

# CO-LIVING DEFINED AND DISSECTED

What it is. What it isn't.  
How it's good for tenants.  
How it's good for landlords.  
And what its limits are.

Winter 2017

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**Winter 2017**

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**TABLE OF CONTENTS**

I. CO-LIVING DEFINED..... 3

    A. People today, especially younger people (millennials), occupy apartments differently than people did twenty years ago..... 3

    B. Who am I to talk about co-living? ..... 3

    C. Co-Living Defined..... 4

II. WHAT CO-LIVING IS *NOT*..... 5

    A. Co-Living is NOT the Classic Roommate Situation..... 5

    B. Co-Living is NOT SRO Usage ..... 7

    C. Co-Living is NOT Short Term Leasing, Like Airbnb ..... 9

    D. Co-Living is NOT Micro Units..... 11

III. CO-LIVING – A NEW PARADIGM..... 11

IV. CO-LIVING’S LIMITATIONS AND DRAWBACKS ..... 13

    A. Co-Living and Affordable Housing for New Yorkers..... 13

    B. Co-Living Does Not Work in Rent Stabilization..... 14

        1. Rent Stabilization Primer..... 14

        2. Why It Is So Hard To Tell If An Apartment Is Rent Stabilized; Get a clear reading on any apartment’s regulatory status before you devote that unit to co-living..... 15

        3. Why Rent Stabilization and Co-Living Do Not Mix..... 16

V. HOW CAN THE SMALL OWNER OR MANAGER BENEFIT FROM CO-LIVING?... 16



## **I. CO-LIVING DEFINED**

### **A. People today, especially younger people (millennials), occupy apartments differently than people did twenty years ago.**

People today, especially younger people (millennials), occupy apartments differently than people did twenty years ago. I have no citation to an official study to support this introductory section; but I do have extensive anecdotal experience from my landlord and tenant litigation practice in New York City. I represent BOTH landlords and tenants, by the way.

Today, tenants bring more people into apartments with them – including family members, roommates, and subtenants. In some cases, we see married couples living together with other married couples – as roommates. People are “location independent” in their work lives these days and operate businesses from their apartments. Then of course, we have people turning their apartments into beds-and-breakfasts and/or hotel rooms, via Airbnb and other short-term leasing platforms. Then we have “Co-Living”, an exploding phenomena all over the world.

Some of these occupancies are illegal, and some are perfectly legal. To some landlords, all of this activity might seem like “Overcrowding”. The more people in a building, the more stress on the infrastructure, the more garbage, the more noise, the greater the need for maintenance, etc. To tenants these new modalities of occupancy represent more choice in housing in an increasingly expensive marketplace. To the developers and lenders who build the apartment buildings, this changing environment represents more risk and more opportunity.

This area is obviously evolving right before our eyes. When an area is in flux, it creates both peril and opportunity, for all of us.

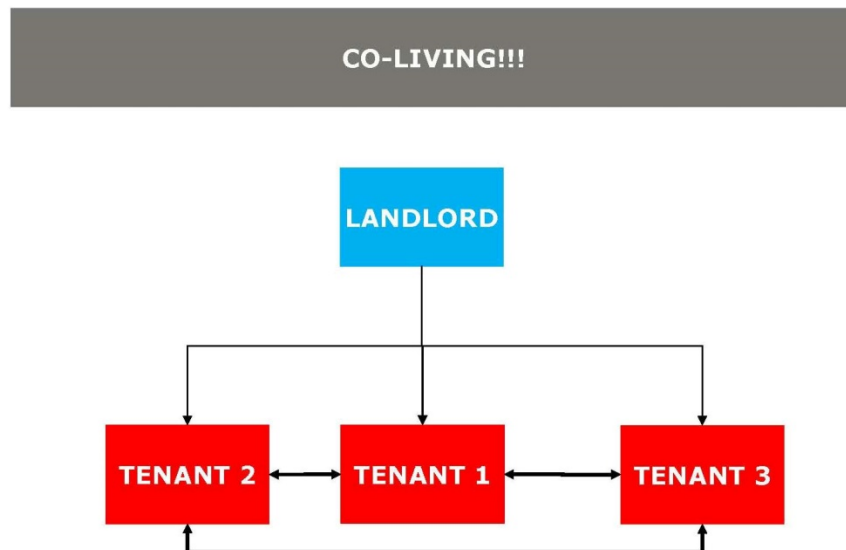
### **B. Who am I to talk about co-living?**

As of this writing, I have about a dozen co-living clients I consult for. Some are big, some are small; some refer to what they are doing as “co-living” and some do not; some are property managers, some are owner-operators, some are neither; some get venture capital, some are self-funded. Some are local and some are in multiple cities. One is international.

### C. Co-Living Defined

I found I needed a working definition of co-living for my practice, and this is what I came up with:

An arrangement by which a landlord rents an apartment to a group of tenants, for at least thirty days, where the tenants occupy and share the apartment as roommates, an arrangement which the landlord consents to and facilitates as an active participant; the tenants have flexible terms, which are often short, and are allowed to vacate the apartment early without liability for the full term of the lease; if a roommate is lost, the landlord assists the remaining tenants with getting a qualified new roommate to take lost roommate's place and gives the remaining tenants rent-relief while doing so; the landlord frequently provides the tenants with other advantages and amenities, including but not limited to furnishings and personal property, services, and thematic programming, such as dinners or lectures on topics of common interest to the roommates; co-living places a big emphasis on the creation of a community within the apartment; the price per square foot for the apartment is often higher than it would be if the same apartment was not rented for co-living. The advantages of co-living for the tenant are affordability, flexibility, convenience, limited liability for bad roommates, and community. The advantage of co-living to a landlord is a higher price per square foot and greater control of the occupants of an apartment.



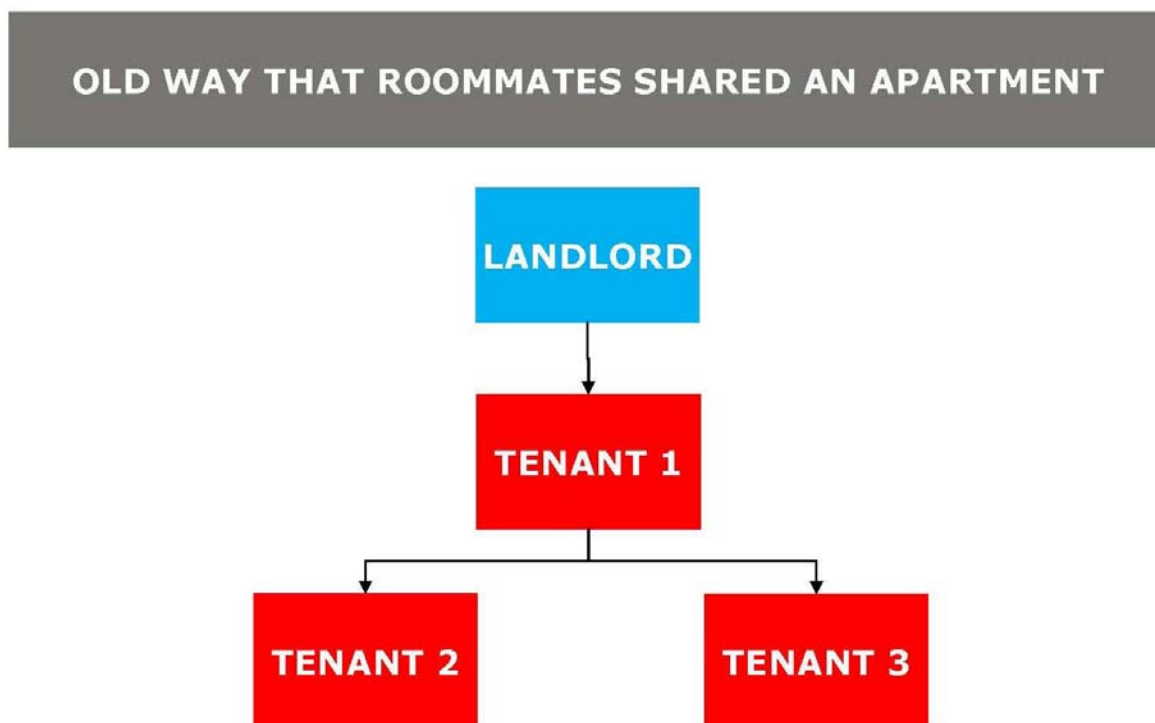
We will go over this chart later! I had space on this page so I stuck it in here too! Great chart right!

## II. WHAT CO-LIVING IS NOT

Next, let us go over in detail how co-living is an extremely different thing from other residential rental paradigms. Sometimes the best way to learn what something is, is to learn what it is not.

### A. Co-Living is NOT the Classic Roommate Situation

First, the below diagram shows the classic roommate situation:



Under this scenario, a tenant decides she wants an apartment that she probably cannot afford on her own. Therefore, she aggregates a group of roommates on Craig's List or using social media. That tenant finds the apartment and becomes the contact person for the group of tenants with the landlord. Maybe the landlord puts only the contact tenant on the lease, or maybe all roommates are on the lease.<sup>1</sup> After the initial renting, the landlord is done.

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<sup>1</sup> Below is part of the interactive informational portion of the residential lease that I drafted for LNY.

#### **Pros and Cons to Think About When Deciding How Many Roommates to Put on the Lease**

If a lease is being utilized for a roommate situation, a landlord may be better off putting the names of all the roommates on the lease, as opposed to making just one occupant the tenant. The more tenants who are on the lease, the more people who are jointly and severally (completely) liable to landlord for the rent. In other words, each tenant is 100% responsible for the rent and other obligations of the lease. Furthermore, if there is more than one tenant, then the tenants are not allowed to have a roommate, which gives landlord better control of the apartment.

If one of the roommates leaves or stops paying rent, then there is tremendous pressure on the remaining roommates to make up the difference. When a landlord calls me up and tells me that one roommate has stopped paying rent, my best practices legal advice is always to sue ALL tenants on the lease, because they are all jointly and severally liable. This makes the nonpayment proceeding more expensive for the landlord, because there are more people to serve with the predicate notice and the nonpayment proceeding. This is a very stressful and burdensome situation for the tenants who paid their share of the rent. Now their names are in the Housing Court records even though they paid their share of the rent.

If there is only one tenant on the lease, this is all the more burdensome for that tenant. Also consider the plight of the guarantor of the single tenant. I have often gotten calls from parents who guaranteed a lease for an adult child in New York City. That guarantor can find themselves pursued for tens of thousands of dollars.

None of this is ideal for the landlord, who just wants the rent, not a Housing Court proceeding or a Guarantor Action.

Furthermore, the classic roommate situation is fraught with other difficulties. If Tenant 1 bought the coffee maker and then leaves and takes it with him, gone is the coffee maker. Tenant-roommates in the classic scenario have to divide responsibility for buying items used by all, like toilet paper.

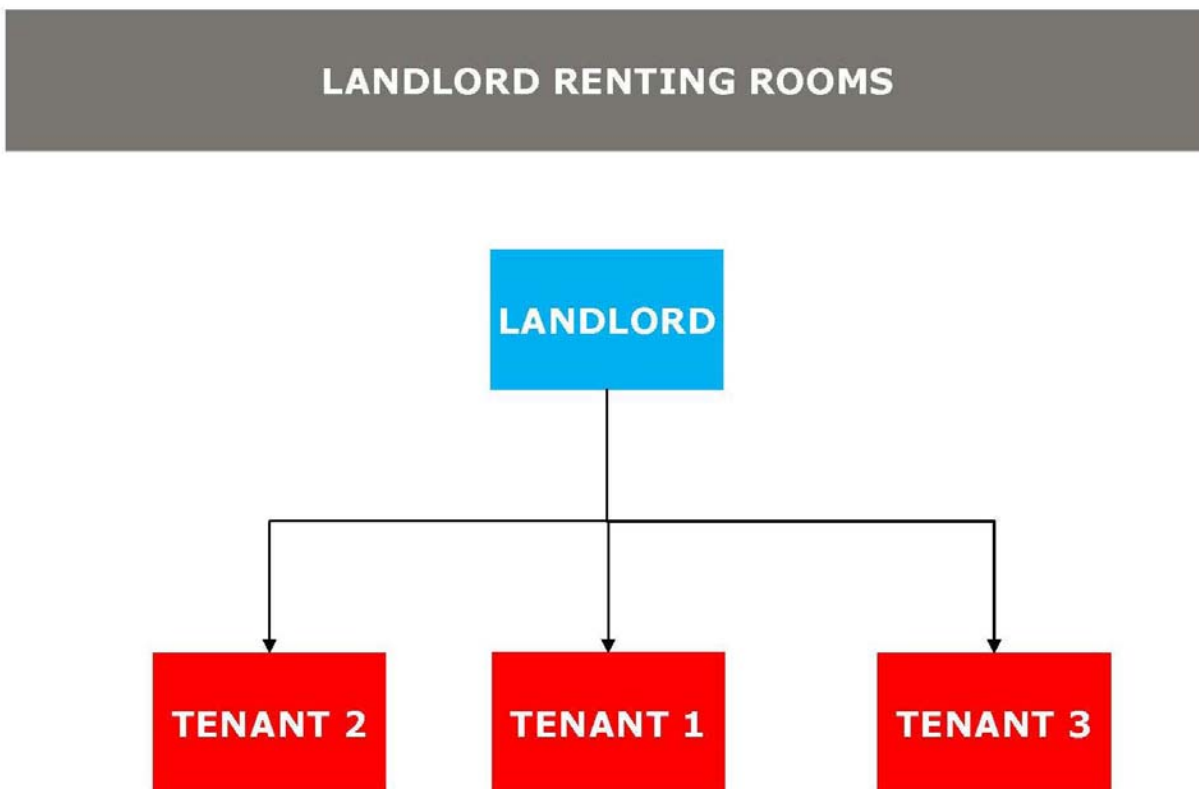
Moreover, the classic roommate situation does little in terms of creating community for people who are looking for that as part of a roommate experience.

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The downside of putting all roommates on as tenants, however, is that there are more people who will need to be properly served with a predicate rent demand or notice to cure lease default, if litigation ensues. Furthermore, if the apartment is (or is eventually determined to be) Rent Stabilized, then all tenants on the lease have Rent Stabilized status.

**B. Co-Living is NOT SRO Usage**

Next, the below diagram shows a Single Room Occupancy use (“SRO use”):



In this scenario, a landlord goes out and rents rooms within an apartment directly to individual tenants, people who have nothing to do with one another, although they may share a bathroom and a kitchen. The landlord uses separate leases for each room and each tenant, with separate prices and terms. There are most likely locks on the outside of the individual bedroom doors, as if each bedroom door is the threshold to a separate living unit.

A landlord may not, however, rent rooms in regular apartments. Multiple Dwelling Law (“MDL”) § 4(16) states:

“Single room occupancy” is the occupancy by one or two persons of a single room, or of two or more rooms which are joined together, separated from all other rooms within an apartment in a multiple dwelling, so that the occupant or occupants thereof reside separately and independently of the other occupant or occupants of the same apartment.

MDL § 301 says that every building will be used in conformity with its certificate of occupancy (“CO”). The CO will state whether a building contains apartments or whether it may



be rented for SRO use. Therefore, MDL § 301 would be violated if an apartment in a regular building was rented for SRO use.

If MDL § 301 is violated, then, according to MDL § 302, the building's mortgage goes into default, no rent is due from the tenants, no law suit for rent may be brought against the tenants, and:

2. The department may cause to be vacated any dwelling or any part thereof which contains a nuisance as defined in section three hundred nine, **or is occupied by more families or persons than permitted in this chapter**, or is erected, altered or occupied contrary to law. Any such dwelling shall not again be occupied until it or its occupancy, as the case may be, has been made to conform to law. [Emphasis supplied.]<sup>2</sup>

The New York City Housing Maintenance Code ("HMC") applies to all dwellings.<sup>3</sup> There is a similar definition of an SRO (to that in the MDL) in the HMC, which calls an SRO unit a "Rooming Unit" at § 27-2004(a)(15) and states:

Rooming unit shall mean one or more living rooms arranged to be occupied as a unit separate from all other living rooms, and which does not have both lawful sanitary facilities and lawful cooking facilities for the exclusive use of the family residing in such unit. It may be located either within an apartment or within any class A or class B multiple dwelling.

Under HMC § 27-2004(14), an "*Apartment shall mean one or more living rooms, arranged to be occupied as a unit separate from all other rooms within a dwelling, with lawful sanitary facilities and a lawful kitchen or kitchenette for the exclusive use of the family residing in such unit.*" Under HMC § 27-2004(4), a "*family*" is:

- (a) A single person occupying a dwelling unit and maintaining a common household with not more than two boarders, roomers or lodgers; or
- (b) Two or more persons related by blood, adoption, legal guardianship, marriage or domestic partnership; occupying a dwelling unit and maintaining a common household with not more than two boarders, roomers or lodgers; or
- (c) Not more than three unrelated persons occupying a dwelling unit and maintaining a common household; or....

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<sup>2</sup> In *Association For Neighborhood Rehabilitation, Inc. v. Board of Assessors of Ogdensburg*, 81 A.D.3d 1214 (3<sup>rd</sup> dept. 2011), the court found that "SRO tenants have a single sleeping room, with access to a communal kitchen, bathroom and social area."

<sup>3</sup> N.Y. ADC. LAW § 27-2003.

Here is an example of a recent Environmental Control Board case. The New York City Department of Buildings (“DOB”) issued violation notices to landlord for converting a two-family house to six SRO units [pursuant to Title 28 of the HMC which has to do with construction]. Landlord claimed that she hadn’t changed the building since buying it in 2014. She claimed that she lived on the first floor and landlord’s relatives lived on the second floor. But landlord submitted photographs showing that there were locks on room doors. DOB submitted a number of photographs documenting its claim. The Administrative Law Judge ruled against landlord and fined her \$47,400, which included daily penalties. Landlord appealed and lost. *Zhao*: ECB App. No. 1700674 (8/3/17) [LVT Number: #27928].

### **C. Co-Living is NOT Short Term Leasing (Like Airbnb)**

When a landlord puts her regular apartment building into use as a *defacto* hotel, on short-term leasing platforms, like Airbnb or VRBO, then the structure is much like the structure in the SRO diagram above, with all the same legal problems. If the terms for such renting are under 30 consecutive days, however, then there are additional legal problems.

The statutory prohibition against short-term occupancy is found in the New York State Multiple Dwelling Law (“MDL”), which applies to buildings with three or more units.

MDL § 4(8)(a), the relevant statute, states:

A “class A” multiple dwelling is a multiple dwelling [3 units] that is occupied for permanent residence purposes... **A class A multiple dwelling shall only be used for permanent residence purposes. For the purposes of this definition, “permanent residence purposes” shall consist of occupancy of a dwelling unit by the same natural person or family for thirty consecutive days or more** and a person or family so occupying a dwelling unit shall be referred to herein as the permanent occupants of such dwelling unit. The following uses of a dwelling unit by the permanent occupants thereof shall not be deemed to be inconsistent with the occupancy of such dwelling unit for permanent residence purposes:

(1)(A) occupancy of such dwelling unit for fewer than thirty consecutive days by other natural persons *living within the household of the permanent occupant such as house guests or lawful boarders, roomers or lodgers*; or (B) incidental and occasional occupancy of such dwelling unit for fewer than thirty consecutive days by other natural persons when the permanent occupants are temporarily absent for personal reasons such as vacation or medical treatment, provided that there is no monetary compensation paid to the permanent occupants for such occupancy. [Emphasis supplied.]

At this point, when a landlord calls me about an Airbnb problem in her or his building, my first question is this – am I dealing with real human beings attempting to engage in the “sharing economy” or am I dealing with a *de facto* hotelier, a “professional operator” – someone who rents a whole bunch of apartments, which he or she never lives in, and which he or she continuously illegally short-term sublets.

According to the office of the New York State Attorney General, Eric T. Schneiderman, almost half of Airbnb’s \$1.45 million in 2010 revenue in the city came from hosts who had at least three listings on the site.<sup>4</sup> An analysis of global Airbnb listings in 2014 showed that hosts offering multiple listings made up over 40% of the company’s business.<sup>5</sup> A 2016 report from Penn State researchers for the American Hotel and Lodging Association determined that \$378M of Airbnb’s total revenue—nearly 30%—was generated from “full-time operators” listing rentals year-round.<sup>6</sup>

Dealing with a professional operator is completely different from dealing with a regular person. I had a client recently who discovered that one of his tenants, let’s call him “John”, had rented three apartments in the building, using his wife’s name for one unit and his friend’s name for another. John did not live in any of the three units and all three were continuously rented on Airbnb. The landlord was furious. When he confronted John, John said, “*When the Marshal comes, I will stop. I have a lawyer and have been in this situation before.*” The landlord then made a terrible mistake – (without consulting a lawyer) he hired a security guard to prevent guests of the three units from entering. John took the landlord immediately to court on three illegal lockout proceedings and won. Landlord had to stop blocking access and begin legitimate court cases. **You can never use self-help eviction against a residential tenant in New York City.** You can NOT lock a tenant out of their apartment. In New York State, in the context of a residential lease, a landlord is forbidden from resorting to self-help under any circumstances and can be subject to compensatory, punitive, and treble damages.<sup>7</sup>

Suffice it to say, a professional Airbnb operator is NOT engaged in co-living, even if the pro-operator tries to dress it up that way.

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<sup>4</sup> [http://www.nytimes.com/2014/11/30/magazine/the-business-tycoons-of-airbnb.html?mwrs=Email&\\_r=0](http://www.nytimes.com/2014/11/30/magazine/the-business-tycoons-of-airbnb.html?mwrs=Email&_r=0).

<sup>5</sup> <https://www.fastcompany.com/3043468/the-secrets-of-airbnb-superhosts>.

<sup>6</sup> <https://www.bisnow.com/national/news/hotel/report-professional-operators-make-a-killing-off-airbnb-59859>.

<sup>7</sup> See Real Property Actions and Proceedings Law (“RPAPL”) § 853; *Romanello v. Hirschfeld*, 63 N.Y.2d 613, 615 (1984).

#### **D. Co-Living is NOT Micro Units**

This last section has no law in it, and it contains mostly my opinion, so skip it if you want to.

Co-living is NOT Micro! Micro units, to me, mean that a development has little tiny apartments. Those apartments are not rooms, they have kitchens and baths. To compensate for the tiny apartments, the development will have great building-wide common space amenities. Maybe your kitchen is teeny-tiny, but there is a great barbeque area on the roof, complete with tools and stocked with charcoal. Maybe you have almost no living room, but there are party rooms in the building you can rent, and various decks and lounges available for free. This is all great. But it is not co-living. Micro means you have a small apartment in a great building.

Co-Living has an unmistakable communal aspect to it that the Micro development lacks.

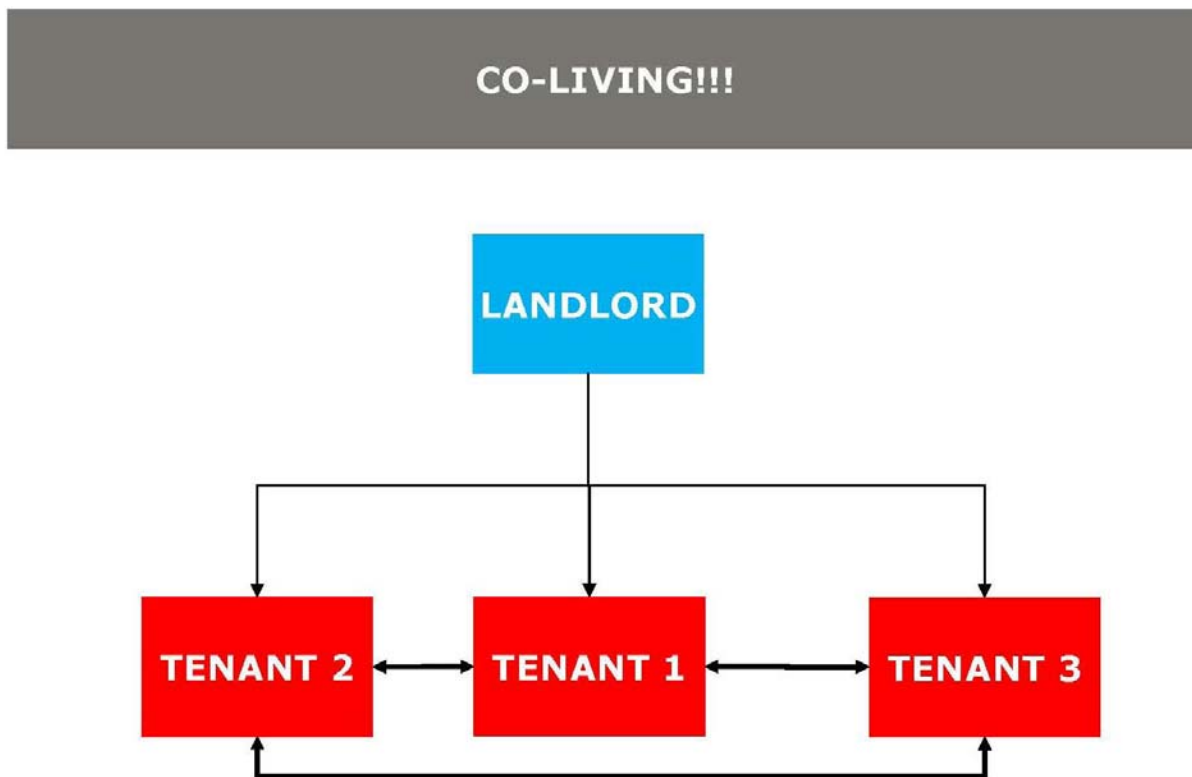
### **III. CO-LIVING – A NEW PARADIGM**

Co-living is different from the above-discussed paradigms. I remind you of my definition:

Co-living is an arrangement by which a landlord rents an apartment to a group of tenants for at least thirty consecutive days, where the tenants occupy and share the apartment as roommates, an arrangement which the landlord consents to and facilitates as an active participant; the tenants have flexible terms, which are often short, and are allowed to vacate the apartment early without liability for the full term of the lease; if a roommate is lost, the landlord assists the remaining tenants with getting a qualified new roommate to take lost roommate's place and gives the remaining tenants rent-relief while doing so; the landlord frequently provides the tenants with other advantages and amenities, including but not limited to furnishings and personal property, services, and thematic programming, such as dinners or lectures on topics of common interest to the roommates; co-living places a big emphasis on the creation of a community within the apartment; the price per square foot for the apartment is often higher than it would be if the same apartment was not rented for co-living. The advantages of co-living for the tenant are affordability, flexibility, convenience, limited liability for bad roommates, and community. The advantage of co-living to a landlord is a higher price per square foot and greater control of the occupants of an apartment.

To start with the easiest difference first, co-living differs from short-term leasing because all terms must be for at least thirty consecutive days. And we already covered why I think co-living differs from micro, because co-living has an unmistakable communal aspect to it that the micro development lacks.

Co-living differs from the classic roommate situation for several reasons. Below is a diagram of a co-living situation:



In a co-living situation, the landlord aggregates the tenants, as opposed to the tenants aggregating the tenants. This makes perfect sense, because a landlord has better powers to discern the suitability of a rental candidate than a tenant. A landlord can do credit and background checks. And a landlord has just as much stake, if not more, in having qualified people in a unit.

Furthermore, the landlord does more than just introduce potential roommates, the landlord also absorbs many of the tasks that tenants formerly took on themselves, for example, furnishing the apartment and providing basic supplies. Again, the landlord is in a better position to use its economies of scale to buy many coffee makers and rolls of toilet tissue, then a tenant is. Continuing upon this line of thought, a landlord is also in a particularly good position to provide all sorts of ancillary services and benefits – from cleaning to programming to discounts at local shops.

In the co-living scenario, the landlord is selling more than just space, the landlord is selling a package of services and an overall experience. This should not require a huge leap in understanding for onlookers familiar with New York City real estate, since a residential lease in New York City is already considered to be more than just a temporary grant of real property, it is

also a contract by landlord for services. Every residential lease, for example, implicitly carries with it a “warranty of habitability” as articulated in New York Real Property Law §235-b.<sup>8</sup>

Moreover, the landlord is also in a better position to absorb the risk of loss in the event that a roommate leaves early.

In all of these ways, the landlord becomes an active participant with the tenants in the deal. The price for the landlord doing more is that the price per square foot for the apartment is often higher than it would be if the same apartment was not rented for co-living.

**Co-living is not SRO Usage. In fact, it is diametrically the opposite of SRO Usage. Co-Living operators are simply not renting rooms.** Co-living operators are not making individual contracts with individual people for individual rooms. Rather, they make one lease for one term with all tenants’ names on it. In co-living, tenants are each renting the entire apartment. They are each jointly and severally liable for the entire rent. Tenants can each move freely throughout the apartment. They can choose their own bedrooms. Co-living spaces do not have locks on the outsides of bedroom doors. Tenants in a co-living modality are selected for their predilection to live communally, and are signing up for co-living because they want to live in a common household, not in isolation from their roommates. The co-living tenant doesn’t set up a microwave or a mini refrigerator in his room. A co-living tenant values community as much as she values any other aspect of the housing situation.

And that’s what I think really sets co-living apart. People of all ages and backgrounds and professions don’t want to feel isolated and alone in a city that is getting harder and scarier to live in all the time. Co-living helps with that.

Yet, to be fair, we must discuss co-living’s drawbacks.

#### **IV. CO-LIVING’S LIMITATIONS AND DRAWBACKS**

##### **A. Co-Living and Affordable Housing for New Yorkers**

As of this writing, I am, personally, not clear about how co-living could work for families. Co-living works for single people, and maybe for couples. Co-living makes safe and pleasant housing more affordable for the single New Yorker. I do not know that it offers anything to a working family. To the extent that more housing is devoted to co-living, it could mean less housing for working families. Sorry, I have to call them as I see them, my brand is one of honesty. Maybe, however, if allowed to grow, the co-living paradigm can expand to a place where it could be very good for families. They say it takes a village to raise a child, co-living might be the pathway to creating more villages with New York City for working families.

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<sup>8</sup> See *Park West Management Corp. v. Mitchell*, 47 N.Y.2d 316 (1979).

## **B. Co-Living Does Not Work in Rent Stabilization**

Co-living does not, in my opinion, work in Rent Stabilized assets.

### **1. Rent Stabilization Primer**

Rent Stabilization applies to about one million tenancies in New York City<sup>9</sup>. Rent Stabilization limits the rent an owner may charge for an apartment, restricts the right of an owner to evict tenants, and imposes other requirements on landlords and tenants. Rent Stabilization is overseen by the New York State Division of Housing and Community Renewal (“DHCR”)<sup>10</sup>.

Rent Stabilized tenants are entitled to leases and automatic lease renewals.<sup>11</sup> Under Rent Stabilization, leases must be entered into and renewed for one- or two-year terms, at the tenant's choice. Actually, a Rent Stabilized lease protects an owner much more than it protects a tenants. Tenants have all the same rights whether they have a lease or not, because their rights derive from the statute. One of the obligations of the landlord under Rent Stabilization is to renew the lease. When the landlord fails in that obligation, it cannot collect rent increases or sue a tenant in Housing Court. A landlord's refusal to renew a Rent Stabilized tenant's lease, or the failure to renew it properly, is a basis for a tenant complaint with the DHCR and a defense to the eviction effort.<sup>12</sup>

Family members residing in a Rent Stabilized apartment often have succession rights to the tenancy.<sup>13</sup>

Rent increases for Rent Stabilized tenants are controlled by the New York City Rent Guidelines Board, which sets maximum rates for rent increases once a year, which are effective for leases beginning on or after October 1st.

Owners are required to register all Rent Stabilized apartments initially and then annually with the DHCR and to provide tenants with a copy of the annual registration. Owner's must be very careful when filing DHCR registrations because once they are filed they cannot be amended without filing initiating a DHCR proceeding and explaining the reason for the amendment<sup>14</sup>,

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<sup>9</sup> Selected Initial Findings of the 2014 New York City Housing and Vacancy Survey; <http://www1.nyc.gov/assets/hpd/downloads/pdf/2014-HVS-initial-Findings.pdf>.

<sup>10</sup> Omnibus Housing Act § 3 (L. 1983, c. 403).

<sup>11</sup> 9 NYCRR § 2523.5(a).

<sup>12</sup> *Haberman v. Nuemann*, 2003 WL 222807 (AT 1st 2003) (“Since landlord's notice for renewal of the lease was not in the form ‘prescribed’ or ‘approved’ by DHCR, and the requisite rider promulgated by DHCR was not attached, this holdover proceeding based upon tenant's alleged refusal to renew the lease does not lie.”).

<sup>13</sup> 9 NYCRR § 2523.5 (b)(1); 9 NYCRR § 2520.6 (o).

<sup>14</sup> 9 NYCRR 2528.3 Annual registration requirements.

which is time consuming and costly and which makes the landlord look suspicious in the eyes of DHCR or the Courts.

2. **Why It Is So Hard To Tell If An Apartment Is Rent Stabilized; Get a clear reading on any apartment's regulatory status before you devote that unit to co-living.**

**There is no official list somewhere that definitively tells the world which apartments are subject to Rent Stabilization and which are not.** The DHCR has jurisdiction over matters relating to Rent Stabilization and the DHCR maintains some records. But the records the DHCR maintains contain information that is largely self-reported by landlords and that is not controlling with regard to an apartment's Rent Stabilization status. Therefore, year after year, a landlord can report to the DHCR that an apartment is "permanently exempt", but that does not make it so.

Moreover, a current or former tenant may have signed a document acknowledging that an apartment is not subject to Rent Stabilization. But this, also, does not make it so. Parties may not contract in or out of Rent Stabilization coverage. *Thornton v. Baron*, 5 N.Y.3d 175 (2005).

How do you ever get a definitive answer on an apartment's Rent Stabilization status? With some exceptions, the last word on whether an apartment is Rent Stabilized is in the hands of the courts or the DHCR. Until a judge is satisfied that an apartment is not Rent Stabilized, the matter is always, in some measure, unsettled.

Why is this so complicated? Because it is. There are many statutes and mountains of case law, stretching back to the 1970's, that, when woven together, make up the rent regulatory scheme in New York City. There are rules, and exceptions to the rules, and exceptions to the exceptions to the rules. The information that I need to answer the question with respect to an individual apartment is never altogether in one place. In general, I have to look for decisions on the administrative or court level that might have a *collateral estoppel* or *res judicata* effect on a particular apartment's status; in other words, the issue may have been decided already for that unit. I must look at the date a building was built, and sometimes I have to consider the building's possible substantial rehabilitation. I have to look at the number of units, including possible illegal units. I have to look for tax abatements, which have a strong relationship with Rent Stabilization status. I have to look at claims of Individual Apartment Improvements and claims of High Rent Vacancy Deregulation, which are often faulty. I have to run spreadsheets and do math. I have to consider the impact of the *Altman* case and its progeny on pre-2015 deregulations. It isn't simple.

In general, if a Building was built before 1974 and contains six or more units, then the apartments therein are Rent Stabilized<sup>15</sup> unless certain exceptions apply. And those exceptions do not apply as often as most people think. I estimate that there are approximately 250,000 illegally deregulated apartments in New York City at this time.<sup>16</sup>

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<sup>15</sup> NYC Admin. Code 26-505(b).

<sup>16</sup> If you want a more exhaustive explanation of why I think there are 250,000 illegally deregulated apartments in new York City, then see my booklet on the topic at <http://www.itkowitz.com/booklets/illegal-deregulated-rent-stablized-apartments-in-NYC.pdf>.



Therefore, I have developed a product called “Rent Stabilization Due Diligence for Multi-Family Buildings”<sup>17</sup>. My advice is simply that you get a clear reading on any apartment’s regulatory status before you devote that unit to co-living.

### 3. *Why Rent Stabilization and Co-Living Do Not Mix*

Rent Stabilization is about stability. Co-living is about flexibility. Also, you cannot charge a Rent Stabilized tenant a premium for ancillary services, Rent Stabilized rents, as was discussed above, are strictly controlled. For these reasons, I do not see how Rent Stabilization and Co-Living are compatible.

Hey, I am happy to proven wrong, that’s better for all of us.

## V. **HOW CAN THE SMALL OWNER OR MANAGER BENEFIT FROM CO-LIVING?**

As of this writing, I am not entirely sure what co-living holds for the small owner or manager. There is nothing to prevent a small operator from trying a co-living experiment! Also, owners have the option of partnering with larger, established co-living brands that will manage your property, take away your headaches, and perhaps give you a better return on investment.

The important thing is to keep your eyes and ears open! Co-living is evolving in our midst!



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<sup>17</sup> <http://www.itkowitz.com/due-diligence>

## **ABOUT THE AUTHOR**

Michelle Maratto Itkowitz is the owner and founder of Itkowitz PLLC and has been practicing landlord and tenant litigation (both complex-residential and commercial) in the City of New York for over twenty years. Michelle represents BOTH tenants and landlords and her core competencies include: Rent Stabilization and DHCR Matters; Rent Stabilization and Regulatory Due Diligence for Multi-Family Properties; Rent Stabilization Coverage Analysis for Tenants; Sublet, Assignment, and Short Term Leasing Cases (like Airbnb!); all kinds of Residential Tenant Representation; Good Guy Guaranty Litigation; Co-op Landlord and Tenant Matters; Loft Law Matters; De-Leasing Buildings for Major Construction Projects; Emotion Support Animals in No-Pets Buildings; and Co-Living.

Michelle publishes and speaks frequently on landlord and tenant law. The groups that Michelle has written for and/or presented to include: Lawline.com, Lorman Education Services, Rosedale CLE, The New York State Bar Association, Real Property Section, The Columbia Society of Real Estate Appraisers, LandlordsNY, The Association of the Bar of the City of New York, Thompson Reuters, The Cooperator, and Argo University.

Michelle regularly creates and shares original and useful content on landlord and tenant law, including via booklets, blogs, videos, and live presentations. As the “Legal Expert” for LandlordsNY.com, the first social platform exclusively for landlords and property managers, Michelle answers member's questions, guest blogs, and teaches. Michelle developed and regularly updates a seven-part continuing legal education curriculum for Lawline.com entitled "New York Landlord and Tenant Litigation". Over 20,000 lawyers have purchased Michelle's CLE classes on Lawline.com (a labor of love for which Michelle gets not a dime) and the programs have met with the highest reviews. Michelle co-authored a chapter on lease remedy clauses and guaranties for the New York State Bar Association, Real Property Section, Commercial Leasing Committee.

Michelle is immensely proud that Itkowitz PLLC was awarded its NYS Women Business Enterprise Certification by the Empire State Development Corp. Michelle's eponymous law firm is one of the largest women-owned law firms, by revenue, in the State.

Michelle is admitted to practice in New York State and the United States District Court for the Southern District of New York. She received a Bachelor of Arts in Political Science in 1989 from Union College and a Juris Doctor in 1992 from Brooklyn Law School. She began her legal career at Cullen & Dykman.



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