

The New York

LANDLORD

A GUIDE BY MATT BEZCI

SCREENING

40x the Rent, 700 Credit

How to qualify a tenant within fair housing rules

THE LEASE

Every Rider You Need

Good Cause, flood history, lead paint, FARE Act

YOUR BOTTOM LINE

What a Rental Really Nets

A \$5,000 condo after charges, taxes and vacancy

SMALL LANDLORDS

Which Rules Apply to You

Rent stabilization, Good Cause and unit counts

NYC LANDLORD'S GUIDE

How to price, screen, lease and manage a New York rental within the rules.

Matt Bezci

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SCAN FOR THE
NYC REAL ESTATE
CALCULATOR

INTRODUCTION

Dear owner,

Renting out a home in New York City is one of the best ways to hold real estate for the long term, but the city's rules are written with large buildings in mind, and many small owners learn them the hard way. A missing lease rider, a security deposit returned on day 16, or an income requirement applied to a voucher holder can cost far more than a month of rent.

This guide is written for owners of a single condo or co-op apartment, a townhouse, or a 2 to 5 family house. It covers which rules apply to small landlords and which do not, how to prepare and price your rental, how to screen tenants within fair housing law, the notices and riders every lease needs, security deposits, renewals and rent increases, and what a rental actually nets after common charges, taxes and vacancy. Scan the QR code inside to run your own rental numbers with my calculator.

I have generated over \$6 million in rental income for landlords across New York City, and I would be glad to price your unit, find the right tenant and handle the lease from start to finish.

Matt Bezci

LICENSED REAL ESTATE SALESPERSON · COMPASS

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MEET YOUR ADVISOR

Matt Bezci



"I'm loyal to my clients; I get the job done."

Matt Bezci is a real estate advisor with a B.S. in civil engineering and more than five years of real estate experience, combining technical expertise with a client-focused approach. Known for his analytical skills and attention to detail, Matt develops tailored strategies for each client's goals. Over the course of his career, he has completed more than \$30 million in sales across individual and team transactions and has generated over \$6 million in rental income for landlords across New York City.

He works with investors, developers, landlords, sellers, buyers and commercial clients, with expertise spanning condominiums, co-ops, townhouses, multifamily properties, new developments, investment properties, commercial spaces and luxury real estate. Having lived in several New York City neighborhoods, Matt brings local insight to every search, and his international background helps him connect naturally with foreign buyers and investors. Matt is a member of The Antigua Team at Compass, REBNY and NAR.

\$30M+

CAREER SALES
Individual & team

\$6M+

RENTAL INCOME
Generated for landlords

100+

TRANSACTIONS
Sales & rentals

5+

YEARS
In NYC real estate

◆ MEMBER, REBNY & NAR

◆ B.S., CIVIL ENGINEERING

◆ LICENSED NYC REAL ESTATE SALESPERSON

**SCAN TO READ**

Matt Bezci ranked
#1 in the
StreetEasy Experts
Program for May

**SCAN TO READ**

The digital version
of this guide, always
up to date

**SCAN TO VIEW**

Matt's past
transactions, sales
and rentals

MY TEAM

The Antigua Team at Compass

The Antigua Team at Compass, founded by Alex and Viktoryia Antigua, is a premier real estate group serving New York City, The Hamptons and Westchester County. The team specializes in Manhattan's most sought-after neighborhoods and combines deep market knowledge with a collaborative approach for buyers, sellers, landlords and investors. With multilingual agents fluent in English, Spanish, Russian, Korean and more, every client receives personalized guidance. Clients also enjoy exclusive perks, including a luxury transportation fleet for showings and a global VIP client program.

\$500M+ CAREER SALES Team total	\$102M+ ANNUAL SALES VOLUME Team, 2024	17+ AGENTS Multilingual
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◆ #9 MEDIUM TEAM IN NEW YORK CITY BY SALES VOLUME (REALTRENDS VERIFIED)



SCAN TO READ

The Antigua Team ranked #1 in the StreetEasy Experts Program for 2024



SCAN TO READ

Menswear mogul Mortimer Levitt's townhouse listed for \$12.5 million

MY BROKERAGE

Compass

Compass is a real estate technology company and the #1 residential brokerage in the nation by sales volume (RealTrends Verified). Following its acquisition of Anywhere Real Estate, the Compass network brings together more than 300,000 real estate professionals, including brands such as Corcoran, Coldwell Banker and Sotheby's International Realty. For our clients, that means a deeper buyer pool, earlier access to off-market and pre-market inventory, and technology that turns market data into better decisions.

#1 BROKERAGE IN THE U.S. By sales volume	300,000+ PROFESSIONALS Across the network	Private EXCLUSIVES Pre-market access
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Small Landlords: Which Rules Apply

New York City has some of the most detailed landlord-tenant rules in the country, and many of them depend on what you own: the type of property, how many units are in the building, how many units you own in total and whether you live there. Before you list, it helps to know which category you fall into.

RENT STABILIZATION

Rent stabilization generally applies to buildings with six or more apartments built before 1974. A condo or co-op apartment you own, a townhouse or a 2 to 5 family house is usually a free-market rental, so you set the rent and the lease term. If a building was ever larger or received a tax benefit such as 421-a or J-51, confirm its registration history with DHCR first.

GOOD CAUSE EVICTION

The Good Cause Eviction law limits rent increases and requires a legal reason to end a tenancy in many market-rate apartments. It does not cover:

- ◆ Condo and co-op units
- ◆ Landlords who own 10 or fewer units in New York State, counted across everything you own, including through an LLC
- ◆ Buildings with 10 or fewer units where the owner lives
- ◆ Rents above 245% of the area's fair market rent, and buildings built after 2009

UNIT COUNTS THAT CHANGE YOUR OBLIGATIONS

- ◆ **1 or 2 family house you do not live in:** annual HPD registration, plus lead paint testing if built before 1960
- ◆ **3 or more units (a "multiple dwelling"):** HPD registration, annual window guard and lead paint notices, bed bug filings, indoor allergen inspections and stove knob cover notices
- ◆ **6 or more units in a building:** security deposits must be held in an interest-bearing account
- ◆ **Owner-occupied 2 family house:** narrow exemptions from the Fair Chance Housing Act and, if the unit is not publicly advertised, from the voucher rules

EXEMPT STILL MEANS NOTICE

Even when Good Cause Eviction does not cover your unit, include the official Good Cause Eviction notice (Real Property Law § 231-c) with new and renewal leases, marking the exemption that applies. If you ever rely on the small landlord exemption in court, you must disclose every unit you own and, for an LLC, the people behind it.

Before You List

CHECK YOUR BUILDING'S RULES

- ◆ **Condo:** read the bylaws and leasing rules for minimum lease terms, the application package, move-in fees and deposits. Most condos have a right of first refusal on leases that is routinely waived, but the waiver takes time
- ◆ **Co-op:** subletting requires board approval and is often limited, for example to two years out of every five, after you have lived there for a set period. Many co-ops charge a sublet fee, often a percentage of the monthly maintenance
- ◆ **Townhouse or 2 to 5 family:** rent only the units the certificate of occupancy allows. An illegal basement or cellar apartment creates fines, insurance gaps and the risk that you cannot collect rent

REGISTER, TEST AND EQUIP

- ◆ **HPD registration:** required every year for buildings with 3 or more units and for 1 or 2 family houses the owner does not live in. The fee is \$13 and registration is due by September 1. Without it, you cannot bring a case for unpaid rent
- ◆ **Lead paint:** buildings built before 1960 are presumed to contain lead paint. Rental units, including rented condos and co-ops, needed an XRF lead test by a certified inspector, and door and window friction surfaces that test positive must be fixed at every turnover. Buildings built before 1978 also need the federal lead disclosure
- ◆ **Smoke and carbon monoxide detectors:** install working detectors before move-in and keep a record that they were tested

TAXES AND ABATEMENTS CHANGE WHEN YOU RENT

- ◆ **Co-op and condo abatement:** the abatement is only for owners who live in the unit. Once it becomes a rental, it no longer qualifies, and your tax bill rises
- ◆ **NYC second-home surcharge:** a home that is not anyone's primary residence can be subject to the new surcharge. A genuine, arm's-length lease of at least one year to a tenant who lives there is one of the ways to qualify for an exemption. See my [NYC Pied-à-Terre Tax 2026](#) page

INSURANCE

Switch to a landlord policy before the tenant moves in. Condo owners need an HO-6 policy written for a rented unit, with loss assessment coverage; owners of houses need a dwelling policy that covers rental use. An umbrella policy adds liability protection at a low cost. Ask tenants to carry renter's insurance, and keep a copy of their policy on file.

PREPARE THE APARTMENT

- ◆ Allow enough time for repairs before the next tenant moves in, and agree in writing on any work you will do after the lease is signed
- ◆ Deliver the apartment broom-clean with working appliances and HVAC. Tenants expect fresh paint and a thorough cleaning
- ◆ Paint in white and repaint whole walls rather than touching up, since touch-ups older than a few months show. Tenants can choose other colors if they restore white when they leave
- ◆ Choose lighter flooring and durable finishes; delicate high-tech fixtures cost more to maintain than they add in rent
- ◆ Photograph every room before move-in

Pricing and Marketing Your Rental

Price from recently leased comparables, not from asking rents. Your unit competes with every similar apartment listed the same week, and renters compare price, light, layout, laundry, outdoor space and building amenities in minutes. Demand is strongest from late spring through summer, so a lease that ends in that window is easier to fill.

THE MATH ON OVERPRICING

Listing a \$5,000 apartment at \$5,200 and losing one extra month to vacancy brings in \$57,200 for the year instead of \$60,000. Each vacant month costs roughly 8.3% of the annual rent, so pricing to lease quickly usually wins.

MARKETING THAT LEASES

- ◆ Professional photos and an accurate floor plan, with copy that states what renters search for: laundry, outdoor space, pets, doorman, move-in date
- ◆ Wide syndication across StreetEasy and the major rental sites, plus the Compass agent network
- ◆ Flexible showings, quick responses to inquiries and a clear application process

THE FARE ACT AND FEES

Under the FARE Act, when a landlord hires a broker to list an apartment, the landlord pays that broker. Your broker cannot charge the tenant, and you are responsible if they do. Every listing must clearly disclose any fees a tenant will pay, and before the lease is signed the tenant must sign an itemized written disclosure of those fees. Keep the signed copy for three years. A tenant can still hire and pay their own broker.

Screening Tenants

New York law favors tenants once they move in, so careful screening protects you more than any lease clause. These are the standards I use with landlords:

- ◆ **Income:** annual income of at least 40 times the monthly rent
- ◆ **Credit:** a credit score of 700 or higher
- ◆ **Guarantor:** if needed, annual income of at least 80 times the monthly rent and a credit score of 700 or higher
- ◆ **Company leases:** if the tenant is an LLC or corporation, a qualifying individual signs as guarantor

DOCUMENTS TO COLLECT

- ◆ Two recent bank statements
- ◆ Tax returns for the past two years
- ◆ An employment letter confirming salary
- ◆ Government-issued ID

RUNNING THE CHECKS

Run credit and background checks yourself, through a reputable screening service. You may charge the lesser of the actual cost or \$20, must give the applicant a copy, and must waive the fee if they provide a report from the past 30 days. You cannot charge any other application fee. Third-party guarantor programs such as Insurent and TheGuarantors can help, but read their coverage limits and claim rules before relying on them. Do not rely on a condo or co-op board approval as your screening; the board's interests are not the same as yours.

FAIR HOUSING RULES THAT TRIP UP SMALL LANDLORDS

- ◆ **Vouchers:** refusing Section 8, CityFHEPS or other lawful sources of income is illegal in New York City. For voucher holders, you cannot apply an income requirement beyond the tenant's own share of the rent, or require a guarantor. Reply to every inquiry promptly: "Yes, we gladly accept vouchers. When would you like to see the apartment?" The only exception is an owner-occupied 2 family house where the unit is not publicly advertised. HPD lists the voucher types at nyc.gov/hpd
- ◆ **Fair Chance Housing Act:** you may look at criminal history only after you conditionally approve the applicant on everything else, and only within limited lookback periods, followed by a set review process. Owner-occupied 2 family houses are exempt
- ◆ **Housing court history:** you cannot reject an applicant because of a past landlord-tenant case
- ◆ **Consistency:** apply the same written standards to every applicant, and keep notes on why each application was approved or declined

The Lease and Security Deposit

Use a current REBNY-standard lease with riders drafted or reviewed by a real estate attorney. One and two-year terms are the norm. Collect the first month's rent and the security deposit at lease signing, by certified check, bank check or wire.

NOTICES AND RIDERS EVERY LEASE NEEDS

- ◆ **Good Cause Eviction notice**, marking whether the unit is covered or exempt
- ◆ **Flood disclosure**: the unit's flood history, whether it is in a FEMA flood zone, and the required statement that renter's flood insurance is available through FEMA
- ◆ **Lead paint**: the federal lead disclosure for buildings built before 1978, and the NYC lead paint and window guard notice for buildings built before 1960 or with 3 or more units
- ◆ **Sprinkler disclosure**: whether the building has a working sprinkler system
- ◆ **FARE Act fee disclosure**, signed by the tenant before the lease
- ◆ **Multiple dwellings (3 or more units)**: bed bug history, indoor allergen notice and stove knob cover notice
- ◆ **Fair Chance Housing notice**, if you run a criminal background check

SECURITY DEPOSIT RULES

- ◆ The deposit, plus any rent paid in advance, cannot exceed one month's rent. A pet deposit or last month's rent counts toward that limit
- ◆ Keep the deposit in a New York bank account separate from your own money, and tell the tenant where it is held. In buildings with 6 or more units, the account must earn interest for the tenant
- ◆ Offer a move-in inspection with the tenant and sign a written record of the apartment's condition, with photos
- ◆ Within 14 days after move-out, return the deposit with an itemized statement of any deductions. Miss the deadline and you lose the right to keep any of it
- ◆ Deductions cannot cover normal wear and tear

During the Tenancy

REPAIRS AND SERVICES

Every lease includes a warranty of habitability. Respond to repair requests promptly, and keep a plan, and a list of trusted contractors, for both routine and emergency repairs.

- ◆ **Heat season, October 1 to May 31**: at least 68°F indoors from 6 a.m. to 10 p.m. when it is below 55°F outside, and at least 62°F overnight
- ◆ **Hot water**: at least 120°F, every day of the year
- ◆ **Access**: enter for repairs and inspections at reasonable hours with reasonable notice; in an emergency, such as a leak or gas smell, you may enter without notice

RENT AND LATE PAYMENTS

- ◆ Give a receipt for rent paid in cash or by money order, and keep records for three years
- ◆ If rent has not arrived five days after the due date, send the tenant a written notice by certified mail
- ◆ A late fee can be charged only after five days and is capped at the lesser of \$50 or 5% of the monthly rent
- ◆ Before any case for unpaid rent, serve a written 14-day rent demand
- ◆ Never retaliate against a tenant who complains or reports a condition; an eviction within a year of a good-faith complaint is presumed retaliatory

ANNUAL OBLIGATIONS FOR BUILDINGS WITH 3 OR MORE UNITS

- ◆ Window guard and lead paint notice to tenants by January 16
- ◆ Bed bug report filed with HPD each December and shared with tenants
- ◆ Indoor allergen inspections for mice, roaches and mold, and a stove knob cover notice

Renewals, Rent Increases and Move-Outs

Decide on renewals early. If you will raise the rent by 5% or more, or will not renew, you must give written notice based on how long the tenant has lived there:

NOTICE FOR A 5%+ INCREASE OR NON-RENEWAL

Tenant for less than 1 year	30 days
Tenant for 1 to 2 years	60 days
Tenant for more than 2 years	90 days

IF GOOD CAUSE EVICTION COVERS THE UNIT

Reasonable rent increase	The lower of 5% plus inflation, or 10%
Ending the tenancy	Only for a legal reason, such as unpaid rent, a lease violation or owner use

If the notice goes out late, the current lease effectively continues until the full notice period has passed. A good tenant who renews at a fair rent usually beats a vacancy, a broker fee and a turnover.

WHEN A TENANT BREAKS THE LEASE

You must make a good-faith effort to re-rent the apartment at fair market rent or the current rent, whichever is lower. Advertising it at a higher rent breaches that duty, and once a new tenant signs, the departing tenant owes nothing further. Agree in writing on what the outgoing tenant will cover, such as rent until a replacement moves in, before they leave.

MOVE-OUT

- ◆ The tenant can ask for a pre-move-out inspection; list any issues so they have the chance to fix them
- ◆ Photograph the apartment at move-out and compare it with the move-in record
- ◆ Return the deposit and itemized statement within 14 days

Condos, Co-ops and Townhouses

CONDO RENTALS

Condo applications usually take 20 to 30 days. Tenants typically pay the board application, credit check and move-in fees, but tell them early that the lease start depends on board approval. Renewals are usually a short form, and a professional, responsive relationship with the managing agent keeps every step moving.

CO-OP SUBLETS

Co-op sublets take longer, often with a board interview, and the board can limit or refuse renewals. Your sublease is subordinate to your proprietary lease, so the board can act against a subtenant who breaks the house rules. Read the sublet policy before you promise a tenant a start date or a second year.

TOWNHOUSES AND 2 TO 5 FAMILY HOUSES

- ◆ Spell out in the lease which tasks belong to the tenant, such as snow removal from their entrance, garbage and recycling or yard care
- ◆ Put utilities in the tenant's name wherever units are separately metered
- ◆ Keep the boiler, roof and plumbing on a maintenance schedule; in buildings with 3 or more units, gas piping must be inspected by a licensed plumber every four years

What a Rental Really Nets

An illustrative one-bedroom condo worth \$1,000,000, leased at \$5,000 per month. The tenant pays electricity; the owner pays common charges, real estate taxes (without the abatement), insurance, repairs and leasing costs.

Annual Operating Statement

Illustrative year-one figures, before any mortgage payment or income tax.

	ANNUAL	MONTHLY
Gross rent	\$60,000	\$5,000
Vacancy and turnover (roughly 2 weeks per year)	-\$2,400	-\$200
Leasing fee (one month's rent every 2 years)	-\$2,500	-\$208
Common charges	-\$12,000	-\$1,000
Real estate taxes	-\$10,200	-\$850
Landlord insurance	-\$960	-\$80
Repairs and painting reserve	-\$1,800	-\$150
Net operating income	\$30,140	\$2,512
Yield on a \$1,000,000 value	3.0%	

Most of the long-term return on a New York rental comes from principal paydown and appreciation, so the decision to rent or sell deserves its own analysis. I can run yours with your actual charges, taxes and mortgage.

Taxes to Plan With Your CPA

- ◆ **Reporting:** rental income and expenses are reported on Schedule E, and net rental income is subject to federal, New York State and, for city residents, New York City income tax
- ◆ **Deductions:** mortgage interest, real estate taxes, common charges or the deductible part of co-op maintenance, insurance, repairs, leasing fees and management costs. A leasing fee you pay is generally deducted over the lease term
- ◆ **Depreciation:** the building portion of residential rental property, not the land, is generally depreciated over 27.5 years; co-op owners depreciate their share of the building
- ◆ **Rental losses:** if you actively manage the rental, up to \$25,000 of losses can offset other income, phasing out between \$100,000 and \$150,000 of modified adjusted gross income
- ◆ **When you sell:** depreciation taken is recaptured, and a former residence may lose part of the home sale exclusion. A 1031 exchange can defer gains if you buy another investment property



NYC REAL ESTATE CALCULATOR

Run Your Rental Numbers

Scan to open my NYC Real Estate Calculator. The Investment Returns tab works for a single rental unit or a small building, calculating net operating income, cap rate, cash flow, cash-on-cash return, debt coverage and year-one total return.

[MATTBEZCI.COM/NYC-REAL-ESTATE-CALCULATOR](https://mattbezci.com/nyc-real-estate-calculator)

HOW I HELP

Landlord Representation by Matt Bezci

Pricing, marketing and tenant placement for owners of condos, co-ops, townhouses and small buildings.

I have generated over \$6 million in rental income for landlords across New York City. With a background in civil engineering and a focus on analysis, I price units on evidence, market them widely and screen every applicant carefully, so you get a qualified tenant quickly and a lease that protects you.

1 Rental Pricing

A pricing analysis built on recently leased comparables, with a strategy to minimize vacancy.

3 Marketing & Showings

Professional media, wide syndication and flexible showings, with FARE Act disclosures handled.

5 Board Packages

Complete condo and co-op applications, coordinated with the managing agent and board.

7 Renewals & Turnover

Renewal pricing, notice timing and turnover planning so the unit never sits empty for long.

2 Preparation

A pre-listing walkthrough with a list of repairs, paint and finishes that help the unit lease faster.

4 Tenant Screening

Income, credit, employment and reference checks applied consistently and within fair housing law.

6 Lease Coordination

REBNY lease, required riders and notices, deposit and first month's rent collected at signing.

8 Rent or Sell Analysis

A clear comparison of holding as a rental versus selling, using your real numbers.

VETTED PROFESSIONALS

Trusted Partners



SCAN TO VIEW

Online reviews of each trusted partner
(text 212.810.6161 for the guest password)



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www.mattbezci.com: guides, tools and more

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