you haven't done so already, read your original lease carefully. Check for information about the previous tenant's rent and about rent increases. Look out for mentions of "preferential rent" or money spent on repairs. Call Tenants & Neighbors or another tenant group to clarify anything you don't understand.

If you think the landlord raised the rent more than he was allowed to, file an overcharge complaint with DHCR. When a tenant makes an overcharge claim, the courts and/or DHCR can look back no further than four years to determine the rent.

### **How do I apply for an overcharge?**

First, gather your old rent bills, cancelled checks, leases and any old correspondence with the landlord or DHCR related to your rent. This will make the process easier.

Before you begin to fill out the DHCR form, read the directions very carefully. It could get sent back to you if it is not filled out correctly. Ask for help from Tenants & Neighbors or another tenant group if you need it. Keep copies of everything you submit.

Share information about overcharges with your neighbors. If your landlord overcharged you he or she is probably overcharging others and DHCR is more likely to pay attention if several tenants submit complaints.

Keep in mind that DHCR can take months to determine a rent overcharge, but if the agency finds in your favor you will get back your money

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### **Contact DHCR (Division of Housing and Community Renewal)**

**Main helpline:** 1-866-ASK-DHCR

**All rent information:** 718-739-6400 / [RentInfo@nysdhcr.gov](mailto:RentInfo@nysdhcr.gov) / [www.dhcr.state.ny.us](http://www.dhcr.state.ny.us)

**Bronx Office:** One Fordham Plaza, 2<sup>nd</sup> Fl., Bronx, NY 10458 Ph: 718-563-5678

**Brooklyn Office:** 55 Hanson Pl., Rm. 702, Brooklyn, NY 11217 Ph: 718-722-4778

**Upper Manhattan Office** (North of 110<sup>th</sup>): 163 West 125<sup>th</sup> Street, 5<sup>th</sup> Floor, New York, NY 10027 Ph: 212-961-8930

**Lower Manhattan Office** (South of 110<sup>th</sup>): 25 Beaver Street, 5<sup>th</sup> Floor, New York, NY 10004 Ph: 212-480-6238

**Queens Office:** Gertz Plaza, 92-31 Union Hall St., Jamaica, NY 11433 Ph: 718-739-6400

### **Take Action! Organize for Affordable Housing!**

Tenants across the state are fighting for their rights. Contact Tenants & Neighbors to learn how to get involved.

To find out who your elected officials are, go to  
<http://nymap.elections.state.ny.us/nysboe/> or [www.tandn.org](http://www.tandn.org).

**For more information, contact Tenants & Neighbors!**  
[www.tandn.org](http://www.tandn.org)

236 West 27th Street 4th Floor New York NY 10001-5906 212 608-4320 212 619-7476 fax