



## **A property's manager's guide to the legal and financial aspects of the heating system**

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As the temperature gets colder, and as we get deeper into the what appears to be a colder than average winter, it is a good time to review your procedures on how to deal with one of the most common problems of this time of year: heat complaints. Property managers know all too well how common these complaints can be and how difficult it is to address them, given that the complaint refers not just to a specific situation or deficiency, but one that has occurred at a particular point in time in the past.

Before we review how to evaluate heat complaints, it is important to review the requirements of the N.Y.C. housing code. During the winter period (Oct. 1 through May 31), a building owner must keep all apartments at least 68° during the daytime (6 a.m. - 10 p.m.) when the outside temperature drops below 55°. At night, between the hours of 10 p.m. and 6 a.m., the temperature must be kept at least 55° when the temperature outside falls below 40°. If your temperatures are within these ranges, no matter how "cold" tenants say they are, you are not in violation of the law. You may choose to alter these temperatures of course, especially in market rent buildings, where you are seeking to please tenants and provide them with above and beyond services so they will pay high rents and renew their leases.

Please note that these are the N.Y.C. housing code regulations only, and that in reality, an owner/manager who allows his apartments to fall down into the 55° range at night, will not only likely find their tenants to be most upset, but will also find it difficult and extremely costly to raise the temperatures back up in the morning by 6 a.m. to within the legal range. Keeping apartments around 65-66° at night will prove much more economical over the long run. Know your own building. If tenants all work during the day and have few people in the building, hover above the legal limit, but don't waste energy keeping it higher than that. Always set the boiler to give a boost between 9 and 10 p.m. when residents are getting ready for bed. A tenant who goes to bed warm will feel warm all night.

When you initially receive a heat complaint, whether it is from city notification or a call from the tenant, you must first establish what the temperature is to determine if the apartment is indeed in violation. Many tenants will often describe themselves as "cold" but may be walking around in nightgowns in an apartment which is above the legal limit. Establish what the temperature is by running a report on your heat computer or sending the superintendent to the apartment with a thermometer to document the temperature at the problem time. When possible a digital electronic or a swing thermometer should be used to ensure a quick and accurate reading.

If you determine that the building as a whole is being heated sufficiently and this apartment is too cold, you must isolate the problem. First, review your heat computer report to check an apartment in that line (if you do not have a sensor in the apartment). Often you can isolate that the specific line

has a problem, which might suggest a steam leak somewhere in that line, preventing the radiators from "holding" the heat.

If you are able to isolate it to the specific apartment, there are a number of possible pitfalls that may be causing the problem. Specific heat problems can include leaking radiator valves, or in some cases even instances where the tenant has the valve turned off. Other problems can include clogged lines or radiators which are not properly pitched. Less obvious problems may include windows which are drafty or old radiator covers which do not allow the heat to permeate throughout the apartment. Have the superintendent caulk around the windows and inform the tenant that they must remove their radiator covers to try to rectify the problem. In addition, ensure that all air conditioners have been removed by the tenant from their windows.

If you can establish that the boiler is running sufficiently, the radiators are holding the heat and nothing is causing the heat to be lost, you will no doubt reach your legal target temperatures.

On the financial end, ensure that your equipment is operating efficiently so you don't waste money on unnecessary heating fuel. A stack temperature sensor available on most heat computers will tell you if your boiler is running too hot. If so, have your boiler cleaned and your burner serviced.

If you are burning natural gas, make sure you are buying from a Esco and not directly from the utility. Doing so will allow you to competitively shop your price from the various fuel suppliers. Whether you are burning gas or oil, consider the various pricing options that your supplier offers. For some owners, fixing a winter price is important if staying within your budget is the highest priority. If your profile allows you to take some risk then you may wish to simply operate on a floating price. For the more sophisticated manager, you may also consider various financial protections such as collars and caps.

Winter is perhaps the most crucial time of the year in determining the financial success of your overall annual operations. Scrutinizing your heating equipment and evaluating your purchasing options are the two major winter initiatives you can do to run your properties as lean as possible.

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