Renter's Guide

New York City

COMPASS

What is a broker and why do you need one?

Brokers

Brokers are state-licensed real estate professionals who help you search, provide advice, and guide you through the application process. Brokers not only save you time and help you secure a fair price, they ensure that your application puts you in the best light possible so that landlords are more likely to approve you.

Why work with a Compass agent?

Our exceptional agents use best-in-class technology to make the process of renting a home intelligent and seamless. They partner with you throughout your home search, providing their expertise and deep knowledge of the New York City real estate market to act, negotiate, advise, and ensure your best interests are met in finding the perfect home.

Co-Brokers

Brokers can either represent specific apartments, specific customers, or both at once. When one broker represents you - the applicant - and another broker represents the apartment, we call this a “co-broke.” In these situations, the two brokers will split the broker’s commission between them.

How to Rent a Home

New York City

1 The Search Process

When to Start Looking:

You should start your search around 30-45 days before your ideal move-in date; however, most landlords will want prospective tenants to start their leases for vacant units within two weeks of the application date. That being said, the more you look, the more knowledgeable you will become, enabling you to make quick decisions in the moment.

What to Prepare:

Apartments rent quickly in New York City, and having your documents in order will help you act quickly when you've found the right place. Make sure you have the following at the ready before you start looking:

- **Letter of employment verification**
  Proof of employment letter printed on company letterhead and signed by a company representative stating position, start date, length of employment, salary, and opportunities for bonuses. If self-employed, a CPA letter stating annual income and source of income for current tax year and previous tax year.
- **Last two consecutive pay stubs**
- **Last two years' tax returns**
- **Last two years' W-2s**
- **Two most recent bank statements for all accounts**
  These statements should be recent, consecutive and show your current name and address.
- **Reference letters from and/or contact information for previous landlords**
- **Photo ID**
  Must be government-issued and not expired, including a driver's license or passport.
- **Landlord application**
  Provided by the landlord's representative, this form usually allows the landlord's representative or your Compass broker to run a credit check on you.

Financial Requirements:

Landlords typically require tenants' combined annual salaries to equal or exceed 40x–50x the monthly rent. If you do not meet this requirement, many landlords accept guarantors, a third party who is willing to guarantee the entire rent and other provisions in the lease in case the tenants are unable to fulfill their obligation. Guarantors need to provide the same application support documents as you do. It is usually expected that guarantors are US citizens and earn an annual salary of at least 80x–90x the monthly rent. In some cases, pre-paying extra rent or security is acceptable.

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The Application Process

Rental Apartments:

Allow 24-48 hours for the landlord to review your application. If you are approved, lease signings typically occur within the next 24–48 hours at either the broker or management company's office.

Condos:

Applications are a two-step process; approval from both the apartment owner and the condo or co-op board must be granted. The entire condo or co-op application process, from initial application to final board approval, can take anywhere from a few days to several weeks and, in some cases, may require an in-person interview.

Co-ops:

Applications take 30 days from the submission of the completed package. Rent, security, and broker commission are paid up front unless applicant is rejected.

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Approval and Payment

Once you are approved, you must secure the apartment by signing the lease and paying the applicable fees. Payments at lease-signing, in the form of certified check or money order, typically include:

Rental Apartments:

- **First month's rent**
- **Security deposit** equal to 1–2 months' rent or more (in certain instances)
- **Broker and/or co-broker's fee**

Condos and Co-ops:

These fees are generally higher than for a rental building. In addition to the rent, security, and broker fee amounts stated above, condo and co-op fees may include:

- **Move-in fee of $1000**
  (This is often refundable after move-in)
- **Application fee of $250–300**
- **Managing agent fee of $250–400**

No-Fee Buildings:

Only about 15 percent of the New York City market is made up of no-fee buildings. In this case, the landlord pays the broker commission instead of the renter.

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Additional Information

Special Situations:

In cases where the applicant has a limited work history, does not have a US credit history, or does not quite meet the landlord's financial requirements, the landlord will sometimes ask for additional rent or security up front, a US guarantor, or both. The amount required varies and is negotiated during the application process.

Roommates:

Landlords typically require all roommates and guarantors to fill out a full application, submit personal documentation, and sign the lease.

International Applicants:

Most landlords do not accept credit reports or tax documents from outside the US, so international applicants may need to provide additional rent or security up front, a US guarantor, or both.

Pets:

Pet policy varies by building. Communicating specifics about your pet, such as weight and breed, to your broker or prospective landlord will help you to find the buildings that best fit your (and your pet's) needs. Take a photo and have reference letters prepared. An extra pet rent or pet security deposit may be required.