**Contract Review - RENTAL AGREEMENT**

**Free Preview**

**Summary**

Based on the analysis of the lease agreement, there are several significant issues that could adversely affect your rights and interests as a tenant in New York City. The clauses allowing for arbitrary rent increases, improper handling of security deposits, outdated lease terms, excessive late fees, and broad discretion over security deposit use are all problematic and potentially unenforceable under New York law. These issues suggest that the agreement, as it stands, does not adequately protect your legal rights and may not comply with local regulations. It is advisable not to sign the agreement in its current form. Instead, you should seek to negotiate these terms to ensure compliance with New York City laws and to safeguard your interests as a tenant. Consulting with a legal professional to address these concerns and to revise the agreement accordingly would be a prudent course of action.

**Comments by Clause**

**Location**

No issues found

**Rental Amount**

**High Risk**

**Quote from contract**

*The Landlord reserves the right to increase the rent at any time, at their sole discretion, without prior notice to or consent from the Tenant*

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**AI Insight**

**Copy**

**This clause allows the landlord to increase the rent at any time without notice or consent from the tenant, which is highly disadvantageous to the tenant. In New York City, rent increases are typically subject to regulations, especially in rent-stabilized apartments. This clause could be unenforceable if the property is subject to such regulations.**

**Suggested Change**

**Copy**

**Edit text: The Landlord reserves the right to increase the rent at any time, at their sole discretion, without prior notice to or consent from the Tenant to The Landlord may increase the rent with at least 30 days' written notice and in compliance with applicable rent control laws**

**Fees for Late Rent**

**Medium Risk**

**Quote from contract**

*A late fee will be charged if Rent is not paid on time. Rent paid after the 1st. day of each month will be deemed as late; and if Rent is not paid within 5 days after such due date, Subtenant agrees to pay a set late charge of $125.00*

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**The late fee of $125.00 may be considered excessive under New York law, which generally limits late fees to a reasonable amount, often interpreted as 5% of the monthly rent. This clause could be challenged as unenforceable if the fee is deemed unreasonable.**

**Suggested Change**

**Copy**

**Edit text: Subtenant agrees to pay a set late charge of $125.00 to Subtenant agrees to pay a late charge not exceeding 5% of the monthly rent**

**Security Deposit**

**High Risk**

**Quote from contract**

*No interest shall be paid on the Security Deposit, no trust relationship is created herein between Landlord and Tenant with respect to the Security Deposit, and the Security Deposit may be commingled with other funds of Landlord*

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**AI Insight**

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**New York law requires that security deposits be held in a trust account and that interest be paid to the tenant in certain situations. This clause may not comply with these legal requirements.**

**Suggested Change**

**Copy**

**Edit text: No interest shall be paid on the Security Deposit, no trust relationship is created herein between Landlord and Tenant with respect to the Security Deposit, and the Security Deposit may be commingled with other funds of Landlord to Security Deposit shall be held in a trust account and interest shall be paid to Tenant as required by New York law**

**Medium Risk**

**Quote from contract**

*Landlord may, at its option, apply all or part of the Security Deposit to any unpaid Rent or other charges due from Tenant, cure any other defaults of Tenant, or compensate Landlord for any loss or damage which Landlord may suffer due to Tenant's default*

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**AI Insight**

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**This clause gives the landlord broad discretion to use the security deposit, which could be disadvantageous to the tenant. New York law requires landlords to provide an itemized statement of deductions from the security deposit, and this should be reflected in the agreement.**

**Suggested Change**

**Copy**

**Add text: Landlord shall provide an itemized statement of any deductions from the Security Deposit**

**Keys and Locks**

**Low Risk**

**Quote from contract**

*Tenant is not permitted to change any lock or place additional locking devices on any door or window of the Property without Landlord's approval prior to installation*

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**AI Insight**

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**This clause restricts the tenant's ability to change locks, which could be problematic for tenant security. While it is standard for landlords to require a key, tenants should have the right to change locks for security reasons, provided they give a copy to the landlord.**

**Suggested Change**

**Copy**

**Edit text: Tenant is not permitted to change any lock or place additional locking devices on any door or window of the Property without Landlord's approval prior to installation to Tenant may change locks for security reasons, provided a copy of the new key is given to the Landlord**

**Term**

**High Risk**

**Quote from contract**

*The term of this lease shall be for one (1) year and -0- months, and shall commence on the 1st day of January 1997, and end on the 31st day of December, 1997, inclusive*

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**AI Insight**

**Copy**

**The dates specified in this clause are outdated and incorrect, which could lead to confusion or disputes regarding the lease term. It is essential to ensure that the lease term reflects the current agreement.**

**Suggested Change**

**Copy**

**Edit text: The term of this lease shall be for one (1) year and -0- months, and shall commence on the 1st day of January 1997, and end on the 31st day of December, 1997, inclusive to The term of this lease shall be for one (1) year, commencing on [start date], and ending on [end date]**