

Understanding Your Rights as a Property Owner Post-HSTPA: Substantial Renovations and Destabilization

Since the passage of the Housing Stability and Tenant Protection Act of 2019 (HSTPA), property owners have faced significant restrictions on their rights and the ability to modify the rent-regulated status of their properties. However, under specific circumstances, owners may still vacate a building, perform substantial renovations, and destabilize all apartments. This path remains highly regulated and requires strict adherence to DHCR rules and documentation standards.

At James G. Dibbini & Associates, P.C., we are here to help property owners understand their rights under current law and navigate the legal complexities to achieve their goals while remaining compliant.

What Is Substantial Rehabilitation?

Substantial rehabilitation refers to extensive renovations of a building that result in the restoration or modernization of at least 75% of building-wide systems. When done properly, such renovations may allow the building to be removed from rent regulation.

Current Legal Framework Under HSTPA

While HSTPA eliminated many paths to destabilization, substantial rehabilitation is still a legal method, provided that strict requirements are met: <u>Building Criteria</u>:

• The property must have been in substandard or seriously deteriorated condition before the work commenced.

Scope of Work:

 At least 75% of building-wide systems must be replaced, including essential systems like electrical wiring, plumbing, heating, roofing, elevators, and common areas.

Required Proof:

- Owners must maintain detailed records, including architectural plans, permits, invoices, and contractor agreements, to demonstrate the scope of work.
- Photographs documenting the building's pre- and post-renovation conditions are essential.

DHCR Approval:

• Substantial rehabilitation must be approved by DHCR to deregulate the building. Applications should include all supporting documentation and evidence to justify the claim.

<u>Timing Considerations:</u>

- The process requires significant planning. Owners should account for the time to vacate the building (through buyouts or natural attrition), obtain necessary permits, and complete construction.
- DHCR review and approval can take several months, so timelines should be structured accordingly.

How We Can Help

At James G. Dibbini & Associates, P.C., we assist property owners with navigating the substantial rehabilitation process. Our firm offers:

- Strategic Guidance: We'll help you evaluate whether substantial rehabilitation is a viable option for your property.
- Compliance Support: We ensure all documentation and applications are complete and comply with DHCR's requirements.
- Tenant Negotiations: We can assist with buyouts or other legal methods to achieve the necessary vacancy rate.
- Application Assistance: From filing with DHCR to responding to requests for additional information, we provide end-to-end support.

Take Action Today

While substantial rehabilitation is still legal, it is a complex process that requires careful planning and adherence to the law. With our experience in landlord-tenant law and DHCR representation, we can help protect your investment and guide you toward your property goals.

If you have any questions or need assistance, please don't hesitate to contact us at (914) 240-8270 or jdibbini@dibbinilaw.com. We look forward to working with you to ensure the success of your investment property.

The attorneys at James G. Dibbini & Associates, P.C. collectively have over 50 years of experience providing legal services in the areas of:

- -Landlord & Tenant Law
- -DHCR Representation
- -Business Formations
- -Commercial & Residential Real Estate Closings
- -General Business Law
- -Civil Litigation
- -Zoning Issues and Variances
- -Housing and Building Code Violation Matters
- -Wills, Trusts & Estates

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