



What should I do if I get an... **Individual Apartment Improvement Increase?**

What is an Individual Apartment Improvement increase?

A landlord is allowed to charge both current and new tenants more monthly rent if the landlord wants to renovate the apartment. These increases are called “individual apartment improvement rent increases” (IAI). Qualified improvements include bathroom and kitchen renovation/modernization, new air conditioner where none previously existed, new washer/dryer where none previously existed, and new flooring or carpeting. The vast majority of IAIs occur during a vacancy. The rent increases are permanent.



How is a new tenant's rent calculated?

Since April of 2024, there are two tiers for IAIs. Most apartments will fall under Tier 1.

In Tier 1, landlords can do up to \$30,000 worth of repairs in a 15 year period. There is no limit to the number of IAIs a landlord can do: if a tenant leaves every year, the landlord can spend \$2,000 fifteen times, or \$30,000 one time, or anywhere in between.

Tier 1 apartments have their own amortization rate (rate at which their cost is spread out). For buildings with more than 35 units, landlords can pass along 1/180th of the cost of the IAI to the new tenant, which means a rent increase of no more than \$166 for 15 years. In a building with 35 units or fewer, landlords can pass along 1/168th of the cost of IAIs to the tenant, which means a rent increase of no more than \$178.

In Tier 2, the maximum dollar amount of repairs is \$50,000 instead of \$30,000. Two categories of apartments fall into Tier 2: apartments where the tenant has lived there for 25 years, or apartments registered as vacant in 2022, 2023, or 2024. DHCR must approve that the apartment falls into either of the two categories.

Tier 2 apartments have their own amortization rate (rate at which they cost is spread out) too: for buildings with more than 35 units, landlords can pass along 1/156th of the cost of the IAI, which means a rent increase of no more than \$321. For buildings with 35 units or fewer, landlords can pass along 1/144th of the cost of IAIs, which means a rent increase of no more than \$347.



How does a landlord get permission for an Individual Apartment Improvement Increase?

Other than the limited situation where the landlord can get a higher increase for apartments registered as vacant in 2022, 2023 and 2024, Landlords do not have to get permission to do IAI increases if the apartment is vacant. And where the apartment was registered as vacant in 2022, 2023, and 2024, the only thing that HCR will approve is that the apartment was vacant. The agency does not approve whether the work was done. 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?

Call DHCR to request a rent history. This form is called REC - 1, or "Request for Records Access" form. The rules around IAIs have changed over the years. Before 2019, landlords could claim to spend unlimited funds and then take either 1/40th or 1/60th of the cost and add it permanently to the rent. In 2019, the amount was significantly limited. In 2024, the amount was increased as described above.

Like the changes we have seen on IAIs, the law has changed on complaining about rent overcharges. It used to be that you had 4 years to complain about an overcharge. Now, HCR's rules say that if there is an unexplained rent jump, you can go back to June 15, 2015. And you might be able to go back even further if you can prove a fraudulent scheme to deregulate.

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. Did you get a lease addendum explaining how the rent was calculated? Call Tenants & Neighbors or another tenant group to clarify anything you don't understand.



How do I apply for an overcharge?

Fill out a rent overcharge application, known as RA-89, or “Tenant’s Complaint of Rent and/or Other Specific Overcharges in a Rent Stabilized Apartment.” When a tenant makes an overcharge claim, the courts and/or DHCR can look back no further than four years to determine the rent.

For this form, gather your old rent bills, canceled 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

Contact DHCR (Division of Housing and Community Renewal)

Main helpline: 1 (833) 499-0343 / tpuinfo@hcr.ny.gov / <https://hcr.ny.gov/>

Bronx Office: 1 Fordham Plaza, 4th Floor, Bronx, New York 10458 Ph: 718-430-0880

Brooklyn Office: 55 Hanson Place, 6th Floor, Brooklyn, New York 11217 Ph: 718-722-4778

Upper Manhattan Office: Adam Clayton Powell, Jr. Office Building, 163 West 125th St, 5th Floor, New York, New York 10027, Ph: 212-961-8930

Lower Manhattan Office 25 Beaver Street, 2nd Floor, New York, New York 10004 Ph: 212-480-6238

Queens Office: Gertz Plaza, 92-31 Union Hall Street, 6th Floor, Jamaica, New York 11433
Ph: 718-482-4041

Take Action! Organize for Affordable Housing!

Tenants across the state are fighting for their rights. Contact Tenants & Neighbors to learn how to get involved:
(212) 608 4320 / www.tandn.org / 255 West 36th Street, Suite 505 New York NY 10018

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