

January 7, 2022

Senate Standing Committee on Judiciary
Chair: Senator Brad Hoylman
Legislative Office Building, Room 310
Albany, New York 12247

Senate Standing Committee on Housing, Construction and Community Development
Chair: Senator Brian Kavanagh
Legislative Office Building, Room 512
Albany, New York 12247

RE: Public Hearing on Good Cause Eviction Proposal (S.3082/Salazar)

Good afternoon Senators,

On behalf of more than 64,000 small businesses, the New York State Association of REALTORS® appreciates the opportunity to comment about our strong opposition to Senate bill S.3082.

NYSAR fully supports safe and affordable housing for all tenants and homeowners, however we do not believe the bill being considered today is the solution to New York's housing challenges.

Most landlords are small businesses. The vast majority are law abiding and are responsible partners with their tenants. These housing providers have suffered financial instability during the pandemic as much as the tenants this bill aims to aid. Their plight was made worse by government eviction moratoriums.

We believe good cause eviction is unreasonable during a pandemic or otherwise. S.3082 contains significant concerns for small businesses that justify no action by the Senate. First, it would impose a random statewide rent cap of 3 percent or 1.5 times the regional consumer price index on many rental properties. Second, the legislation creates a perpetual lease, inhibiting many small business's ability to manage their private property after a contractual lease has expired.

A major flaw is this bill does not account for ever-increasing expenses related to owning and maintaining multi-family buildings. Property taxes increase every year along with the cost of goods and services including building repairs, appliance replacements, water and utility costs. A hard cap on rent ignores the these increases, many of which are government-imposed.

One unintended consequence of this legislation is that it will lead to small property owners selling their buildings, thereby removing the local hands-on approach they take to care for their tenants and properties. This will lead to an increase in investor or corporate ownership of multi-family housing and less mom and pop, smaller owners.

Jennifer Vucetic
President

John Vernazza
President-Elect

Joe Rivellino
Secretary/Treasurer

Duncan R. MacKenzie
Chief Executive Officer



New York State Association of REALTORS®, Inc.

New York State Association of REALTORS®, Inc.

130 Washington Avenue | Albany, NY 12210-2220

P 518.463.0300 | F 518.462.5474

info@nysar.com | www.NYSAR.com

Another unintended consequence of further tightening restrictions on landlords is that more owners will turn to hosting platforms such as Airbnb, rather than continuing to provide long-term stable rental housing. Many of our members have already seen this shift happening in their markets. Owners are pulling their units off the market to avoid New York's rent regulations and are now using their properties for short term rentals. Good cause legislation will only exacerbate this trend and further reduce available rental units.

There is no doubt that housing prices and costs are rising. The problem is low housing inventory. Our state's housing supply is simply not keeping up with demand and this bill will only widen that gap without creating a single new unit of housing. The legislative solution is new and innovative ways to build more workforce and affordable housing.

We believe the state's time and resources are better spent implementing programs to incentivize development of all housing opportunities including the NYSAR supported first time home buyer tax deduction program which is similar to New York's 529 education savings program.

Home ownership may not be for everyone, but there is no dispute that home ownership is a key to long term and generational wealth. The time is now to pass that bill as part of a comprehensive housing program.

As the largest trade association in New York State, REALTORS® strongly oppose S.3082.

Thank you again Senator Kavanagh, Senator Hoylman and Senate Housing and Judiciary Committee members for holding this public hearing and taking the time today to listen to the concerns of property owners across the state.

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