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Q & A; A Roommate Under Rent Regulation

Q. I am the sole lessee of a rent-stabilized two-bedroom, two-bath apartment. I rent a bathroom and a bedroom to a roommate, splitting the rent and utilities evenly. The kitchen and living room are common areas. My question concerns the furnishings. The bedroom is unfurnished, but the living room and kitchen are fully furnished. The roommate uses my kitchen appliances (including microwave oven, dishes, pots, pans and utensils), my audio-video equipment and my living room furniture. What compensation, if any, am I entitled to for the roommate's use of my personal items under rent-stabilization guidelines? . . . Kim Barget, Brooklyn.

A. Colleen F. McGuire, a Manhattan lawyer who frequently represents tenants, said that there are no guidelines in the rent stabilization code for charging a roommate for furnishings. "The code only provides that the legal rent must be shared proportionally among all occupants," Ms. McGuire said. Moreover, she said, since the regulation is so new, having been promulgated in December 2000, there is virtually no case law on the topic.

Ms. McGuire said, however, that a tenant with a roommate might be similar to to a tenant with a subtenant. Under the rent stabilization law, she said, a subtenant may be charged 10 percent above the legal rent for a furnished apartment.

"So the letter writer can arguably charge her roommate 10 percent above the roommate's proportionate share of the rent, since the roommate has access to a predominantly furnished apartment." Ms. McGuire added, however, that since the issue has not been the subject of judicial review, the letter writer would be proceeding at her own risk if she charges the roommate an additional amount. The risk, she said, is that the extra charge could be deemed an overcharge, and that could be grounds for eviction.

What Is An Escrow Closing?

Q. What is an escrow closing and does it eliminate any of the risks of closing by other means? . . . Bruce J. Brubeckson, Bronx.

A. "In the New York region, an escrow closing usually results when something has gone wrong," said John G. Hall, a Staten Island real estate lawyer. If an essential element of the transaction has not been satisfied -- if sufficient funds are not available or a necessary signature is missing -- it is possible for the parties to agree to let the title company close in escrow until the requirement has been satisfied, he said.

Since the conditions under which the requirement will be deemed satisfied will be spelled out in an escrow agreement drawn up at the closing, Mr. Hall said, and since it is difficult to anticipate all

the ramifications on such short notice, closing in escrow generally increases the risk of problems rather than eliminating them.

In some states, notably California, the term refers to a closing conducted by an escrow company, which acts on behalf of all parties.