



## **Housing has costs, and those costs rise - by Aaron Weber**

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Over the last 8 years, taxes increased 61% for a 10 unit building (with 3 rent regulated units) in the Chelsea neighborhood of Manhattan that is managed by Weber Realty.

Payroll expenses have jumped for supers and administrators as minimum wage in NYC increased 88% from \$8.00/hr in 2014 to \$15.00/hr in 2020. Maintenance and repairs also rose higher as exterminators, plumbers and electricians charge more for labor.

For the same 10 unit Chelsea building, insurance premiums increased an average of 8.12% per year over the last 3 years. Higher premiums are due to rising building costs, supply chain disruptions, and greater losses from floods, hurricanes and wildfires in recent years. Property insurance is also 15% more expensive for landlords than a standard homeowner policy because insurers are taking on additional risk due to the presence of renters.

Heating oil prices jumped 77% in just 2 months for a 40 unit residential building in Morningside Heights. According to Weber Realty Management "It cost \$6,034.00 to fill up their oil tank on 1/10/2022. Two months later, on 3/11/2022 it cost \$10,653.86 to fill up the same tank (which needs to be refilled every 2-3 weeks)."

In addition, between 2020-2021, cleaning expenses rose 40% due to COVID concerns. The stay at home mandate also drove up water usage by 10% during the same time period. Also in the summer of 2021, many pre-war buildings suffered damage from Hurricane Ida that required thousands of dollars in repairs.

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