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Real Estate Q&A

Expert Advice for Owners and Renters



Raising Rents in ‘Hardship’ Cases

By JAY ROMANO

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Q. *A number of rent-regulated apartments are for sale in a New York City condominium building. Several of the tenants pay less in rent than the combined common charge and real estate tax on their apartments, creating a negative cash flow. What are the chances that a new owner could get a hardship rent increase for those tenants?*

A. **Adam Leitman Bailey**, a Manhattan real estate lawyer, said it was extremely rare for the state’s Division of Housing and Community Renewal, the agency that enforces the rent laws, to grant owners of any kind of regulated apartment a so-called hardship increase. “Anyone who buys any regulated housing hoping to turn a profit by getting a hardship increase is betting on the longest of shots at best,” **Mr. Bailey** said.