



THE ONLY WEEKLY REAL ESTATE NEWSPAPER IN THE U.S.  
SERVING AMERICA'S #1 MARKET

# REAL ESTATE WEEKLY

Vol. 55, No. 37 • 36 pages in 3 sections

WEDNESDAY, MAY 13, 2009

\$1.75

May 13, 2009

## RGB rent vote 'salt in the wound' for owners

BY JOHN MAJESKI

The Rent Guidelines Board has preliminarily voted on increases for rent-stabilized apartments, and building proprietors are less than thrilled with the figures.

"You're just putting salt in

the wound by pushing owners down further," said Jamie Heiberger-Jacobsen, president & founder of Heiberger & Associates, P.C., which represents many area owners. "It's way too low whether it's a big or

**Continued on Page 23**

### Salt in the wound

**Continued from Page 1**

small building, especially given the economy." Board members last week came up with the following range of possible rent hikes: 2-4% for a one-year lease, 4-7.5% for a two-year. Last year's increases were 4.5 and 8.5%, respectively. Public hearings will precede a final vote on June 23. The decision will affect an estimated 1 million apartments.



Patrick Siconolfi, executive director for the advocacy trade organization Community Housing Improvement Program, said owners this year were smacked with property tax liability hikes of at least 15% while water and sewer rates are jumping 14%. "The (rental) rate increases voted by the board are not high enough and do not come close to the 6.5% increase that the Rent Guidelines Board identified as the real cost increase to run a building," he said.

Siconolfi said the board maintains that 10% of rent-stabilized buildings are distressed, meaning they are at-risk of going under. "This will push more into that distressed category," he said of the potential hikes. "They should have passed through the actual cost increase that buildings face."

Siconolfi said the second-largest cost of running a building is labor. The largest is real estate taxes — both fixed costs. "The RGB is not fully responsive to the tax issue," he said. "That's a serious problem. The city is increasingly relying on the real estate industry. We're carrying a grossly unfair burden of the general cost of running the city."