

Ways to get around NYC's steep income requirements for renting, now that a larger deposit is not an option



With the median rental price in **Manhattan and Brooklyn at or above \$3,000**, it means you need to be earning north of \$120,000—40 times the rent—to successfully secure an apartment at that price. Those are the steep income requirements usually demanded by landlords in NYC. For many New Yorkers, the requirement is impossible to meet.

Recently tenants lost an important bargaining chip when it comes to renting an apartment—**the security deposit**. The new rent law lowered financial barriers to renting by capping the security deposit to one month's rent but complicated things for tenants who don't meet a landlord's income requirements. In the past, they could pay additional security to offset the risk they presented to an owner but that's no longer an option.

However, there are still workarounds. Consider these options when you are looking for a rental but don't have the kind of salary that would meet a landlord's requirements.

Find a guarantor

A guarantor is someone who will co-sign your lease and pay the rent if you don't. They are generally required to have a credit score of at least 700, an annual income of 80 times the monthly rent, and if the landlord is extra cautious, reside in the tri-state area (New York, Connecticut, or New Jersey).

Eric Hamm, senior managing director at [Citi Habitats](#), says there's an increasing emphasis on guarantors now that landlords and leasing agents can only take one month's rent as a security deposit. A guarantor can be a friend or relative or you can pay a company for their services, like [Insurent](#) (a Brick Underground sponsor) which will guarantee the entire lease.

In the past, Hamm says landlords were often reluctant to take third-party guarantors but that's beginning to change. Not only that, but the product is changing too.

Hamm says he's seeing options where an institutional guarantor will cover a number of months of rent rather than the entire lease. "It's less coverage for the owner but it's a lower premium for the tenant," he says.

However, just because these options are available, doesn't mean landlords are accepting them says Adam Frisch, managing principal at [Lee & Associates Residential NYC](#), a real estate company representing small building owners in Manhattan. He says the changes in rent laws are a "gigantic cash cow" for third party guarantors but says you can always find a good tenant in NYC. "There's no month in the year when you can't rent an apartment to quality tenants with good credit and small landlords will sacrifice on rent before quality."

Jeffrey Geller, vice chairman at [Insurent](#), points out any product "which does not guarantee the full lease obligation will not be accepted by the vast majority of NYC landlords."

Up your credit score

Each landlord or owner has their own criteria when it comes to a credit score but most are looking for a number around 700, says Hamm. That said, landlords may be willing to look beyond the score if they need to fill apartments.

"At some point, they have to decide, do they have their line in the sand and have some of their portfolio vacant or are they going to look a bit deeper? They need to balance that risk and reward," says Hamm.

If the reason for a poor credit score is that you don't have lines of credit, the answer is to open some and begin making regular payments. If there are errors on your credit report make sure they are corrected and get letters of explanation for any major issues like a lien or bankruptcy. One obvious way to improve your score is to begin paying off your debts, especially if they exceed 15-30 percent of your available credit.

Find a more flexible landlord

A leasing agent is unlikely to be able to offer much flexibility on a tenant's income requirements but searching for an apartment being rented out by the owner may provide an opportunity for some negotiation.

For example, the owner of a one bedroom in Bed Stuy on the market as a no-fee unit without a broker tells Brick Underground that credit is more important to him than income when it comes to picking tenants.

Inventory listing sites allow you to adjust your search criteria to units that are rented out by the owner, or to those that accept guarantors, both of which will be helpful if you do not earn 40 times the rent.

Use the seasonal advantage

Traditionally, the winter is slower for rentals so, between October and March, you may find a landlord who is more open to renting to you if you are just below the financial threshold.

"As we get closer to the holidays, there is less volume of people looking [for rentals] and an apartment that would be on the market for a few days in the summer can turn into a few weeks or a few months in the winter," says Hamm. If you are on the edge of the income requirements, apartment shopping in the winter might give you the seasonal edge.

Share your room

Sharing the burden of the **rent with a roommate or two** is an obvious solution. Hamm says depending on the setup of the apartment he often sees three or four people looking to rent a two bedroom. In situations where two out of the four renters have the best financials, he says they will be the leaseholders and do a **roommate agreement** with the other tenants.

"We recommend having a roommate agreement because everyone on the lease is jointly and severally responsible for the payments but the lease doesn't state who pays how much, so a roommate agreement clearly defines that," says Hamm.

Co-living alternatives

Co-living companies offer the convenience of a furnished apartment with staples in the pantry and ready-made roommates—all for one monthly payment. Many companies vet tenants the same way traditional landlords do but you can find more flexibility as you shop around. At **Common**, one of the more established co-living companies, tenants still need to earn 40 times their individual portion of the rent.

One important consideration with co-living companies is the legality of the operation. Make sure you do some **due diligence on the company to make sure it is legal**—you don't want to find your unit abruptly shut down, which is possible if leases aren't properly drawn up or the place has fire safety issues.

Consider affordable housing

Affordable apartments through **NYC Housing Connect** are offered via wait lists and lotteries. If you have time before you need to move, put your name down or fill out an application. Be warned: **It can take years to get an allocation**, but there are success stories—like Katherine, a single mom finishing her studies in the Bronx who won **a two-bedroom apartment** for \$655 a month in a new building and Lee, a U.S. Navy veteran who won **an Upper West Side studio** for \$444.