FAQs: NYU Lease Renewals

We have compiled the following list of answers in order to address common questions regarding the Renewal Process and the Hardship Policy, thereby clarifying issues about which there might be uncertainty or misunderstanding. If you have any additional questions, please do not hesitate to contact the Faculty Housing Office at 212.998.2209 or facultyhousing.office@nyu.edu.

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FAQs:

1. Why is the University raising rents?
   Two years ago, the University adopted a policy that established a decade-long goal: continuing to provide significantly discounted rental rates while making NYU rental housing self-sufficient. By “self-sufficient,” we mean that finances of the housing system should be in balance: the University should neither make money from the housing system nor lose money on it. Over the past few years, however, there have been marked increases in housing operating costs – energy is a good example – that were not reflected in rental rates, and this has created a large deficit (that is, the money we take in the form of rent does not equal the costs of operating the housing system). The recent rent increases are meant to move the system towards that balance.

2. My lease expires this year. What is my renewal rent?
   2014 renewal leases will be sent in the first week of May. Your renewal rent will be listed on your renewal lease. Thank you for your patience.

3. Is my rent increasing right now? What if my lease doesn’t expire until next year?
The University will not change your rent until the lease expires. If your lease is up for renewal this year, then the applicable rent increase will go into effect this year. If your lease expires two years from now, the rent increase will go into effect at that time and not before.

4. **Will my rent increase every year?**
   No. Most tenants receive three year leases and rent increases are fixed for the entire lease term.

5. **What is the range of increases?**
   Rent increases are applied in full at lease renewal, and rents only change at lease renewal. The range of increases for lease renewals this year averages 9.5%, with a maximum three-year increase of 11.9%.

6. **Is the University increasing rents to 35% of my income?**
   No. As stated above, the range of increases for lease renewals this year averages 9.5%, with a maximum three-year increase of 11.9%. Rents are not increasing above this range this year.

7. **How does the University calculate renewal rents?**
   Each apartment’s rental rate is based on a variety of features including, but not limited to, the number of rooms, the size of the rooms, and location of the apartment. We are continuing to bring fairness to the rents so apartments of similar size with similar features in our housing stock will have similar rents (apartments with the same number of rooms may have different rental rates, however, given differences in location, size and features). Rental rates for each apartment are reviewed at the end of the lease term and adjusted in consideration of operating costs and related factors. It is important to know, however, that those adjustments are contained within the envelope of the renewal rates we have already cited – 9.5 percent on average, maximum of 11.9 percent – and not in addition to them.

8. **Are rents being adjusted to Manhattan market rents?**
   No. The University does not compare rental rates to the Manhattan rental market. Unlike regular landlords, the University does not seek to make a profit. The University’s budget approach to our rental housing is that it be revenue neutral — that it neither produces excess money for the University nor cost the University money. Any rent increases the University approves are meant to achieve and maintain that balance over the course of years.

9. **What is the hardship policy? Am I eligible?**
   To help our affiliates who have been unduly burdened by the recent economic downturn, the University has unveiled a new hardship rental policy. Under this policy, rental rates will be adjusted so that they do not exceed 35% of a household’s gross income.\(^1\) Please note that only full time faculty and staff are eligible for the 35% limit.\(^2\) Tenants whose apartments have more bedrooms than warranted by their family size are

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\(^1\) 35% of gross income is a standard ratio used by both underwriters and financial experts to determine what percentage of a household’s gross income should be spent on housing.

\(^2\) Retirees, post doctorate students, graduate students, visiting faculty and rent regulated tenants are not eligible for the 35% limit. Faculty and staff tenants whose rent may already exceed the rent ceiling will receive a zero percent increase.
not eligible for the limit. Finally, all tenants, whether above or below the 35% limit, may be able to relocate to a less expensive and/or smaller apartment if the renewal rent is beyond their means.

a. **How do I apply for the hardship policy?**
   Those who believe that they may be eligible for this rent ceiling should contact the Faculty Housing Office; they will be asked to provide satisfactory documentation of income for all family members over 18 years of age living in the apartment (i.e., tax returns and pay stubs). All applications for the 35% limit must be received before the start of the renewal lease.

b. **How will the University measure my household’s “gross” income?**
   “Gross” household income is your family’s income before any deductions, such as federal or local taxes, retirement contributions or health care premiums. Gross income is derived from the tax returns and pay stubs of all family members over 18 living in the apartment. Accordingly, we will utilize your pay stubs to calculate your total gross income before any deductions as well as your tax return to calculate all other income (i.e. investment income and consulting income).

c. **My rent is already above 35% of my gross income. Will the University lower my rent?**
   The University does not lower rents. If your rent is confirmed to exceed the 35% income limit then you will likely qualify for a zero percent increase at lease renewal. Please wait until you receive your renewal rent before contacting the Faculty Housing Office.

d. **I plan to go on sabbatical and my salary will decrease. Will I be eligible for the hardship policy?**
   As stated above, the University does not lower rents. If you plan to go on sabbatical and your rent is confirmed to exceed 35% of your revised income, then you may qualify for a zero percent rent increase at lease renewal. Please note the zero percent increase will only be effective during the term of your sabbatical.

e. **My spouse/partner recently lost his/her job. How may I apply for the hardship policy?**
   If your spouse/partner lost his/her job and your rent is confirmed to exceed 35% of your revised income, then you may qualify for a zero percent rent increase at lease renewal.