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How to Negotiate Your Rent

By MICHELLE HIGGINS APRIL 15, 2016



Looking to sign a new lease on a New York City apartment? Now is the time to negotiate.

Manhattan rental prices have begun to slip as a wave of new luxury rentals enters the market, stoking competition and spurring a flurry of concessions by landlords who are willing to pay the broker fee or throw in a free month or two of rent to fill vacancies.

More than 20 percent of rental agreements in the first quarter of 2016 handled by the brokerage firm Citi Habitats included some form of deal sweetener, marking the highest level of concessions in more than five years. Rental prices are also finally beginning to decrease.

After rising for 24 consecutive months, the median monthly rent for a Manhattan apartment dropped 2.8 percent in March to \$3,300 from \$3,395 a year ago, according to a report prepared by the appraiser

Jonathan J. Miller for the brokerage firm Douglas Elliman Real Estate. The vacancy rate and listing discounts are also on the rise, so even though it isn't exactly a renter's market, it is finally less of a landlord's market.

Brokers say the concessions are not just in new developments seeking to quickly fill their units or in buildings in less popular neighborhoods. Earlier this month, New York by Gehry in Lower Manhattan, for example, listed on its website move-in bonuses of \$1,000 to \$3,000, depending on the apartment. And Glenwood Management, which owns and operates luxury rental buildings in Manhattan, is offering concessions at a range of properties. In Brooklyn and Queens, a host of new luxury rentals has been enticing tenants with offers of free rent, free parking and other incentives.



Even if you are not looking to get out of a lease, the shift in the market can mean more leverage if you are about to renew.

“Increasing concessions in a rental market signals that landlords are having a harder time filling vacancies, making it easier to negotiate,” said Joe Charat, the general manager of Naked Apartments, a site and app recently acquired by Zillow that offers listings across the five boroughs.

While it isn't clear if landlords will roll back incentives as the spring rental season gets underway, renters shouldn't be shy about asking for a better rate. Here are some strategies for reducing your rent this spring and beyond.

Consider a new development. With thousands of apartments in large market-rate buildings opening their doors in Manhattan and Brooklyn this year, new developments are dealing. On Manhattan's Far West Side, Via 57West, a 709-unit rental designed by the Bjarke Ingels Group, where the amenity space and courtyard are still under construction, is offering two free months of rent on a 14-month lease and three months on a 27-month lease. Rates begin at \$3,300 for a studio. At 60 Water Street in Brooklyn, a glassy rental with views of Manhattan and the Brooklyn Bridge, signing a lease for one of the remaining two-bedrooms, listed from \$5,422 a month on the building's website, gets you a year's worth of free parking. Keep in mind that landlords favor concessions because they can then maintain the original asking rent on the lease, and increase accordingly upon renewal.

Offer to stay longer. That's how Anna Sankova, a rental and sales agent for Platinum Properties, secured a rent concession for her client, a graduate student at Columbia University with two roommates who recently moved into a three-bedroom in Morningside Heights. Instead of paying \$4,800 a month with a one-month rent concession over a 13-month lease, or \$4,430 a month effectively, the roommates locked in \$4,600 a month with two months rent free on a two-year lease, bringing the monthly payments to \$4,216. Ultimately, Ms. Sankova said, the lowered effective rent ensures "the landlord doesn't have to look for a tenant next year and the roommates get a bit cheaper rent."

Don't overlook condos. Investors have been snapping up condominiums to rent out amid the development boom, creating opportunities for high-end renters. A big concentration of investors can mean a surge in rentals when the building starts to close, said Marc Schaeffer, a real estate agent at Kleier Residential. "You have to catch the timing right," said Mr. Schaeffer, who noticed a rise in rental listings at [Carnegie Park](#), an amenity-laden condominium at Third and East 94th Street, and was able to get clients a \$150-a-month discount on a two-year lease for a two-bedroom. Instead of paying \$5,800 a month, with an expected increase of 2 percent to 5 percent the following year, his clients are paying \$5,650 a month. "We accomplished this by pitching our offer to similar listings in the same building and letting the owners' broker know we were submitting the same offer to other apartments," he said. "This worked because we were dealing with three different competing landlords."

End your lease in the summer. In general, rental demand picks up from May through August, when school is out, college grads move to the city and the weather is better. So when Elisabeth Polanco, a kindergarten teacher in Washington Heights, wanted to move to the city from Rockland County, N.Y., this spring, Sherry Mazzocchi, an agent at Citi Habitats, knew what to do. By asking for a 15-month lease instead of the typical yearlong term, she reduced the rent on a three-bedroom walk-up to \$2,225 a month from \$2,450, with an April 4 move-in date, saving her client \$3,375 over the course of the lease.

Move in the dead of winter. Knowing it is harder for landlords to fill vacancies during the winter, when rental activity tends to wane, Jordan Kramer, an agent at Compass, helped Sasha Sherman and Ben Cohen knock \$400 a month off a newly renovated East Village three-bedroom walk-up that was asking \$6,000 in December 2014, for \$4,800 in savings. The roommates, who were sharing with a third friend, initially offered \$5,800 a month with a Feb. 1 move-in date. Aware that there were no other offers on the table, Mr. Kramer recommended his clients ask for another \$200 off if they bumped their move up to Jan. 15. The landlord agreed. As a result, said Mr. Sherman, the sales manager for BOLD Organics, a frozen Italian foods brand based in Harlem, "we got an incredible deal on a beautiful apartment."

Pay your rent upfront. For those with the means to do so, paying at least six months of rent in advance can net you a discount. Last year, Jesse Klein, a salesman at Platinum Properties, was working with a college graduate and the graduate's mother, with a budget of \$2,700 a month. After touring a number of apartments, they visited an open house for a \$2,750-a-month alcove studio in the East Village, where they found other prospective renters lined up outside to see it. "My client's mother literally took out her checkbook and said to the owner's broker, 'I will write a check now for six months' rent if you can knock it down by \$100 a month,'" Mr. Klein said. "I was like, 'All right, this woman means business.'" While

not every landlord would entertain such a request, Mr. Klein said, the owner's broker jumped on the phone and got the landlord's consent.

Be creative. A landlord who won't budge on the rent may be willing to waive gym memberships, parking or other costs associated with a rental. In January, Kevin Djungu Sungu, an agent at Citi Habitats, helped a client secure a \$2,550-a-month one-bedroom at a new rental building in Harlem that was originally listed for \$2,650. In addition to paying the broker fee and offering a free month's rent, the landlord agreed to increase free storage to one year from six months.

Be respectful. "I think people get the impression that they have to be some kind of animal going in and negotiating," said Adam Frisch, a principal of Sierra Residential, a brokerage firm that specializes in landlord representation. "What doesn't work is to call up and say, 'Listen, you have to send me a lower increase or I'm going to sue you.' Or 'You're not taking the garbage out enough; I'm going to get the city to give you a violation.'" His advice: Stick to the facts. Remind your landlord with a note that explains that you are a tenant in good standing and always pay your rent on time. If you point this out and ask politely for a reasonable rent reduction, Mr. Frisch said, "often the answer will be yes."