

Looking for off-campus housing in NYC? Here's what you need to know



Many New York City colleges and universities are opening their doors for in-person learning this fall and if you're one of them and you plan to live off-campus this year rather than in a dorm, there are a few things you need to know about apartment hunting in the current rental market.

Rents have dropped during the pandemic and concessions like free months or owner-paid broker fees are more prevalent—and that's drawing lots of new renters to the city. When Compass broker Scotty Eyanow was showing apartments near NYU recently, he says there were

30 groups of roommates looking at the same apartment. "It was an incredible amount of traffic," he says.

It can be tricky to find an apartment as a student because landlords typically want tenants who earn an annual salary of at least 40 times the monthly rent. When you don't meet these requirements—and few students do—you typically need a guarantor. This is someone who promises to pay your rent if you don't.

Eyanow's advice is to get all your paperwork prepared and be ready to act quickly. You also need to do your research: Some buildings actively court students but others won't allow them or won't allow out-of-state guarantors. Ask about all these issues up front and find out exactly what is needed for a deal.

You will typically need a guarantor

A guarantor might be a parent or guardian who agrees to be legally responsible for your rent in case you default. Just as landlords have income requirements for tenants, they also have requirements for guarantors and they are steep: A guarantor must typically earn 80 times the monthly rent—because they need the ability to cover their own housing expenses as well as yours. That means for an apartment with a monthly rent of \$4,000, a guarantor must earn \$320,000.

Your guarantor needs to be prepared to supply plenty of paperwork as part of the application, including proof of employment, a CPA letter if they are self-employed, their most recent tax returns (usually the past two years) as well as an asset statement, which shows funds in a checking or savings account. There's also the standard credit check.

Eyanow says many students have been returning to the city since March and April, but students aren't your only competition for apartments. Renters of all ages who might have left during the pandemic are also coming back and hunting for rentals.

If you don't have a relative who can step in as a guarantor there are workarounds. You can use an institutional guarantor like Insurent (a Brick Underground sponsor), which has lower annual income requirements. Jeffrey Geller is the company's founder and says their program is accepted in around 7,000 participating buildings representing over 725,000 rental units. "Insurent normally prequalifies renters 24/7 within one hour, and issues the guaranty within 24 hours," he says.

For U.S. students and international students with U.S. credit, the cost is from 75 to 90 percent of one month's gross rent for a 12- to 15-month lease. For international students without U.S. credit, the cost is 98.4 percent of one month's gross rent for a 12- to 15-month lease.

Beware of net effective vs. gross rent

A landlord typically wants a lease to end between June and August because it's usually easier to fill apartments in the summer. Eyanow says right now some landlords might ask for 14-month leases and give two free months but ask you to pay the net effective rent instead—which means the two-month discount is divided up and applied to your monthly rent.

If you are paying a net effective rent, it's important to know what your gross rent is, meaning what your rent would be without a discount, because when it comes to renew, any rent increase will be based on the gross rent, not the net effective. "It's a little bit of a strategy there," Eyanow says. For example, if you're being asked to pay \$3,500 net effective for 14 months, your actual or gross rent is \$4,080.

Roommates make renting more affordable

Anecdotally, some students find living in a dorm less appealing these days because of the pandemic.

"It would not surprise me knowing the intense protocols of living in the dorms," Eyanow says. But renting in pricey NYC may give you sticker

shock, so consider sharing a place with a roommate or two to reduce your costs. There are [plenty of websites](#) and apps to find roommates who have a similar lifestyle to you.

When it comes to making a good match, you'll want to check out [Brick Underground's 21 best questions to ask potential roommates](#). And don't forget [the roommate contract](#)—which is a good way to avoid conflicts big and small.

Pro Tip:

Need help finding the perfect starter apartment in the right neighborhood—or a landlord inclined to be flexible about guarantors, work history, rental history, or "flexing" your space with temporary walls? Place your search into the capable hands of [Triplemint](#), a tech-savvy real estate brokerage founded by a pair of Yale grads in response to the frustrating apartment-search experiences of classmates and colleagues. Bonus: The agents at Triplemint are not only a delight to deal with, they will charge a broker's fee of 10 percent of a year's rent on open listings instead of the usual 12 to 15 percent if you [sign up here](#).

There are co-living options

Another popular option for some students is co-living. These are shared apartments in buildings where all the issues that typically create friction between roommates are taken care of, such as cleaning and splitting the bills. The apartments come fully furnished, and you can sometimes rent for fewer than 12 months, and utilities are rolled into the rent. Some co-living companies facilitate networking and social activities, so they can be a good way for newcomers to meet people or make connections.

In addition, some co-living spaces do not have stringent income requirements or require guarantors. If you think co-living is for you, your essential reading is [Brick Underground's 2021 guide to co-living spaces in NYC](#).

Taking over a lease

Another route for finding off-campus housing is to consider taking over someone else's lease. If you find someone who wants to move out of their place and you're happy to take their spot, you'll still need to be approved by the landlord, which means meeting those pesky financial requirements. Alex Caballero, an agent at [NY Living Solutions](#), says leasebreaks are happening more than ever as New Yorkers are relocating to other cities or realizing they can save money by working from home and living outside the city.

If you take this path, you should know the difference between a sublet and a lease assignment. With a sublet, the original tenant stays on the lease and there's the assumption they will return at some point. With a lease assignment, the original tenant moves on and you take on the lease. For more on this, read, "[Renters beware: 14 things to look out for in that lease](#)" and "[How to break a lease in NYC](#)."

Short-term rentals

It is possible to sign a lease for a term shorter than a year but most of these arrangements are geared towards corporate travel or vacation stays. If you don't need to be in the city through the summer, a landlord might agree to a shorter lease that can then be turned over in late spring, the prime rental season.

Your best bet is to hire a licensed real estate agent who specializes in short-term rentals or use a reputable short-term rental agency or listing site such as [Apt212](#) or [Leasebreak](#).

Remember, co-op buildings have restrictions on subletting and condos can require minimum and maximum lease terms. Read, [How to rent a short-term, furnished apartment in NYC without getting scammed](#), and [An insider's guide to finding a short-term, furnished apartment rental in NYC](#).

Search for a no-fee apartment

Whatever route you take to finding an apartment, you'll want to try and avoid paying the broker fee. Even though the rental market is getting more competitive, the pandemic created so many vacancies that landlords have been paying the broker fee as a way of making their apartments more attractive.

Yes, you read the right: In the New York City rental market, brokers who are hired to represent the landlord's interests get paid by the renter—it sounds absurd and has been part of various legal disputes—but the fee can be one month's rent or up to 15 percent of the year's total rent.

But even in slow markets, like what we're in now, there's still a chance you may fall in love with an apartment with a hefty fee to be paid by the renter. If you want to avoid that scenario, limit your search to no-fee apartments. For the best ways to avoid paying the broker fee, read: [The best websites for finding a no-fee rental apartment in NYC in 2020.](#)