

# The New York Times

## Real Estate Q&A

Expert Advice for Owners and Renters



### Buying Out a Stabilized Tenant

By JAY ROMANO

September 29, 2011

**Q.** *I am considering buying a rent-stabilized apartment from the sponsor of a converted building. The current tenant said she was willing to vacate the unit provided I bought her out. Is there any mechanism to make sure the tenant will vacate the unit after closing once I pay her? And is there anything I can do if she asks for more money than what was agreed upon?*

**A.** “Any deal you make like this has got to be in writing,” said **Adam Leitman Bailey**, a Manhattan real estate lawyer. The most common way to structure these agreements with some measure of safety, he said, is for the buyer to arrange to have all the buyout money deposited in the escrow account of the landlord’s lawyer, to be turned over to the tenant when the tenant moves out.

“There are no bulletproof methods for ensuring that the tenant really will move or will not ask for more money,” **Mr. Bailey** said. But if the money is sitting in an escrow account, there is a greater incentive for the tenant to go through with the deal. It might also be wise to offer to pay the tenant’s moving expenses, and to make the payment directly to the moving company.