

Renter's Guide

Renting a space in New York City is always exciting, however, it may seem daunting: with so many apartments, little availability, and high competition, preparation is key. Regardless of whether this is your first time renting or not, this guide will lay out the ins and outs of the rental process and answer your questions.

Which Neighborhood is Right for Me?

Manhattan is pieced together by unique, vibrant neighborhoods, all of which have something different to offer. Determine what exactly it is you are looking for in a new location: an easy commute to work? A quiet, family-friendly neighborhood? A place with a great night life? Begin your preparation by doing some research into different neighborhoods to figure out what is right for you.

When Should I Get Started?

The first step is to find out when you want to move. Whether you need to be moved in by a certain date for a new job or you need to be out of your current lease, determine your prime move in date. The best time to look for apartments 30-45 days before moving into your new home. Vacant apartments are available right away and occupied apartments are usually listed 30-45 days *prior* to becoming vacant. If you leave the search to late, some listings may become unavailable.

How Should I Budget This?

The next step is to decide on a budget. Generally, many New Yorkers aim to spend around 25-35% of their gross annual income on rent. That is, if you earn \$100,000 a year you may spend around \$35,000 on rent, or about \$3,000 a month. Landlords typically expect prospective tenants to make 40-50 times the rent and have a good credit score.

How do I Find a Representative?

An important step in the renting process is finding a knowledgeable representative who can guide you through the process and any hurdles that may arise. There are thousands of apartments in Manhattan, however, there are very few vacancies. A real estate professional can access many properties you may otherwise not know about. Your representative will look over potential spaces according to your needs based on location, size, budget and availability. They will also arrange access to the properties. Once you decide on the perfect home, they will help you secure the apartment. This involves an application process and approval that varies from landlord to landlord. Your representative will help ensure a smooth and effective process in the time that is given.

What Documents Should I Collect?

These following documents for renting an apartment are standard, however, landlords may require additional items. Regardless of where you choose to live, you usually will need:

- Application: Your representative will give you this form once you have found a property. Some landlords have their own application.
- Letter of Employment: This letter should be on company letterhead with a current date. The letter should state job title, length of employment and income. It must be signed by a supervisor or person authorized to verify the information (*please note offer and acceptance letters are usually not sufficient).
- If self-employed, a letter from a Certified Public Accountant on company letterhead verifying nature of the business and income amount for the last 2 years.
- Your 2 most recent pay stubs.
- Tax Returns: Most recent tax returns. You only need the first page and signature page unless you are applying for a condo or coop, in which case you will need the entire tax return for the board package.
- Bank Statements: 2 most recent statements with your name on the statement.
- Bank Account #'s: Often required on application forms.
- Landlord Reference Letters: This is not always required but can help in the process. If you are unable to obtain a letter, have a contact name, phone number and address readily available.

- Additional sources of income: If you receive income from other sources you will be required to verify the income through appropriate paperwork. In addition, if you are expecting a significant bonus, you will need documentation available stating the amount.
- Credit report: A credit check will be run by your representative or by the landlord or management company. Credit reports obtained on your own are typically not accepted. Credit history and rating is a significant part of the decision process for a landlord or management company. Let your representative know in advance if you have credit issues so you can discuss options.

What is Guarantor?

A guarantor is an individual who is financially qualified and willing to cosign a lease on your behalf. They are responsible for all terms of the lease. A guarantor is a viable option in the event that you do not meet the financial or credit requirements of the lease. Most landlords require the guarantor to live in the tri-state area (New York, New Jersey and Connecticut) although there are exceptions. Landlords typically require that guarantors earn a gross income between 75-100 times the monthly rent. For example, if you are renting an apartment that is \$3,000/ month, the guarantor will need to make \$225,000 per year. They will also be required to produce the same paperwork as a potential tenant. If you think you need a guarantor, it is important to notify them in advance. Confirm with them that they are willing to sign as a guarantor and disclose their financial information along with the documents necessary to secure a lease.

What's the Application Process?

Once you have found the right apartment, your representative will help you go through the application process. The first step is to fill out the landlord's application. Your representative will inform you of the paperwork required for a specific owner to move forward. During this time, you will also be required to pay credit check fees and applications fees. Once all of the appropriate paperwork is complete, your representative will present your information to the landlord and oversee the approval process including any negotiations. This is a fast-paced process, so it is important to be prepared.

If you are renting in a cooperative (coop) or condominium (condo) you will need to prepare a board package. Please note that unlike typical apartments, coop's can take 30 days or longer and condos can take several weeks for the waiver of first right of refusal. Speak to your representative about the coop and condo approval process and the specific requirements.

Sign Your Lease, Get a Mover

Upon application approval, a lease signing will be scheduled. All funds will be required in the form of certified checks. Your representative will advise you on the appropriate fee amounts which, where applicable, typically include the first month's rent, a security deposit (i.e. one month's rent or more) and the broker's fee, all due at the lease signing.