

The New York Times

Will the Loss of a View Lead to Lower Maintenance Costs?

November 25, 2017



Credit Nadia Pillon

Q. *I live in a Manhattan co-op with open East River views. But a building will soon rise next door, abutting much of our 20-story building and obstructing most river views, including mine. The value of my apartment and others will certainly take a hit, yet our maintenance costs, which include property taxes, are high. Might the city take this change into account and reassess our property? Or, could other maintenance costs be reduced? I am concerned that when I go to sell my apartment without the coveted views, the high maintenance will be an instant deal breaker.*

A. “In New York, the first thing buyers do is they walk to the window,” said Tony Sargent, an associate broker with CORE. “They want to see what’s outside.”

So yes, a river view matters. Mr. Sargent estimates that waterfront apartments that have a river view fetch around \$300 more per square foot than those without.

Once that building goes up, your property value might take a hit. Could you get a discount on your maintenance just because your apartment has lost some value? No. Maintenance pays for common costs like the building’s property taxes, fuel and labor. Unless those costs fall, your maintenance will not change.

How much you pay in maintenance is determined by how many shares of the corporation are allocated to your apartment. That allocation was determined when the co-op was established — and it won’t change, even if your window now looks out at a wall and not a river. “Shares are allocated to each apartment and they’re set,” said Dennis H. Greenstein, a real estate lawyer and partner in the Manhattan office of the law firm Seyfarth Shaw.

If building costs were to drop, maintenance could fall for all shareholders. But that is not necessarily going to happen as costs like fuel and labor tend to rise, not fall. Consider property taxes. The city values co-ops as if they were rentals. An assessor compares your

building to similar rental buildings to figure out its value. If the assessor finds that, say, rents have gone up in the area, but the total potential rent roll has increased, the building's taxes could rise (even if some apartments have lost a view), said Paul J. Korngold, a tax lawyer and partner at the Manhattan law firm Tuchman, Korngold, Weiss, Liebman & Gelles.

Your concern is absolutely reasonable. As a consolation, try to remember that property values do generally rise in New York, particularly in Manhattan. So, when you eventually sell your apartment, it might be worth more than it is now, even without that view of the water.