The following handouts were provided by Marc Karavasian, Licensed Real Estate Agent.

Please note that The Cooper Union does not prefer or endorse this or any real estate agency.
BASIC TYPES OF RENTALS

New Apartment Buildings
- modern / more amenities
- good layouts - open kitchens
- tend to be expensive
- all utilities except electric are typically included in rent
- usually managed by a corporation

Pre-war Apartment Buildings
- less-renovated
- fewer amenities
- sometimes awkward layouts
- cheaper-to-moderate rents
- all utilities except electric are typically included in rent
- usually managed by a corporation

Townhouse rentals
- level of modernization varies
- amenitization varies
- owner-occupied and managed
- floor-throughs / sometimes railroaded layouts
- cheaper to moderate rents
- utilities included in rent are variable
- some potential to avoid yearly increases

Co-op / Condo Sublets
- tend to be more modern / decently renovated
- usually nicely amenitized
- can be in townhouses or apartment buildings
- usually managed by the unit owner
- moderate to expensive rents
- potential to avoid yearly increases
- you typically pay for all utilities in condo sublets
- can have *limited term* (particularly in co-ops)
1 - Composition and pricing of rental stock in select neighborhoods of Brooklyn and Manhattan (refer to rental pricing handout and types-of-rentals handout)

2 - What to look for in potential landlords.
   - Stewardship of the property
   - If possible, find out who owns the building and look them up online
   - Always assume that an apartment will be delivered in the exact condition in which you viewed it. Ask the landlord to add a lease rider stating that any cleanup or repairs you’d need will occur prior to your move-in. Good landlords will not be afraid to put this in writing.

3 - What questions to ask about a rental. (see handout)
   - Which utilities are included
   - Who maintains? Porter? Super on site?
   - Extra charge for building amenities?
   - Landlord responsive to issues?
   - What is due up front?
   - Are there broker fees, and if so how much?
   - Is it pet friendly (if applicable?)

4 - NYC rental market life-cycle
   - Peak times to find rentals in Brooklyn: April-July / September-October
   - Rentals generally listed 1 month before they will be available, so the market moves quickly. Start looking at least 6 weeks before intended lease date.
   - Be prepared with all of the paperwork you might need, as if you see something you want you should be prepared to act quickly. Might be smart to keep several copies handy / keep a Google Drive or Dropbox folder with updated docs where you can share the link.

5 - Rental Paperwork Requirements (refer to rental requirements handout)
   Remember that you are “telling a story” - you need to supply sufficient information to corroborate your story.
   - Income (letters of employment/paystubs/taxes)
   - Assets (bank and investment statements)
   - Stability (landlord references/taxes)
   All of these are generally expected from guarantors as well, and income requirements are higher for guarantors (80x rent or more).
   There are companies such as Insurent which can act as a guarantor for you
6 - Rental Fees
Agents will typically charge a fee of 12-15% of the annual rent, as well as a credit check fee which can range from $25 to as much as $150. (Elliman charges $35). Agents MAY NOT charge an application fee.
With condo/co-op sublets, there can be application fees which vary widely, as well as move in-move out fees.

7 - How and when to negotiate with landlords / closing the deal.
• Age of the listing (is it “dying on the vine”?)
• Pricing (is it clearly overpriced?)
• Desirability (is the first open house / showing mobbed?)

8 - Working with a renter’s agent - advantages and drawbacks.
PROS:
• Knows market and can help you negotiate - they represent your interests, not the landlord’s interests.
• Can do the work of contacting agents and setting schedules for showings.
• Will help you put applications together and show you how to portray yourself in the best possible light.

CONS:
• Can have limited access to listings (some agents won’t co-broke commissions, and also they can’t get you access to for-rent-by-owner properties.)
• Can cost you a bit more (agents will not negotiate fees with other agents unless the listing is not renting quickly.)

REMEMBER: Agents can be a great resource, but they are prohibited by law to talk about the following:
• Safety of a neighborhood
• The demographic makeup of a building or neighborhood
Both of these can lead to steering, which violates civil rights laws.
You should explore a neighborhood with friends both in daylight and at nighttime to decide if it is right for you. Look up neighborhood crime statistics at nyc.gov.
And you can “case” a building to get an idea of who lives there. Talk to people in the building - this is the best way to learn about the people who live there.
9 - The best rental search engines / websites to use, and why.

StreetEasy (mostly exclusive agency listings <or> apartments listed by owner)
Naked Apartments (all agent-represented listings)

Would avoid Trulia, Zillow, craigslist
  - not kept up to date
  - red-herrings

10 - Using craigslist is a poor way to find an apartment for rent (but is sometimes ok for finding a room to share); and, if one is to insist on using craigslist, pitfalls to avoid:
  • Hidden fees
  • Bait and Switch
  • “clandestine” meetings / shady agents

11 - Apartment Search DON’TS
  - Never get into a car with someone you just met
  - Never give cash without a receipt
  - Never agree to a non-refundable deposit
  - Never agree to pay an agent in advance of a deal being made / lease signing
  - Agents are NOT allowed to charge application fees / * NOTE: landlords and management companies may legally do so
  - You may redact parts of account numbers when disclosing information.

12 - Rent vs. buy equation; when it makes more sense to make an investment in NYC real estate and build equity. (refer to handout)

Some of you may be in a position where you have either
  • saved some money
  • have access to either a gift or a loan from family
  • trust funds which can be used for a qualified home purchase
QUESTIONS TO ASK ABOUT RENTALS

1 - Who maintains the property? Porter or super on site?

2 - Which utilities are included in the rent?

3 - Do the building amenities come at an additional charge?

4 - Is the landlord responsive to maintenance issues?

5 - How much is due up front? (eg. first month, last month, security deposit)

6 - Are there broker fees? If so, how much?

7 - Is the building pet friendly? (if applicable)

*If it is represented to you that any improvements are to be made on a rental property prior to the date on which you take possession, make sure that these are included in the lease rider. You should always assume that an apartment will be delivered in the same condition in which you first viewed it unless you have it stated otherwise in writing.

Any utilities or building amenities which you’re told are included in the rent should also be documented in your lease. If it is not in writing, it is not included with your rental.

You should also inspect an apartment immediately upon taking possession and document / take photos of any significant defects, and report them immediately in writing to the landlord. This is to avoid being held responsible at the end of the lease term.
<table>
<thead>
<tr>
<th>SCENARIO #1</th>
<th>OPTION A</th>
<th>OPTION B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartment Price = $400,000</td>
<td>Downpayment = 25% - $100,000</td>
<td>Interest Rate = 3.00% for 5 or 7 year ARM</td>
</tr>
<tr>
<td>(Studio or small 1BR)</td>
<td>Interest Rate = 4.25% for 30 year loan</td>
<td>Monthly Payment = $1,475</td>
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<tr>
<td></td>
<td>Monthly Payment = $1,250</td>
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<th>SCENARIO #2</th>
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<tbody>
<tr>
<td>Apartment Price = $600,000</td>
<td>Downpayment = 25% - $150,000</td>
<td>Interest Rate = 3.00% for 5 or 7 year ARM</td>
</tr>
<tr>
<td>(Large 1BR)</td>
<td>Interest Rate = 4.25% for 30 year loan</td>
<td>Monthly Payment = $1,900</td>
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<td>Monthly Payment = $2,200</td>
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<tr>
<th>SCENARIO #3</th>
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<tbody>
<tr>
<td>Apartment Price = $800,000</td>
<td>Downpayment = 25% - $200,000</td>
<td>Interest Rate = 3.00% for 5 or 7 year ARM</td>
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<tr>
<td>(2BR)</td>
<td>Interest Rate = 4.25% for 30 year loan</td>
<td>Monthly Payment = $2,950</td>
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<td>Monthly Payment = $2,530</td>
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*Consult a mortgage broker to discuss current rates and determine your eligibility for a home loan. Rates shown here are for example only.*
### Average Rental Prices in Select Neighborhoods

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Studio / 1 Bedroom</th>
<th>2 Bedroom</th>
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</thead>
<tbody>
<tr>
<td><strong>MANHATTAN</strong></td>
<td></td>
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</tr>
<tr>
<td>East Village</td>
<td>$2,150.00</td>
<td>$4,600.00</td>
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<tr>
<td>(1600 - 2,700)</td>
<td>($2,400 - $9,000)</td>
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</tr>
<tr>
<td>Lower East Side</td>
<td>$2,400.00</td>
<td>$3,500.00</td>
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<tr>
<td>(1,700 - 4,000)</td>
<td>($2,200 - $7,000)</td>
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<tr>
<td>Alphabet City</td>
<td>$2,200.00</td>
<td>$3,100.00</td>
</tr>
<tr>
<td>(1,600 - 3,000)</td>
<td>($2,200 - $4,000)</td>
<td></td>
</tr>
<tr>
<td>Harlem</td>
<td>$1,600.00</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>(B, C, 2, 3 trains)</td>
<td>($1,200 - $1,800)</td>
<td>($1,550 - $2,500)</td>
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<tr>
<td><strong>BROOKLYN</strong></td>
<td></td>
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<tr>
<td>Williamsburg / Greenpoint</td>
<td>$2,000.00</td>
<td>$2,500.00</td>
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<tr>
<td>(L train)</td>
<td>($1,500 - $3,000)</td>
<td>($1,800 - $2,900)</td>
</tr>
<tr>
<td>Bushwick</td>
<td>$1,800.00</td>
<td>$2,150.00</td>
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<tr>
<td>(L train)</td>
<td>($1,250 - $2,500)</td>
<td>($1,600 - $2,800)</td>
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<tr>
<td>Bedford Stuyvesant</td>
<td>$1,600.00</td>
<td>$1,850.00</td>
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<tr>
<td>(L, G, A/C trains)</td>
<td>($1,000 - $1,800)</td>
<td>($1,300 - $2,100)</td>
</tr>
<tr>
<td>Crown Heights</td>
<td>$1,500.00</td>
<td>$2,000.00</td>
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<tr>
<td>(A/C, 2/3 trains)</td>
<td>($1,100 - $1,900)</td>
<td>($1,500 - $2,500)</td>
</tr>
<tr>
<td>Fort Greene / Clinton Hill</td>
<td>$2,100.00</td>
<td>$2,800.00</td>
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<tr>
<td>(A/C, G, N/R trains)</td>
<td>($1,300 - $2,600)</td>
<td>($2,000 - $3,500)</td>
</tr>
<tr>
<td>Park Slope</td>
<td>$2,100.00</td>
<td>$2,750.00</td>
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<tr>
<td>(A/C, 2/3, 4/5, N/R, F trains)</td>
<td>($1,300 - $2,600)</td>
<td>($2,100 - $3,500)</td>
</tr>
<tr>
<td>BO-CO-CA-GO</td>
<td>$2,400.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>(Boerum Hill, Cobble Hill,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carroll Gardens, Gowanus)</td>
<td>($1,400 - $3,000)</td>
<td>($2,100 - $5,400)</td>
</tr>
</tbody>
</table>

Data taken from StreetEasy, as of March 2015
REQUIRED DOCUMENTS FOR RENTALS

The following is a list of documents required from each applicant to apply for a rental apartment:

1. Completed rental application (includes authorization for credit check).
2. Two (2) most recent banking and asset statements.
3. Two (2) most recent tax returns (first two pages only).
4. Three (3) most recent pay stubs (if not self-employed).
5. Letter of employment on company letterhead
   (or accountant’s letter verifying self-employment).
6. Last cancelled rent check (or bank statement showing cancelled check facsimile).
7. Government-issued photo ID (to verify identity for the credit check).

Please note: additional documentation may be requested depending on the landlord’s requirements. A letter of reference from your previous landlord is not always required but is highly recommended. Sufficient liquid assets may substitute for qualifying income on a case-per-case basis.

The following certified checks will be due upon lease signing:

1. First month’s rent.
2. Security deposit.
3. Broker’s commission check.

Some landlords may require additional security and/or last month’s rent as well.