

# Separating Myth from Fact in Apartment Warehousing: A Study in Costs

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Supplement to the September 2025 Report by the  
Coalition to End Apartment Warehousing



## Introduction

In New York City's ongoing housing emergency, with a vacancy rate of 1.4%, landlords are warehousing some 50,000 empty rent-stabilized apartments, rather than offering them for rent.

Landlords claim that high renovation costs bar them from bringing long-occupied apartments back to market after a tenant leaves. Both New York City and New York State have addressed this issue by throwing more money at landlords (even as they report ever-increasing profits).

The data show **increased profitability**. The Community Service Society (CSS) analysis of city data indicates that inflation-adjusted net operating income for rent-stabilized properties has grown by 47% since 1990, contradicting the idea that rent regulation hinders profitability. The NYC Rent Guidelines Board's 2026 Income and Expense Study shows a 6.2% (or 2.2% after inflation) increase above that.

Accordingly, landlords, most of whom prefer not to open their books, have generally ignored city and state programs for owners in real distress, and they forgo the rental income on tens of thousands of warehoused apartments. Those facts plus a closer look at actual costs suggest owners have exaggerated what they must pay to renovate empty apartments.

## Where the Money Goes

### **Crying poverty for upkeep and renovation, landlords spend millions lobbying**

The New York Apartment Association's Kenny Burgos is a ubiquitous figure on social media, claiming that all renovation of empty stabilized apartments costs between \$100,00 and \$200,000 and that the State has recognized that—even when he cites costs for rent controlled apartments (built before February 1, 1947) rather than for the later-built rent *stabilized* apartments.

This approach is not new. As tenants struggled in the pandemic, putting together onerous paperwork for rent relief when they lost work, landlords spent nearly \$14 million (2019–2023) on lobbyists to advocate for more money in the state legislature. They got it: The state legislature raised the caps imposed by the 2019 Housing Stability and Tenant Protection Act, quadrupling and making permanent how much landlords could hike the rents for individual apartment improvements (IAIs), owners' primary method of quickly hiking rents. **It was the routine abuse of IAI claims in the first place that led to the caps.**

### **Deferred maintenance guarantees higher costs in the future**

Landlord costs do rise where basic repairs have been ignored for decades. This sometimes happens as landlords pocket the profits or use them to buy other buildings and lobby.

**“They didn’t maintain the buildings when they could have, and now they’re in a state of disrepair,” Loftman said [discussing owners Stellar and Chetrits at Park West Village]. “Funds went instead into combining apartments and pushing people out.”**  
- [Crain’s NY](#)

Notably, while Manhattan’s [Park West Village](#) was falling into disrepair, Stellar managed to purchase more buildings, and it currently owns roughly 70 buildings in New York City.

### **Speculation and poor business plans hurt all of us**

Some deferred maintenance results from speculation and poor business plans, such as at Park West Village, where owners the Chetrit Group and Stellar Management were not successful in their plan to replace all of the rent-regulated tenants with market-rate tenants. (Several of the market-rate tenants were able to get their apartments back into rent regulation.) By 2011, residents complained that conditions were deteriorating, and state housing officials ordered a rent reduction. Eager for higher rents, the owners began [warehousing apartments to combine or divide them](#). That [“Frankensteining” loophole was closed in 2023](#). Park West Village is still warehousing 60 rent-stabilized apartments in just one of the three rental buildings in the development.

New York needs those empty apartments available to rent, and tenants need the hard-won protections of the 2019 Housing Stability and Tenant Protection Act.

## **All Apartments Don’t Need the Same Work to Be Habitable**

Landlords and their advocates claim that in New York City [26,000](#) to over [50,000](#) empty rent-stabilized homes are being warehoused because the owners cannot recoup the cost of renovations from the rent increases allowed by the Housing Stability and Tenant Protection Act of 2019. See [Why Are Many New York Apartments Empty? Rent Laws](#) (NY Times op-ed, 2/17/2026).

While the NY Times pro-landlord op-ed pegs all renovations at \$150,000 or more, the facts are different: most empty rent-stabilized apartments don’t need a lot of money to be habitable and rentable. [The New York City Comptroller’s 2024 report](#) found that **only about 3,000 rent-stabilized units were dilapidated or otherwise uninhabitable out of the 26,000 warehoused units that report cited.**

So, all apartments don’t need the same renovation. **Let’s look at the facts.**

Here are the fees that the [New York Apartment Association](#) (representing the owners of rental buildings) asserts are necessary:

**The cost: \$10,000 for an architect to review the plans and obtain a permit; \$50,000 for kitchen and bathroom materials and labor; \$20,000 for the floors and ceilings; \$6,000 for appliances; \$25,000 in electricians' fees; and a miscellany of other significant fees. These figures add up to the typical \$100,000–\$200,000 costs of renovating a studio apartment like the one we visited. ([City Journal](#))**

But architects and permits—and their fees—can be scratched for most renovations of warehoused apartments. The New York City government states there need not be an architect or a building permit for

- Ordinary plumbing work ([Section 28-105.4.4](#))
- Minor alterations and ordinary repairs ([Section 28-105.4.2](#))
- Service equipment ([Table 2 of 1 RCNY 101-14](#))

In particular, no permit is needed for

- Painting
- Plastering
- Installing new cabinets
- Plumbing fixture replacement
- Resurfacing floors
- Non-structural roof repair

Work that doesn't require a permit is often legally done by a building's handyman or superintendent.

### **Types of work needed**

Where the landlord has maintained the apartment during the previous tenancy, only **cosmetic work** may be needed. This would include spot plastering, sanding, priming, and painting; retiling the bathroom; replacing the vanity; replacing door knobs, locks, kitchen cabinet hinges and doors, electrical covers and ceiling switches; and refinishing floors with sanding and polyurethane. No architect or permit is required.

Sometimes, the renovation must also replace or repair windows, doors and their frames, closets, kitchen counters and cabinets, bathroom fixtures, and even drywall and baseboards, as well as a new floor overlay or replacement, and electrical upgrade. This would be **moderate renovation**. Even here, no architect or permit is required. (While removing, adding, or moving non-load-bearing walls requires a permit, just repairing existing walls does not.)

Where the landlord has not maintained the apartment over previous years or there has been a major flood or fire, a **gut renovation** may be required. That means removing everything in the apartment, and then releveling floors, possibly reconfiguring the apartment and relocating plumbing, and installing a new bathtub—as well as the lighter work above. If there is no

change in electrical wiring, no reconfiguration of rooms, or changing the apartment entrance, no architect or permit is required. A licensed plumber and licensed contractor are required as are permits for removing, adding, or moving non-load-bearing walls, changing the egress, and repairing or modifying gas connections for stoves.

### **Fixing underlying problems**

During any repair, the workers must find the source of any problem—like a bulge in the wall—and fix it before further renovation. The source might be poor ventilation, radiator leaks, or water coming in from outside through windows or bricks, or from upstairs, for example. Clearing and covering an isolated bulging area is easier than drywalling the entire wall.

If there are no underlying problems, the apartment can be renovated quickly.

### **Recent Example: 788 Columbus Avenue, Manhattan**

The long-term tenant vacated rent-stabilized apartment 17R at 788 Columbus Avenue in Manhattan's Park West Village in 2023, leaving a unit in deplorable condition. The apartment remained vacant, along with 59 others vacated over the previous four years. Then in July 2025, over two weekends, working six hours a day for three days for a total of 18 hours with no permits required or filed, day laborers renovated the apartment. The other 59 homes were renovated in similar periods of time.

The materials, including flooring, fixtures, and all other supplies, appear on Home Depot's website, used here as a pricing source. No doubt many larger landlords buy renovation materials in bulk at a reduced price.

Giving the landlord at Park West Village the benefit of the doubt: At \$400/hour—the highest typical fee for a contractor in NYC (even though the work was performed by day laborers)—and assuming four workers each working 18 hours, the total labor for that one apartment renovation would have come to \$28,800. Even adding in the electrician's fee at the \$25,000 cited (an exorbitant figure since licensed electricians get \$50 to \$150 or so an hour on average in New York City and the apartment was not entirely rewired), that would bring the total cost to only \$58,000. The materials themselves are inexpensive, coming to an estimated \$6,000.

The photos below show apartment 17R after the renovation.



17R photos show bottom- or mid-line items seen on Home Depot's website.

**Kitchen Fixtures Total: \$1,869**

**Stove:** \$600

**Kitchen faucets:** \$55 or less (they are old style, with separate knobs for hot and cold water)

**Refrigerator:** \$499

**Top cabinet:** \$215

**Bottom cabinet & sink:** \$500

**Bathroom Fixtures Total: \$2,854**

**Vanity:** \$159

**Mirrored medicine chest:** \$100

**Two small shelves under the mirrors:** About \$20 each

**Toilet:** \$197

**Doorknob:** \$22

**Wall Tiles:** About \$1.70 per square foot (not clear the size of the room. If each wall is 4' × 8', that would be \$544 per wall, or \$2,176 total, less the space taken by the fixtures.

Floor tiles: about \$10 per square foot, or \$160. (Note: If the original tiles are vinyl asbestos, they can be left in place, sealed and covered. This could add \$240 for every 200 square feet to the cost.)

**Bedroom:** Air conditioner: \$530

The doors all appear original and were not replaced.

**Floors:** Vinyl flooring at \$1.55 per square foot, for a total of \$1,433.75 in the 925-square foot apartment.

### **Additional Costs for basic repair and painting materials**

For a cosmetic renovation, compound, plaster, primer, and paint with a 3 millimeter drop cloth will be enough.

- 1–2 buckets of compound at \$25 each should cover the room depending on the condition of the walls.
- One \$25 bag of plaster used for filling deeper gaps and holes.
- \$32 primer, 1–2 buckets (same size as compound).
- \$32 white latex paint, 2–4 buckets (same size as compound buckets).

## **Work Needed for One Dilapidated Apartment**

This documentary short shows a dilapidated apartment requiring repairs, suggested below.

### **Example 1 Drywall Alone**

To drywall a 12' × 12' room and ceiling 9 feet high will require about 15 sheets at \$21/sheet. That comes out to about \$305 per room before taxes and delivery. (No permit is required.)

### **Example 2 Metal Framing and Drywall**

Uneven walls may require metal studs, which take up 3" (thickness) per wall.

A 10' × 10' room might need four female metal studs (one attached to the ceiling, the second attached to the floor; one vertical for the left side of the wall, and another vertical for the right side of the wall, with male studs vertically spaced in between every 16 inches) and six male 10' studs at approximately \$14 per stud.

A metal-studded wall can easily go up in *30–45 minutes*. Therefore, one metal-framed wall (no drywall) will cost approximately \$84.

Configuring the three sheets (\$21 each) of drywall to the frame will come out to \$63 without the compound, primer, and painting. It should take an additional **20 minutes** to put up.

Frame	\$84
Drywall	\$63
<b>Total (10' × 10' wall)</b>	<b>\$147</b>

A crew of two or three can usually complete two rooms in three or four days; however, that depends on the type (depth) of renovation.

**The toilet needs a new O-ring wax seal.**

**Cost of the ring:** \$10. The work takes about 20 minutes and can be done by the building handyman or super.

**The shower’s base drain pipe** may need to be replaced.

The base drain pipe sits inside the building’s waste pipe. If it does need replacement:

- New base at \$170 and up
- Retiling at \$0.59 up to \$10 per square foot
- Grouting at about \$15
- Possibly marine drywall or cement at \$16 for 4' × 8' board

It can be done by the building super or handyman.

**Repairing a gap in the ceiling**

The visible ceiling gap in the video will require metal framing with three or four female 8' studs and four male 8' long studs, each about \$14. Approximately one to two sheets of drywall at \$21 each will most likely be needed to close off the ceiling.

**Materials:** \$152.

Two skilled craftspeople can complete the job in three to four hours or less.

**Broken bathroom floor tiles**

These could be due to the floor not being evenly leveled, or a sudden, extreme temperature change causing the tile to expand and contract too quickly, such as with a hot shower room and a cold tiled floor. This is common with poor ventilation. Providing that ventilation—cleaning the vent, for example—can help. Then the tiles can be replaced.

**Tiles coming off bathroom walls** indicates water has found its way between the tile and the wall. Poor grouting or loose packing around the faucet stem are possible causes. Repacking the faucet stem is \$3.68, and grouting is about \$15.

**Exposed and attempted electrical upgrade** where the wall was not sealed: The wall could be plastered and compounded in less than an hour after removing any furniture blocking the wall.

**Windowsills and peeling wall paint** can be remedied in half a day or so. For wooden windowsills, the handyman can use a paint scraper or wire brush.

**Lead paint:** In a pre-1978 building a test for lead dust (\$300–\$700) is needed. If there is lead paint on window frames, jambs, sashes, and doors (friction surfaces), it must be removed or abated by EPA-certified professionals. If there is no lead paint, use wood filler or putty for repairs, and paint sills. Google AI reports the costs for removal or abatement from friction surfaces at \$10–\$17 per square foot, with encapsulation/enclosure at \$4–\$16 per square foot.

**Scuffed wood floor** can be sanded and polyurethaned in two to three days. The sander can be rented for \$150–\$300 for three days, and the polyurethane would cost \$225 for a 700-square-foot apartment.

## Conclusion

To bring an empty rent-stabilized apartment back to habitability does not cost what landlords claim for work or labor. More importantly, only 3,000 or 11.5% of units need extensive work, according to the New York City Comptroller. Even for that small number, most need drastically less money than the claimed \$150,000. In 2025, Park West Village used day workers to renovate 60 warehoused apartments in a few months—and those apartments are still being warehoused.

Many owners are spending huge sums on buying more buildings and lobbying instead of maintaining what they own.

Since renovation costs are not the issue, rolling back the 2019 law protections to give landlords more money is not the answer.