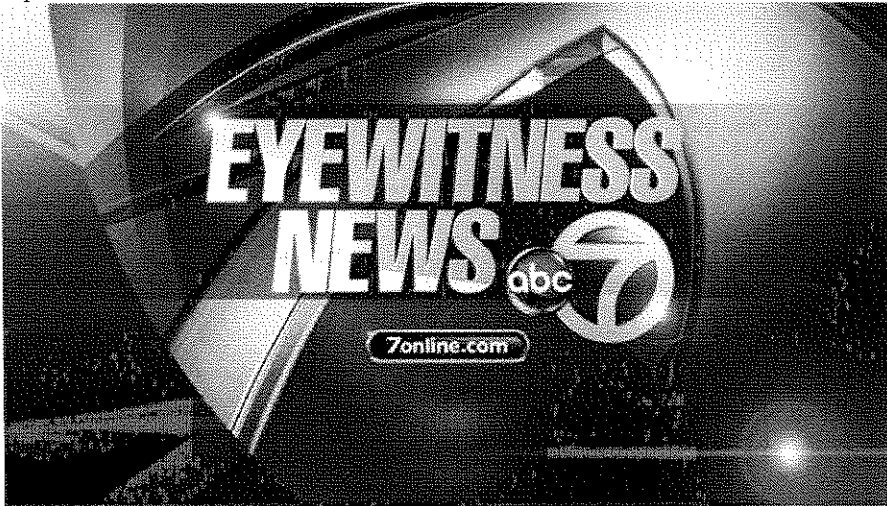


# Rent stabilized apartments on Wall Street?

April 28, 2009



NEW YORK (WABC) -- Whether you're spending money or making it, it's all about money in the heart of Manhattan's Financial District.

Renting an apartment there, could soon get cheaper.

A luxury Pre-war building located at 37 Wall Street was the subject of a landlord-tenant dispute.

The outcome of that dispute, may help thousands of New Yorkers get cheaper rents.

"He was living in terrible conditions in his apartment. He had mice and all sort of other problems in the apartment and he went to the landlord and complained. The landlord ended up suing him in Housing Court for non-payment," said David S. Hershey-Webb, an attorney.

The tenant then asked the landlord for a rent-stabilized lease, because the developer had gotten a tax break called a 421-g to convert the building into apartments.

Guiliani started the program back in 1995 to spur growth.

"The deal was, you take tax-payer money, the apartments are rent stabilized. That's the deal," explained Hershey-Webb.

95 Wall Street is another example of a 421-g which gives the building tax abatements to convert old office space into luxury apartments or residential space.

A recent ruling by the housing court agreed, landlords who got the 421-g tax break, should be rental stabilized.

"I could tell you for certain, that there are 5,000 apartments in the Financial District where we now stand, that could be under stabilization if the ruling goes the way it looks like it's going to go now," said Tom Goodkind, a board member of Community Board 1.

Other tenant organizations feel the judge got it wrong.

"This is not the class of people who need to be protected by rent stabilization," said Harold Schultz of the Citizens Housing & Planning Council.

The attorney representing 37 Wall Street agrees.

In a written statement, its attorney says: "This tenant hasn't paid a penny in rent since April 2009, and owes more than \$60,000. Landlords, spent hundreds of millions of dollars to covert these office buildings into luxury rental apartments, with the express understanding their participation in the 421-g program would not subject their apartments to the rent stabilization laws."

"I think sometimes people forget how much goes into providing this for people, and really what their profit margin is especially considering the recession and how badly these buildings were hit," said Jacquelyn Willard, a resident of 37 Wall Street.

The judge is reconsidering his initial ruling.

Some realtors don't think it will make much of a difference.

"What the landlords have done, is that they've got long term leases. And so they lock people in to 18 month leases, so no matter what happens from law, it's not going to affect the inventory in any way, because the inventory right now is really tight," said real estate agent, Lak Vohra.