



Apartment Rental Guide

Courtesy of Onno Realty New York LLC

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Estimated Costs

Documents

In addition to filling out an application form and having a credit check run, landlords will require additional documentation in order to approve you for your new apartment. Although not all landlords will require all of these documents, it is preferable to have the following documents easily accessible when applying for an apartment rental:

- Photocopy of driver license, or other government-issued photo I.D.
- Last completed years tax return/W-2 forms
- Last three consecutive bank statements
- Last three consecutive pay stubs
- Letter of employment (from your supervisor, on company letterhead, stating your position, salary, and how long employed)
- Letter of reference from previous landlord

In certain individual cases, additional documentation may be required by a landlord to process your application.

All renters will have additional expenses associated with the rental process, whether or not you choose to use a broker. Additional expenses, such as moving deposits, are specific to each landlord/building. The following fees are paid on both fee and no fee rentals:

- *Application fee (\$35 - \$100)*: This covers the cost of credit and background checks for applicants, as well as any other expenses incurred by the landlord to process an application. Fees vary by landlord.
- *Security deposit (Certified Funds)*: In most cases, the security deposit is equal to one month's rent. In certain cases (i.e., poor credit or rental history), landlords may require an additional deposit. Security deposit is payable at lease signing.
- *First month (Certified Funds)*: Also payable at lease signing, this is the standard deposit. In some cases, additional months may be needed due to individual credit/rental circumstances.

Qualifying for a Rental

Landlords qualify potential tenants based on income, in addition to credit and rental history and employment. The majority of NYC rentals require potential tenants to make at least 40 times the monthly annually (i.e., to rent an apartment for \$2,000/month, landlords will require at least \$80,000/year in income). In the case of shares, all of the tenants' incomes *combined* must equal at least 40 times the monthly rent per year. Married couples must make at least 40 times the monthly rent combined, per year. Passive income sources (stock dividends, investment income, etc.) also may be used towards qualifying for a rental.

Guarantors

In the event that a potential tenant does not qualify for the apartment based on either income or credit factors, many landlords allow for a guarantor to cosign for the apartment. Guarantors become liable for the remaining balance of the lease payments *if and only if* all tenants default on their lease obligations.

In order to act as a guarantor, an individual needs to make at least 80 times the monthly rental per year (i.e., to guarantee a \$2,000/month rental, landlords would require at least \$160,000 in annual income).

Additionally, a guarantor should have good credit history. Typically, landlords require guarantors to submit the same documentation as the applicants, and to pay the same application fee as the applicants for a credit report.

Frequent Questions

- *How do I know if an apartment is worth the money?* Multiple factors contribute to the pricing on an apartment. Location, timing, competition, and condition of the unit are all critical to determining the monthly rent. Generally, the better the location and condition of the apartment will increase the price. How many other potential tenants are viewing the apartment, and how many other comparable apartments there are in the area, also contribute to the asking rent.
- *When can I view apartments?* It is recommended that you set aside ample time to view your options in advance of your move-in date (generally, two weeks). Many buildings are open for viewing seven days a week for vacant units. If you are interested in a unit that is currently occupied, or is being renovated, showings will need to be scheduled in advance to accommodate everyone involved.
- *Who can be a guarantor?* Anyone that meets the landlords' requirements can act as a guarantor, although it is preferable that they live in the tri-state area. If you will be using an out-of-town guarantor, inform your agent of this before you begin your search. International guarantors are rarely accepted.
- *Can I rent if I am relocating internationally?* Yes. In addition to the documents listed above, landlords may require additional paperwork to process your application. Immigration documents, proof of assets & real property, and medical records may be needed.
- *What about pets?* Pet policies vary by landlord and building. In a pet-friendly building, there is often a one-time non-refundable "pet deposit" that is due at lease signing. In some instances, the building may restrict what type and/or how large animals may be to reside there.
- *How should I prepare to search for apartments?* The first step is determining what you're looking for! Take time to determine what items are essential for your new home, and what items are preferable. Determine your budget and move-in date, and collect your documents. Share all of this with your broker, who can target their search more accurately after receiving your input. If your requirements change during your search, communicate this to your broker. Once you find an apartment you like, it is a good idea to put an application in on it to hold it for you. By submitting an application, you become first in line to sign a lease for that unit, once your completed application is submitted and approved.